

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
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TITLE OF PAPER: Human Resource Management I

DEGREE AND YEAR: Bachelor of Commerce III

COURSE NUMBER: BA 306

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF FOUR (4) QUESTIONS
2. EACH QUESTION IS COMPULSORY

NOTE: You are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

GOOD LUCK !!!

Human Resource Management I (BA 306)

Main Examination (Total: 100 marks)

All Questions are Compulsory (Total: 4 Questions)

1. Read the article (Resource 1) “The credible journey” and use it to answer the questions that follows. This article presents a range of opinions on the credibility and role of human resource professionals.

- a. Explain three benefits, which human resource managers could gain from having had line management experience, that are likely to be of value when dealing with people management problems in 50-100 words. (13 marks)
- b. Explain three reasons why it is beneficial to employ human resource professionals, based on this reading in 50-100 words. (12 marks)

2. Suppose you are interested in the development officer job at Bonnypark District Council. You phone for, and receive the attached application form (Resource 4). You also received a job description and person specification attached. The person specification follows Rodger’s seven-point plan, which is described below.

Rodger (1953) describes a commonly used plan categorizing desired qualities under seven headings:

- **Physical qualities** – including speech and appearance
- **Attainments** – qualifications, membership of professional associations
- **General intelligence**
- **Specific aptitudes** – such as numerical ability
- **Interests and hobbies**
- **Personality**
- **Domestic circumstance**

Using all the information accompanying this case, answer the following questions:

- a. Examine the reliability and validity of this application form in providing information for the selection process. (9 marks)
- b. Where can you find evidence for the essential and desirable feature shown in the person specification? (8 marks)

- c. Write down the title(s) of the section(s) – if any – on the application form, which provides evidence for each feature in the person specification. (Hint: you might find it helpful to fill in the application form with your own details first). (8 marks)

FAIR CHANCE OF A JOB IN IT

The Web is no substitute for a face-to-face meeting when seeking employment, writes Tim Phillips.

“Last year we had 46,000 CVs sent to us,” admits Janet Knott, head of resource management at Cap Gemini. “After a while one CV can begin to look like another. Meeting those people face to face gives them a better feel for us, and us a better feel for them.”

Cap Gemini is one of the first-time exhibitors at Exhibit 99, the new recruitment fair for IT professionals running today and tomorrow in London’s Russell Hotel. Organisers Computer Publishing plan three shows this year, and, if Exhibit is a success in London, shows in other parts of the UK.

It is an unlikely time to be organising a recruitment fair, as the job market is increasingly dominated by online recruitment through searchable Web sites, which simply post a list of vacancies with a telephone number. “At the moment I find 95 percent of my permanent staff through JobSite, and almost 100 per cent of my contractors through JobServe,” admits Carl Beetham, managing director of specialist recruiter Unix Connections. So why is he giving up two days to run a stand in the Russell Hotel?

Web-based recruitment, he says, is ideal for lower skilled jobs in areas like PC support. For Beetham, the highly qualified permanent staff with practical experiences that he calls “gold dust” is those candidates the Web does not deliver: “People who make the effort to come through the door of an exhibition are serious about wanting a job. We need to find sharp, astute individuals here.”

“We set up ExhibIT because the recruitment agencies and employers that we dealt with wanted a new way to meet IT professionals,” explains organiser Simon Bennie. “Over the two days they will each meet hundreds of potential employees.”

In addition, the 2000 IT professionals that Bennie is expecting to attend can meet 21 potential employers too. Rubbing shoulders with Cap Gemini are employers like British Gas Trading and recruitment agency Chamberlain Scott.

For Cap Gemini’s Knott, who has to find 2,000 permanent IT staff in the next 12 months, ExhibIT 99 is a low-risk way to find high-quality candidates. “If someone joins us as a result of this show, then they have already met the company, and they turn up for work knowing what to expect. They have a chance that they would not otherwise have to meet our people.” She adds that in Cap Gemini there is competition to operate the stand from team leaders who want to bag the best new recruits.

Another participant is recruitment agency Computer People, who’s marketing manager Tony Ahmet freely admits that he has a “need everywhere” for job candidates. “We get thousands of emails a day offering us CVs, but we like to see people before we place them with companies. This event lets us have a more rounded conversation [with them].”

As skill shortages – particularly for permanent positions – continue, exhibitors know candidates are interviewing them as well. “Some of our visitors will be window shopping,” says Knott.

“Everybody else at ExhibIT is our competition. We have to look good,” admits Beetham.

The result: there is more on offer than just jobs. For example, at the Computer People stand, Ahmet will be dispensing advice that is more general alongside the hard sell. Visitors can get tips on presenting their CVs, or advice on skills training. “Certainly we expect most of the visitors to be there because they want a job,” he says, “but we’re open to any sort of conversation.”

At mortgage broker John Charcol's stand, consultant Andrew Garber will also be making a different sort of pitch. He is not here to recruit contractors, but to help them get mortgages. Traditionally, even the best-paid IT contractors have been unable to get loans, he explains, because they are self-employed, are perceived as having low job security and too few years of trading behind them. "Lenders don't understand them. We help lenders to look at the issue a different way, and the lenders learn to like the contractors." As part of the show, he is giving a seminar on financial planning.

The Web may have changed IT recruitment, but the experience of recruitment fair organisers shows there is still a need for job seekers and potential employers to look each other in the eye. VisIT, a similar fair that holds regular small shows throughout the year, claims to have found new jobs for more than 1,000 IT staff in 1998.

"The Web is all quantity, and I want quality," says Beetham. "I have 130 e-mailed CVs to go through today, and at least 65 I know now I can't help. With respect, I'm not interested in people e-mailing me job applications from Romania."

- 3. Read the article "Fair chance of a job in IT." The article indicates that applicants and employers consider that direct contact at recruitment fairs leads to better job matches. Write down the most important reason for this belief from the employer's perspective. In addition, indicate if this belief has any validity and/or reliability. Why or why not? (25 marks)**

- 4. Reflect on our discussion on references. Write about 25 words in each case to amplify the following statements. Moreover, in each of these statements address the issue of validity and reliability.**
 - a. It is wise to obtain references for all new recruits. (6 marks)
 - b. References selected by candidates will not necessarily provide unbiased references. (6 marks)
 - c. It is best for former employers to provide references on request. (6 marks)

- d. Recruiters should limit reference requests to a short list of factually verifiable items. (7 marks)

Resource 1

The credible journey

With people now widely regarded as the most important source of competitive advantage, personnel professionals have an unprecedented opportunity – and responsibility – to contribute to business strategy. But what qualities are needed to ensure credibility with senior directors? *People Management* asked five of HR's finest to reflect on how they influence their top management teams.

Ward Griffiths There are some indications that over the past five years or so, personnel functions have become more closely involved in developing business strategy. Is that the case in your organisations, and what does it mean in practice?

Carmel Flatley Strategy-making is a big opportunity for HR people, because in many organisations the function has responsibility to drive the development of the executive team – and what do top executives need to be better at? So if you are an HR director who knows about the business, appreciates where it should be going and understands the external influences, competitive pressures and so on, then you can be a driver of the whole strategic process. In McDonald's that process – of making sure that strategy is on the agenda at executive meetings – is largely driven by me.

Don Beatie I would certainly expect the HR director of my corporation to be able to contribute as an equal to business strategy. I'm not sure I would go as far as Carmel in seeing business strategy being driven by the HR function, but I do think that it depends on the nature of the business, and I can see how a highly service-orientated business might give more opportunities for HR to be in the driving seat. But this whole issue about having the ability to operate as an equal in the team and to contribute to strategy-making is fundamental.

Ron Collard I agree. It's all about personal credibility. Don's point about being seen as equals is crucial. In our business, despite the fact that everybody recognised it was a people business, for a long time nobody thought HR had a contribution to make. Then there was a growing recognition that in the 1990s people issues were becoming very complex. We have highly talented professionals who can be tempted away at any moment. Suddenly our people were a key part of the strategic agenda, and the need for a credible HR professional to contribute at the top level became more and more important, and therefore accepted.

WG Let's look at what goes into credibility. Is it status, is it relationships with the chief executive or other line managers? Is it to do with delivering a specialised expertise in a particular way in the organisation or environment you find yourself in? How do you as individuals exercise influence?

Nickie Fonda That's a complex question. On the one hand you need a real ability to think like a chief executive. On the other hand, if that is all you do, then the danger is that people won't be paid on time or basic industrial relations will be in a mess. So HR needs not only to be astute in business terms, but also very tidy operationally. This is particularly so with HR, because, except maybe in finance, I'm not sure that there's any other profession where such a wide span of capability is called for.

DB For a start, you've got to have a fundamentally sound relationship with at least the chairman, the chief executive and the finance director. More generally, you've got to be able to meet your line management colleagues on their wavelength – to discuss things in their terms. Then it's all about the relevance of your contributions and your ability to deliver what's needed. And influencing skills are crucial, by which I mean the capacity to listen, absorb and modify other people's positions. All these things together are what builds credibility.

RC Influence also comes from all the individual relationships you have. Each of those people has their own organisational issues, and you need to be seen as somebody who can work rigorously and independently with them, challenge them and help them to understand the issues. You have real influence if and when you're seen as somebody who can help people individually, and the relationship changes from simply an organisational one and also becomes a personal one.

I'll give you an example. One of our board members who ran our biggest business and was responsible for a real breakthrough four or five years ago rang me up and said: "I can't imagine taking any major business decision now without you sitting there." That degree of influence was built over time and was built on helping him as an individual.

CF The relationship you have with key people also depends on how sound your judgement is – on whether the outcomes of the things you recommend over time are seen to be successful. That, of course, depends on professional competence. One of the things that can help to give you credibility is line management experience. You have to prove yourself less in HR if you have that behind you, and I'd recommend all HR people to try to pick this up over time. It gives you the ability to stand up, take the flak and be robust enough to hold up a mirror to the company. Everyone likes to talk about the company's successes, but it's important for someone to point out the issues that must be addressed.

The other thing that has given the HR department credibility in McDonald's is the way that it has taken the people issues and the soft skills and turned them into hard measures: of turnover, training input, legal spend and suchlike. I think that's what Don meant when he talked about the HR function being on the same wavelength as the finance director, the marketing director and the chief executive. It's so important.

RC Perhaps I'm a heretic, but I am not convinced that line management experience is necessary. The fact that we haven't run a factory or whatever is not important if we can show that we understand the business issues. Finance directors don't go around worrying about their lack of line management experience. I think we have to have the confidence to say to people: "We understand your business".

DB I was struck by the phrase that Carmel used – holding a mirror up to the organisation – by which I understand she means challenging conventional thinking. I find that external benchmarking can be useful for this purpose, and can strengthen the credibility factor. Some organisations can be remarkably inward-looking, and the HR department can challenge this by holding up the external reference points and saying: "How is it that those guys over there are managing to do it like that while we're still doing it like this?"

WG That raises another question. Some writers suggest that by closely aligning the personnel function with business management, we find it harder to challenge the

conventional thinking and values of the organisation. What you're saying seems to contradict that suggestion.

RC Yes, I completely agree with Don that we need to have the confidence to work with our peers. But at the same time I believe that the personnel role requires us to take a half step back from the close camaraderie that you might get in your senior executive team. And that's a very difficult balance to get right. If you get too chummy, you can't hold the mirror up. But if you don't get chummy enough, then your credibility may be weakened.

DB That's right. One of the tendencies that worries the hell out of me is what I call "The permission-seeking mentality" of some HR functions – the idea that absolutely nothing should be done unless the line management structure says it needs to be done. That's absolute anathema to me. The HR function has to be prepared to walk on stage with a spotlight on it and say: "We believe this because it's fundamentally right for the business for the following reasons." We haven't talked yet about our role as agents of change, but that's also part of the credibility picture. We need to know what needs to change and the skill to make it happen effectively.

WG Nickie, how do you see the role of top personnel specialists as change agents?

NF This issue has been gnawing at me. My experience, working with senior professionals over the past few years, is that a lot of the changes that are needed are big changes, not incremental steps. They are major changes of direction, major changes in capability requirements. But there seems to be a tradition within HR that we want to make a series of little changes. I'm beginning to wonder whether we are gearing ourselves up sufficiently to be able to tackle these big changes.

WG Are you saying there's still a large part of HR that is more concerned with keeping the status quo?

NF I can see why some senior executives might believe that. A good way to illustrate this is to ask what kind of development strategies we have for our people. Do we assume, as Motorola does, that people during their career will go through seven different paradigm changes in the way in which the organisation and their work is construed? Or do we simply assume that we want people to be better at doing today's jobs, with today's responsibilities, in today's organisations? I would guess that in nine out of ten companies the strategy for developing people is stuck in the present. That's not radical.

CF Maybe it doesn't need to be radical. It's important to consider whether people can cope with those big changes. A lot of our people are already dealing with changes in legislation, marketing techniques and the equipment we use. They are flooded with new information from different departments and new expectations in terms of performance. We have to assess how much change they can implement at one time. Also, the rate of change that is needed also depends on how well and organisation is doing. If you're a market leader, perhaps it's a question of gaining inches rather than these big shifts. But if your profits are tumbling, then you are looking for big leaps forward.

NF I'd like to challenge that. Aren't there plenty of examples of companies that were doing well, and which suddenly found the ground taken out from under their feet? Think of the classic business school cases, such as the collapse of Caterpillar's market dominance in earth-moving vehicles, or IBM's in computers. Those

companies hadn't been gearing up to face new sources of competition by developing new capabilities.

DB Yes, a lot of people do believe that the point at which you should think about reinventing the business is when you are at your most successful.

RC Doesn't this discussion show the dichotomy in our roles? One aspect is being involved in strategic change – thinking “outside the box”. The other is taking operational responsibility for ensuring that the people systems – pay, performance, management, development and so on – support that change. I would be in Carmel's camp here. You cannot change all the people systems overnight, because people don't change that quickly. You have to build things incrementally, and that means deciding what the priorities are.

DB Surely this is where the HR strategy, as opposed to the business strategy, comes in? You are testing for alignment all the time, checking whether your systems, processes, skills and culture are aligned with where the business needs to go. That's the bread and butter of HR, and it raises another question: do we have the HR function and the organisation to deliver?

RC I can quote a specific example. In the recession of the early 1990s we realised we needed much more flexibility in our pay systems. This meant introducing bonuses, despite some belief at the highest level that they were inappropriate for a professional services firm. That was a major business change for us, yet there was no way we could have introduced bonuses overnight across the organisation. So we did it in small steps and now we have a culture that thinks bonuses are a good thing.

WG Let's look more at this issue of alignment. How can we ensure there is a good “fit” between HR practices and wider business goals? The American academic Jeffrey Pfeffer says in his latest book that there is now enough research to enable us to identify the components of best practice in HR. These include employment security, selective recruitment, the presence of self-managed teams in devolved business units, extensive training, comparatively high pay, the reduction of status barriers and the open sharing of information. Of course, he would emphasise that you have to take from this list what's appropriate to your business. So how do you as senior specialists decide what should be in your own bundle of HR policies?

CF Once the company has decided what its competitive strategy is, the HR director has to stand back and see how the people strategy fits. For example, our growth strategy at McDonald's means that we have to give a high priority to recruitment and retention. But I think you also have to look at how the culture of the company, its structure, communications, reward system and training and development underpins the strategy – and that's where you draw from the HR toolkit.

DB I agree with Carmel that you can almost put a template over your business strategy and say this therefore means action points one, two, three, four, five to put the organisation structure, the skills, processes, culture, rewards strategy and communications strategy that we need in place.

RC I would buy the template idea, but I'm conscious that a major change in reward systems, for example, is a significant piece of work, and people both within and outside HR can get caught up in the technical details. You made reference earlier, Nickie, to what line management thinks of our role, and quote often they will look back on a major change programme and think, oh yes, that was all about

the new pay system. So the HR leader needs to ensure that his or her colleagues on the top team don't lose sight of the long-term direction.

WG Carmel mentioned measurement systems earlier, but I would ask: how good are we at tracking how what we do impacts on the business? How do you all measure the effectiveness of HR's own contribution.

DB That's an interesting question, because the answer comes at three levels. At a basic level, you can take a measure such as labour turnover, and delve deeper to establish data on, for example, the cost and time taken per recruit. Or we could be a bit more sophisticated and look at the average performance rating of the people who leave the organisation compared to those who stay, which might be reassuring or alarming. The second level concerns line managers and how they rate the effectiveness of the support they are getting from the HR function, and again there are various surveys and structured instruments you can use to measure yourself year on year.

But the really important level is the one not very many of us have got a good grip on – namely, what does HR contribute to bottom-line results? One measure that I would take seriously is the employee opinion survey, where at least you are testing the climate of the organisation. A number of research studies are suggesting that there is a direct correlation between employee satisfaction and customer satisfaction, so an organisational climate survey may be a promising indicator. But any absolute bottom-line measurement of the impact of HR is really difficult.

CF Yes, it's almost blatantly obvious, but we have not been comparing the results of employee opinion surveys and customer satisfaction surveys. Now we're considering how, at the level of individual restaurants, we might poll employees' satisfaction and customer satisfaction at the same time, and come up with an instrument that actually correlates the two.

RC Surely the important thing is that measurement enables you to get into a dialogue on strategic issues. For example, you might set a target that you will retain 90 per cent of your outstanding people. In fact, we thrive on a 20 to 25 per cent turnover. We worry if it's above 25 per cent or below 20 per cent. But the details aren't important. The point is that if you are way off target, that prompts a discussion of the issues and ideas about tackling whatever the problem might be.

WG You seem to be saying that HR must work in a partnership with the line in order to deliver results. What do you do to support and develop line managers to take on their part of the bargain?

CF The HR department's responsibility is to set policy – in consultation with the line, of course – to develop a practical toolkit that line managers can draw from when managing their staff, and to make sure that they have access to all the training they need. We need to use the training to get across the company's philosophy on how to handle people and teach them and motivate them.

NF If HR takes the lead in defining what makes a good manager, then designs the training to enable people to become a good manager and also takes the lead in employee satisfaction surveys to check what people think of their line managers, then in a sense you could say – and I'm being deliberately challenging here – that line management works for HR.

CF Yes, but in McDonald's a lot of people in the HR department are seconded from line management and go back out again. That, of course, sensitises HR professionals to the needs of the line. They don't lose touch.

WG That's a good example of the way that traditional functional distinctions are breaking down and that's a big challenge for people who have studied within a personnel or a marketing or some other professional framework, isn't it?

DB Yes it is. I'm beginning to wonder whether, in the medium term, there's going to be a personnel function as we know it. The possibility exists of defining a much broader role with responsibility for all the capabilities of the organisation, including things that have been kept in separate functional silos up to now – for example IT, core services and facilities – as well as the people side of things. A few organisations have started to do this. For example, I understand that Shell has set up a multi-disciplinary internal consultancy operation. I suspect that this sort of approach will gather pace.

WG When I worked with Kent County Council I was originally the personnel director but ended up managing corporate resources more widely. Our goals were set not in terms of the functional objective that would have characterised our previous operations, but by reference to the overriding goals of the organisation as a whole. And it became evident that people were able to work both within and between functions in flexible ways that hadn't previously been imagined. To that extent, I think that Don is seeing a future in which personnel people will still require effective knowledge and understanding of their specialism, but be able to apply this in a variety of different organisational settings and have their contribution assessed against the goals of the corporation as a whole. So, what do you all see as the implications for how we prepare young people coming into the personnel profession?

RC I foresee that opportunities for the "career generalist", if I can coin that phrase, will be fewer. I think people will need to have a deep specialism – whether it is compensation and benefits, or organisation development, or whatever – because without this they will find it more difficult to gain credibility at the top. But they will also need to have width, in the business sense, to compensate for this deep specialism. The day of being the superstar industrial relations person who more or less "generalised along", is over. That's how I was brought up, so I'm talking about myself in a slightly negative way here. Organisations demand a much greater depth from their individual HR people. So I would encourage any young person wanting to get to the top to combine broad business acumen with a deep specialism within the HR field.

One small point – and you will all say I was bound to say this – is that one way to widen your experience quickly is by doing consultancy work. Whatever the size of the consultancy, your personal credibility is on the front line from a relatively young age, and you are often dealing with quite senior HR people. And if someone says (and I have seen it happen) "sorry, you're the wrong person, I'm not happy working with you", you get an early lesson in what personal credibility is all about.

DB I can't help feeling that there is going to be an enormous convergence – and it's happening already – of the two disciplines of HR and information management. The application of IT and management systems will be crucial to the way that organisations work. So an HR professional's capacity to understand how these can be structured and developed is going to be very important.

CF I agree that we may be moving more towards a "corporate resources" model, and I agree with Ron about the benefits of a deep specialism. But I also think that business management experience is very valuable – where a young

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person has to take responsibility and actually make a difference and be accountable. It's not important whether this is in a business or in public services or even in the voluntary sector I would also say: get experience of working in different environments.

WG Thank you all.

Ward Griffiths is the IPD's assistant director-general. He was previously deputy chief executive and director of corporate resources at Kent County Council.

Carmel Flatley is a senior vice-president with McDonald's Restaurants and the company's chief executive officer for HR and training in the UK.

Don Beattie is chief executive for personnel at BOC. He is a former IPD vice president.

Ron Collard is a partner at PricewaterhouseCoopers UK responsible for the firm's HR operations. He is currently the IPD's vice-president for organisation and HR planning.

Nickie Fonda is an organisation strategy consultant. She is working with the IPD on it's relationships with senior personnel practitioners.

People Management, 1 October 1998

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Resource 4

Bonnypark District Council – Human Resources Department**Job Application Form**

Full name
Address
Town/city
County
Post code
Telephone
E-mail
Position applied for

Personal history

Date of birth	(dd/mm/yy)
Marital status	
Nationality	
National insurance number	
Are you related to any Bonnypark District Council staff?	Yes/No
Have you worked for or applied for employment before to Bonnypark District Council?	
Do you hold a full driving licence?	
Detail any endorsements	
How did you learn about this vacancy?	
When would you be able to start?	(dd/mm/yy)

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Secondary education

Date	School	Qualification	Subject	Grade

Further and higher education

Date	College/ university	Qualification	Subject	Grade

Employment history (commence with most recent position)

Employer	Dates From/ to	Job title	Annual salary	Reason for leaving

Positions of responsibility held outside your employment

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Interests and hobbies

Why do you wish to apply for this job?

Any additional information to support your application

References

Two references are required, one of which must be from your current employer or education establishment. Please note that referees will not be approached without your permission. Please give full address, occupation and title of each referee.

1.

2.