

UNIVERSITY OF ESWATINI
INSTITUTE OF POST-GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION

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TITLE OF PAPER: Human RESOURCE MANAGEMENT

PROGRAMME AND SEMESTER: MBA SEMESTER II

COURSE CODE: BUS602

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY IN SECTION A IS COMPULSORY
3. ANSWER ANY THREE QUESTIONS FROM SECTION B

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 responses.

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

GOOD LUCK!!!

SECTION A (compulsory)

Read the case below and answer the questions that follow.

CASE STUDY: THE POLITICS OF PERFORMANCE APPRAISAL

Every Friday Max Steadman, Jim Cobun, Lynne Sims, and Tom Hamilton meet at Charley's after work for dinner. The four friends work as managers in the manufacturing division of Eckel Industries, which makes arc-welding equipment in Minneapolis. The one-plant company employs about 2,000 people. Max, 35, manages the company's 25 quality control inspectors. Lynne, 33, is a supervisor in inventory management. Jim, 34, is a first-line supervisor in the metal coating department. Tom, 28, supervises a team of assemblers. The four managers' tenure at Eckel Industries ranges from one year (Tom) to 12 years (Max).

The group is close-knit; Lynne, Jim, and Max's friendship stems from their years as undergraduate business students at the University of Minnesota. Tom, the new-comer, joined the group after meeting the three at an Eckel management seminar last year. Weekly get-togethers at Charley's have become a comfortable habit for the group and provide an opportunity to relax, exchange the latest gossip heard around the plant, and give and receive advice about job problems. This week's topic of discussion is Performance Evaluation, specifically the company's annual review process, which the plant's management conducted in the previous week. The four managers completed evaluation forms (graphic rating scales) on all of their subordinates and met with each subordinate to discuss the appraisal.

TOM: *"This was the first time I've appraised my people, and I dreaded it. For me, it's been the worst week of the year. Evaluating is difficult; it's highly subjective and inexact. Your emotions creep into the process. I got angry at one of my assembly workers last week, and I still felt the anger when I was filling out the evaluation forms. Don't tell me that my frustration with the guy didn't bias my appraisal. I think it did. And I think the technique is flawed. Tell me- what's the difference between a 5 and 6 on "cooperation"?"*

JIM: *The scales are a problem. So is memory. Remember our course in Human Resource Management in college; Philips said that according to research, when we sit down to evaluate someone's performance in the past year, we'll only be able to actively recall and use 15 percent of the performance we actually observed.*

LYNNE: *I think political considerations are always part of the process. I know I consider many other factors besides a person's actual performance when I appraise him.*

TOM: Like what?

LYNNE: Like the appraisal will become part of his permanent written record that affects his career. Like the person I evaluate today, I have to work with tomorrow. Given that, the difference between a 5 and a 6 on cooperation isn't that relevant, because frankly, if a 5 makes him mad and he's happy with 6....

MAX: Then you give him the 6. Accuracy is important, but I'll admit it-accuracy isn't my primary objective when I evaluate my workers. My objective is to motivate and reward them so they'll perform better. I use the review process to do what's best for my people and my department. If that means fine-tuning the evaluations to do that, I will.

TOM: What's an example of fine-tuning?

MAX: Jim, do you remember three years ago when the company lowered the ceiling on merit raises? The top merit increase that any employee could get was 4 percent. I boosted the ratings of my folks to get the best merit increases for them. The year before that, the ceiling was 8 percent. The best they could get was less than what most of them received the year before. I felt they deserved the 4 percent, so I gave the marks that got them what I felt they deserved.

LYNNE: I've inflated ratings to encourage someone who's having personal problems but is normally a good employee. A couple of years ago, one of my better people was going through a painful divorce, and it was showing in her work. I don't think it's fair to kick someone when they're down, even if their work is poor. I felt a good rating would speed her recovery.

TOM: Or make her complacent.

LYNNE: No, I don't think so. I felt she realized her work was suffering. I wanted to encourage her; it was my way of telling her she had some support and that she wasn't in danger of losing her job.

JIM: There's another situation where I think fine-tuning is merited-when someone's work has been mediocre or even poor for most of the year, but it improves substantially in the last two, three months or so. If I think the guy is really trying and is doing much better, I give him a rating that's higher than his work over the whole year. It encourages him to keep improving. If I give him a mediocre rating, what does that tell him?

TOM: What if he's really working hard, but not doing so great?

JIM: If I think he has what it takes, I boost the rating to motivate him to keep trying until he gets there.

MAX: I know of one or two managers who've inflated ratings to get rid of a pain in the neck, some young guy who's transferred in and thinks he'll be there a short time. He's not good, but thinks he is and creates all sorts of problems. Or his performance is ok, but he just doesn't fit in with the rest of the department. A year or two of good ratings is a sure trick for getting rid of him.

TOM: Yes, but you're passing the problem on to someone else.

MAX: True, but it's no longer my problem.

TOM: All the examples you've talked about involve inflating evaluations. What about deflating them, giving someone less than you really think he deserves? Is that justified?

LYNNE: I'd hesitate to do that, because it can create problems. It can backfire.

MAX: But it does happen. You can lower a guy's ratings to shock him, to jolt him into performing better. Sometimes, you can work with someone, coach him, try to help him improve, and it just doesn't work. A basement-level rating can tell him you mean business. You can say that isn't fair, and for the time being, it isn't. But what if you feel that if the guy doesn't shape up, he faces being fired in a year or two, but you feel putting him in the cellar, ratings-wise, will solve his problem? It's fair in the long run if the effect is that he improves his work and keeps his job.

JIM: Sometimes, you get someone who's a real rebel, who always questions you, sometimes even over-steps her bounds. I think deflating her evaluation is merited just to remind her who's the boss.

LYNNE: I'd consider lowering someone's true rating if they've had a long record of rather questionable performance, and I think the best alternative for the person is to consider another job with another company. A low appraisal sends her a message to consider quitting and start looking for another job.

MAX: What if you believe the situation is hopeless, and you've made up your mind that you're going to fire the guy as soon as you've found a suitable replacement. The courts have chipped away at management's right to fire. Today, when you fire someone, you'd better have a strong case. I think once a manager decides to fire, appraisals become very negative. Anything good that you say about the subordinate can be used later

against you. Deflating the ratings protects you from being sued and sometimes speeds up the termination process.

TOM: I understand your points, but I still believe that accuracy is the top priority in performance appraisal. Let me play devil's advocate for a minute. First, Jim, you complained about our memory limitations introducing a bias into appraisal. Doesn't introducing politics into the process further distort the truth by introducing yet another bias? Even more important, most would agree that one key to motivating people is providing true feedback-the facts about how they're doing so they know where they stand. Then you talk with them about how to improve their performance. When you distort an evaluation+- however slightly-are you providing this kind of feedback?

MAX: I think you're overstating the degree of fine-tuning.

TOM: Distortion, you mean.

MAX: No, fine-tuning. I'm not talking about giving a guy a 7 when he deserves a 2 or vice versa. It's not that extreme. I'm talking about making slight changes in the ratings when you think that the change can make a big difference in terms of achieving what you think is best for the person and for your department.

TOM: But when you fine-tune, you're manipulating your people. Why not give them the most accurate evaluation and let the chips fall where they may; Give them the facts and let them decide.

MAX: Because most of good managing is psychology. Understanding people, their strengths and short-comings. Knowing how to motivate, reward, and act to do what's in their and your department's best interest. And sometimes, total accuracy isn't the best path. Sometimes, it's not in anybody's best interest.

JIM: All this discussion raises a question. What's the difference between fine-tuning and significant distortion? Where do you draw the line?

LYNNE: That's about as easy a question as what's the difference between a 5 and a 6. On the form, I mean."

Note: Case adapted from Gibson James L., Ivancevich J.M and Donnelly James H. (Jr.) Organisations: Behaviour, Structure and Processes (8th Ed.) pp.256-258.

Required: Answer the Questions that follow:

- a) Based on your view of the objectives of performance evaluation, evaluate these managers' perspectives about performance appraisal. (20marks)
- b) In your opinion, at what point does fine-tuning evaluations become unacceptable distortion? (5 marks)
- c) Assume you are Vice President of Human Resource Management at Eckel Industries and that you are aware that fine-tuning evaluations are prevalent among Eckel managers. You are aware that this practice is unacceptable, what would you do to reduce it? (15 marks)

Total**40 marks****SECTION B****(Answer three questions from this section)****QUESTION 2**

Discuss the relationship between job, organisational, strategic, and global requirements and the Human Resource Management (HRM) functions in aligning with the requirements. (20 marks)

QUESTION 3

In relation to the organisation you work for or one that you very familiar with, evaluate the impact of Human Resource Management Practices on Organisational Performance. (20 marks)

QUESTION 4

" Effective Human Resource Management is an imperative if organisations are to remain competitive and be sustainable". **Required** to Discuss the role of HRM and how it has to be aligned to the 4th Industrial Revolution Era. (20 marks)

QUESTION 5

Compare and critically evaluate the methods used for identifying and developing managerial talent. (20 marks)