

Human Resource Management / Organisational Behaviour Stage 2

June 2010

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

A description of each model of leadership should be given.

- (a) The Vroom and Yetton theory proposes five styles of leadership decision-making: autocratic 1 and autocratic II, consultative I and consultative II, and group G. The leader should ask seven questions to help decide what style to use.

The model has been criticised in that there is scope for bias by the leader in evaluating the followers, subordinates prefer a participative approach, the model appears to be more applicable to managers than followers, and the model does not take the leader's implementation skills into account.

- (b) The Graen and Cashman model assumes that managers treat staff differently, and form in-groups and out-groups. Staff in in-groups, assume greater responsibilities, and are rated higher than members of the out-group. They also show higher job satisfaction and performance. But turnover is not reduced, despite what the theory hypothesises. There are other criticisms of the theory: it often relies on self-ratings by the subordinates, rather than objective measures; the model has been mostly tested not by independent researchers, but by the designers. Finally, the reasons why leaders choose staff to be in the in-group and out-group are not clear.

Kahn pp 5/15-5.18

Question A2

Individuals can use five major stress management techniques:

- Relaxation training.
- Biofeedback.
- The application of cognitive techniques.
- Exercise.
- Improved time management skills.

At the organisational level, managing stress can be helped by introducing:

- Stress Management Programmes.
- Employee Assistance Programmes.
- Physical exercise facilities.

Management can also look at job design, role conflict, inadequate staff resources, management style, personnel selection and training, ergonomics, and homeworking, teleworking or flexible working hours. Stress audits might also be considered.

Kahn pp A1/50-A1/51

Question A3

Among the techniques which can be used by both managers and those at a lower level are the following, which should be expanded in an answer:

- Build and image of success.
- Create an obligation in others.
- Identify with powerful people.
- Give excellent performance.
- Limit others' access to information.
- Control supplies and budgets.
- Develop a network.
- Reorganise the job.
- Take risks and be creative.
- Become a knowledge worker.
- Manipulate rules.
- Control personnel decisions.
- Control financial resources.
- Manage your boss.

Managers might use the following in addition:

- Manage the agenda.
- Control decision parameters.
- Use external specialists.

Kahn pp 4/25-4/28

SECTION B

Question B1

(a) The main forms of flexibility are:

- **Functional** - task flexibility.
- **Temporal** - relates not only to the number of hours worked but also their configuration e.g. annualized hours, flexi time and '5 in 7' contracts.
- **Numerical** - where the head count can be increased or decreased according to peaks and troughs in work or production schedules.
- **Financial** - at the individual level can mean PRP, different pay bands, and multiple pay strategies including bonus payments based on competencies.

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

The 'model' was developed by John Atkinson with his colleagues at the Institute of Manpower Studies in the early 1980s and they were the first to distinguish between **core and peripheral workers**. The discussion should note that the model attracted critics and advocates in almost equal measure with the critics, principally academics, arguing that whilst it was superficially attractive, it was overly prescriptive and flawed in theoretical terms. The distinction between core and peripheral workers can be summarized by the following:

- Core workers are the career workers of the organisation who enjoy relative job security in return for various forms of flexibility.
- There is investment in their training and development.
- Access to pension schemes, sick pay and holiday entitlement.
- High level of commitment to the organisation.
- Psychological contract still has meaning.

Critics argued there was little evidence that firms were adopting the model in a strategic sense and used it instead in a piecemeal or ad-hoc fashion in response to changing market conditions. There was also controversy over the meaning of 'core' and 'peripheral' workers and their defining characteristics.

Managers valued the model for the emphasis it placed on the division of the workforce into core and peripheral workers as it gave them, it was argued, a degree of financial flexibility which hitherto they had been denied. By separating the workforce into two distinct categories it gave the organisation a greater range of employment strategies and overcame some of the difficulties associated with HR planning. By having, in effect, a 'just-in-time' workforce that could expand or contract in line with labour market conditions, organisations could divert resources away from employment strategies such as security of employment, career development and guaranteed wage rates. High level skills can be brought in when needed on a sub-contract basis and the termination of a contract does not involve the organisation in expensive employment liabilities such as redundancy payments. The organisation can also outsource work which it deems to be peripheral and this might include areas of HRM such as payroll and training.

Question B2

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

The student should introduce the area of reward management and briefly state the key objectives or reward management for both employees and the organisation. According to Armstrong (2006) it is concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in line with their value to the organisation and thus help the organisation achieve its strategic goals. It would then move on to outline or mention some of the aims of reward management and these might include:

- Reward people according to what the organisation values and wants to pay for.
- Reward the right things that convey the right message about what is important to the organisation.
- Motivate people.
- Develop a performance culture.
- Attract and retain the right people.
- Create total reward processes.
- Operate fairly.
- Apply equitably.
- Function consistently.
- Operate transparently.

A good answer would also note that reward policies will be linked to reward strategies which are longer term in their perspective. According to Armstrong, reward management is an integral part of an HRM approach to managing people and as such it should support the achievement of business strategy, is integrated with other HRM strategies such as HRD and it should address longer term issues relating to how people should be valued for what they do and what they achieve. Examples should be provided here to illustrate this area.

The means by which a reward system might be accepted as reasonably fair and objective is through a job evaluation exercise. Students should outline the aims of job evaluation and some of the reasons why organisations might introduce it. A good answer would also highlight the two main forms i.e. analytical and non-analytical and provide a brief commentary on each.

Question B3

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

The student should outline the meaning purposes of assessment centres. Assessment centres are used as part of the selection process and incorporate multiple selection techniques including group discussions, psychometric tests, work-simulations, interviews and presentations. Assessment centres are used to assess, in depth, a group of broadly similar applicants using a set of competencies and are played out in practice. The rationale is to increase reliability and validity in the selection process. The spread of tests are used to generate information about aspects such as:

- The candidates' ability to work under pressure.
- Interaction with others.
- Preferred working styles.
- Ability to think quickly.
- Ability to make numerical estimates.

Assuming that every competency has been correctly identified, an appropriate range of tests must be put in place so that every competence will be measured by more than one task. It has been argued that the breadth and depth of the tests make assessment centres a highly effective way of selecting candidates. This, it is said, is due to the use of multiple measures, multiple assessors and predetermined assessment criteria. There is evidence of increasing use of assessment centres according to the CIPD with reports that approximately 50% of organisations in its survey used them for selection.

Some of the disadvantages include cost, time-consuming procedures, for both the organisation and the candidates. The time commitment is extended by the need to give feedback to every candidate who has been through the process. It also assumes that the competencies for each job have been clearly established and that the assessors understand them. The accuracy of the documentation required including job descriptions and person specifications is paramount and these must be current and realistic description of the job and the demands placed upon the job-holder.