

UNIVERSITY OF ESWATINI

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

FINAL EXAMINATION: ACADEMIC YEAR 2019/2020

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COURSE TITLE	:	HUMAN RESOURCE MANAGEMENT
COURSE CODE	:	BUS 602
ACADEMIC YEAR	:	2019/2020

INSTRUCTIONS

1. This paper consists of Section (A) and Section (B)
2. Section A is compulsory (application)
3. Answer any three questions from Section (B)

In assessing your work, consideration will be given to the accuracy of language, quality of expression and layout/presentation of your final answer.

FOCUS AND ALL THE BEST.

SECTION A

CASE STUDY: HOW NETFLIX REINVENTED HR

Managers Own the Job of Creating Great Teams

Discussing the military's performance during the Iraq War, Donald Rumsfeld, the former defense secretary, once famously said, "You go to war with the army you have, not the army you might want or wish to have at a later time." When I talk to managers about creating great teams, I tell them to approach the process in exactly the opposite way.

In my consulting work, I ask managers to imagine a documentary about what their team is accomplishing six months from now. What specific results do they see? How is the work different from what the team is doing today? Next I ask them to think about the skills needed to make the images in the movie become reality. Nowhere in the early stages of the process do I advise them to think about the team they actually have. Only after they've done the work of envisioning the ideal outcome and the skill set necessary to achieve it should they analyze how well their existing team matches what they need.

If you're in a fast-changing business environment, you're probably looking at a lot of mismatches. In that case, you need to have honest conversations about letting some team members find a place where their skills are a better fit. You also need to recruit people with the right skills.

We faced the latter challenge at Netflix in a fairly dramatic way as we began to shift from DVDs by mail to a streaming service. We had to store massive volumes of files in the cloud and figure out how huge numbers of people could reliably access them. (By some estimates, up to a third of peak residential internet traffic in the U.S. comes from customers streaming Netflix movies.) So we needed to find people deeply experienced with cloud services who worked for companies that operate on a giant scale—companies like Amazon, eBay, Google, and Facebook, which aren't the easiest places to hire someone away from.

Our compensation philosophy helped a lot. Most of its principles stem from ideals described earlier: Be honest, and treat people like adults. For instance, during my tenure Netflix didn't pay performance bonuses, because we believed that they're unnecessary if you hire the right people. If your employees are fully formed adults who put the company first, an annual bonus won't make them work harder or smarter. We also believed in market-based pay and would tell employees that it was smart to interview with competitors when they had the chance, in order to get a good sense of the market rate for their

talent. Many HR people dislike it when employees talk to recruiters, but I always told employees to take the call, ask how much, and send me the number—it's valuable information.

In addition, we used equity compensation much differently from the way most companies do. Instead of larding stock options on top of a competitive salary, we let employees choose how much (if any) of their compensation would be in the form of equity. If employees wanted stock options, we reduced their salaries accordingly. We believed that they were sophisticated enough to understand the trade-offs, judge their personal tolerance for risk, and decide what was best for them and their families. We distributed options every month, at a slight discount from the market price. We had no vesting period—the options could be cashed in immediately. Most tech companies have a four-year vesting schedule and try to use options as “golden handcuffs” to aid retention, but we never thought that made sense. If you see a better opportunity elsewhere, you should be allowed to take what you've earned and leave. If you no longer want to work with us, we don't want to hold you hostage.

We continually told managers that building a great team was their most important task. We didn't measure them on whether they were excellent coaches or mentors or got their paperwork done on time. Great teams accomplish great work, and recruiting the right team was the top priority.

Good Talent Managers Think Like Businesspeople and Innovators First, and Like HR People Last

Throughout most of my career I've belonged to professional associations of human resources executives. Although I like the people in these groups personally, I often find myself disagreeing with them. Too many devote time to morale improvement initiatives. At some places entire teams focus on getting their firm onto lists of “Best Places to Work” (which, when you dig into the methodologies, are really based just on perks and benefits). At a recent conference I met someone from a company that had appointed a “chief happiness officer”—a concept that makes me slightly sick.

During 30 years in business I've never seen an HR initiative that improved morale. HR departments might throw parties and hand out T-shirts, but if the stock price is falling or the company's products aren't perceived as successful, the people at those parties will quietly complain—and they'll use the T-shirts to wash their cars.

Instead of cheerleading, people in my profession should think of themselves as businesspeople. What's good for the company? How do we communicate that to employees? How can we help every worker understand what we mean by high performance?

SECTION B – Answer any three questions from this section

Question 1

With the HR Trends changing, the Leadership in organizations will need to shift their mindset in order to stay relevant and contribute to the organization's bottom line. HR professionals need to adapt to the HR trends to ensure that they keep abreast of the latest trends and best practices in the evolving field of HR management. The year 2019 presents a new era for HR Managers to rethink and review their current and future HR work.

Discuss any 10 of the top 19 HR trends.

(20 marks)

Question 2

Succession planning recognizes that an organization has certain roles and functions that are critical to the enterprise's success without which operations would be compromised.

- a. Discuss the different approaches to succession planning and in your view what impact would they have on managing talent in an organization?
- b. Further, outline how the talent grid (9 squares matrix) can assist with managing performance in any organization.

(20 marks)

Question 3

Why are we continuing with the Performance management madness? Discuss what this statement means to you and how can we address the issues we have on Performance management in the workplace?

(20 marks)

Question 4

When we manage our diversity and inclusion practices so well in our organizations, we will definitely attract and retain the right talent. Once the diverse talent has been retained, the organizational culture will surely be the one encouraging high performing teams. Do you agree with this statement? Substantiate your answer with some examples.

(20 marks)

Questions 5

Looking at the people agenda in your or any organization, define how you would ensure the succession planning process is followed and yields the right results. Discuss the steps followed as discussed in class.

(20 marks)