

Human Resource Management / Organisational Behaviour Stage 2

December 2009

Solutions

SECTION A

Answers will be expected to expand on the major points below, but a different approach to the topics may be acceptable. Marks will be given for relevant diagrams and references to researchers.

Question A1

Constant learning and change cause anxiety and stress. The 21st century leaders will have to manage their own and others' anxiety and recognise and act upon the fact that organisations have different needs and problems at different stages in their evolution. Another challenge will be the increasingly global nature of business. This means that leaders of the future will no longer be able to focus solely on the needs of their own organisations, drawing distinctions between 'insiders' and 'outsiders', but build bridges and, through cosmopolitan leadership, reach out to partners world-wide.

All the challenges to leadership of flatter organisations, with self-directed teams, will increase this century. Not only will managers have to give up positional power and become coaches and facilitators, they may also have to give up the title of 'manager' as this term is gradually being dropped in favour of 'lead partner', 'facilitator' and 'team leader'. This fits in with the view that, as the nature of the distribution of power is changing due to the growth of knowledge organisations and the expansion of computer networks, in future there will be a move towards 'grass-roots' leadership independent of rank or status. The power of such leaders will come from their expertise, relationships and charisma.

The 21st century leader will both set the vision and be personally involved in its effective implementation as a cheerleader, supporter and encourager. Schein, who recognised leaders' need for emotional strength to manage anxiety, has suggested that 21st century leaders will also have the following characteristics: extraordinary levels of perception and insight into the realities of the world and into themselves; extraordinary levels of motivation to cope with the levels of pain of constant learning and change, in a setting where loyalties are difficult to define; new skills in analysing cultural assumptions and enlarging organisational cultures; the willingness and ability to involve others in a participative partnership; and the willingness and ability to share power and encourage leadership to flourish throughout the organisation. Leaders who do not exhibit all these qualities in today's organisations will have to change to survive in the 21st century.

(Kahn pps A1/34-35)

Question A2

Deal and Kennedy (1982) argue that culture is the single most important factor which determines the success or failure of an organisation.

They identify four key dimensions of culture: values, heroes, the rites and rituals of the organisation, and the culture network.

Deal and Kennedy also characterise organisations based on two other factors. Firstly, how quickly individual employees receive feedback and rewards after they have carried out some activity, and second, the level of risk that employees take.

From this view, Deal and Kennedy produce a 2x2 table to show four possible organisational cultures - Work-hard, play-hard culture, Tough-guy, macho culture, Process culture, and Bet-the-company culture.

(Kahn pps 7/22-7/24)

Question A3

Organisations are made up of many groups, such as departments, teams and task groups which do not always work together in harmony. A degree of tension leading to some conflict is necessary to enable the group to perform well, for example through outcomes such as clarifying goals, establishing common goals, increasing understanding of differences, injecting humour and creating a sense of fairness in the decision-making process (Eisenhardt et al., 1997). Where such healthy conflict exists, it is possible that the group has developed norms and methods of preventing unhelpful escalation of the conflict. However, inter-conflicts can often become serious and have a negative effect on the functioning of the organisation.

The four common causes of inter-group conflict are Objective Dependence, Competition between Groups, Economic Factors and Discrimination.

Reducing conflict between groups (conflict management) can be achieved by emphasising or introducing higher-level or super ordinate goals; giving groups greater autonomy, thus reducing interdependence; expanding available resources, if possible; mutual problem solving; a formal appeals system; the exercise of formal authority; merging the conflicting units; and increasing interaction can help groups find common interests that can reduce conflict and facilitate cooperation.

Where inter-group conflict arises in relation to evaluation and rewards, evaluation criteria and reward systems can be adjusted to reward cooperation.

(Kahn pps 6/26-6/30)

SECTION B

Question B1

Guideline answer:

A good answer would start by defining what is meant by performance appraisal. A discussion setting out the aims / purpose of appraisal should follow and this should include evidence of the reasons why organisations have introduced it. A good essay would set out the student's position on this issue. A good answer would note that appraisal is not a 'stand-alone' technique but is something that is integrated within the organisation's performance management processes. A good answer would also highlight what is termed 'legally defensible' appraisal i.e. standards should be based on job analysis, standards should be communicated to employees, evaluations based on specific dimensions, raters should be trained, the appraisals fit the cycle of work and there should be a formal appeals process (Parsons; 2004). On the basis of this a good student would be able to point out the difference between judgemental and developmental purposes of appraisal.

The answer should then focus on some of the weaknesses inherent in appraisal e.g. lack of training on managers' part, no clear outcomes, a paper gathering exercise, lack of management commitment, they are backward looking, managers not clear about what they are appraising, lack of preparation by both parties, prejudice, halo effect, recency, and managers do not like 'playing god'. The good student should also note the extent to which appraisal has become an instrument of managerial control and there is a plethora of recent literature on this point.

A conclusion restating the student's position and which addresses the key issues should be provided and state clearly the extent to which they agree or disagree with the question.

Question B2

Guideline answer:

A good answer would introduce the area of training and development and outline some of the reasons why organisations train staff. An outline of the training cycle - plan, design, deliver, evaluate - should be included and a diagram showing it would be acceptable. A good answer would also note where and how the training need is identified e.g. through performance reviews / appraisals, critical incident evaluation, quality audits, exit interviews etc.

A good answer should note that the evaluation stage is considered the most difficult and contentious.

There are several 'models' of evaluation the student could refer to including Kirkpatrick; Ward, Bird and Rackham; and Birdi.

Birdi identifies 5 outcomes that can be assessed: (1) Individual-level outcomes (2) Knowledge outcomes (3) Behavioural outcomes (4) Instrumental outcomes (5) Organisational-level outcomes.

These are broadly similar to Kirkpatrick's outcome approach: (1) Evaluating the training (2) Evaluating the learning, (3) Evaluating changes in job performance, (4) Evaluating changes in organisational performance.

The student should consider also when the evaluation is carried out and who evaluates the training.

Question B3

Guideline answer:

A good answer will cover some or most of the following points:

- The discussion should **define** what is meant by HR planning and provide an outline some its aims. For example, Keenan and Paterson (2009) state that it is 'the systematic and continuing process of analysing an organisation's HR requirements under changing conditions and developing resourcing strategies appropriate to the longer term effectiveness of the organisation.
- The **aims of** HR planning are said by the same authors to be: anticipating the problems of potential surpluses or deficits of human resources; developing a well trained and flexible workforce and reducing the organisation's dependence on external recruitment.
- An outline of the **stages of HR planning** e.g. analysing the current HR utilisation; forecasting the demand for future human resources; forecasting supply.
- The student could argue that while HR planning may provide the senior management team with the data necessary for them to make informed decisions about the stocks and flows of people in their organisation, HR planning fails on a number of counts.
- It is not and has not been taken seriously by organisations. Many (Kerfoot and Knight; Rothwell) argue that it became over-theoretical and divorced from organisational realities.