



Course information 2015–16

MN3075 Human resource management

This course is about Human Resource Management (HRM) strategies, policies and practices. It examines the approach taken by commercial firms and other organisations to recruit, retain and motivate their employees. This includes everything from recruitment and selection techniques (which initiate the relationship between firm and employee), to the formal and informal institutions that determine how employees are managed, and all the way to policies on separation (which determine whether, and in what circumstances, employees are to be let go). The course follows the perspective adopted in many HRM textbooks, and looks at the subject from an organisational point of view, as well as acknowledging the wide range of factors which shape HRM strategies, policies and practices, including government and regulatory frameworks.

Prerequisites

None apply.

Aims and objectives

This course is designed to:

- give students an introduction to the key elements of human resource management.
- demonstrate how the social sciences can assist in understanding the management of human resources; and to examine and evaluate human resource policies and practices of organisations.
- help students examine the different theories which try to explain the relationship between HRM and organisational performance.
- develop students' ability to analyse and critically evaluate HR policies and practices.

Assessment

This course is assessed by a three hour unseen written examination.

Reading

For full details please refer to the reading list included in the subject guide.

Essential reading

Bratton, J. and J. Gold *Human Resource Management: Theory and Practice*. 5th edition. (Basingstoke: Palgrave)

Kramar, R. and J. Syed *Human resource management in a global context*. (Basingstoke: Palgrave)

Torrington, D., L. Hall, S. Taylor and C. Atkinson *Fundamentals of Human Resource Management*. (FT/Prentice Hall)

Learning outcomes

At the end of this course and having completed the essential reading and activities students should be able to:

- ✓ describe the relationship between HRM and organisational performance and be able to critically evaluate the empirical evidence
- ✓ critically evaluate alternative perspectives on HR practices
- ✓ analyse the relationship between HR practices and their outcomes for the individual and organisation
- ✓ evaluate the effectiveness of different HR practices
- ✓ comment upon the limitations of the theories covered.

Further reading

Baron, J.N and D.M. Kreps *Strategic human resources: frameworks for general managers*. 3rd edition (John Wiley & Sons, Inc.)

Boxall, P. and J. Purcell *Strategy and human resource management*. 3rd editions (Basingstoke: Palgrave)

Boxall, P., J. Purcell and P. Wright (eds) *The Oxford handbook of human resource management*. (Oxford: Oxford University Press)

Storey, J. *Human resource management: a critical text*. 3rd edition (London: Thomson Learning)

Students are also expected to read a number of journal articles available in the Online library.

Syllabus

This is a description of the material to be examined, as published in the *Programme handbook*. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the essential reading.

The syllabus uses as its organising framework a model of HRM built around four areas of activity: capabilities, motivation, employment relations and work organisation

‘Capabilities’ include recruitment and selection, as well as learning and development.

‘Motivation’ covers individual performance and the psychological contract, reward systems, performance management and job design.

‘Employment relations’ include employee involvement and participation, organisational justice and diversity. Finally, ‘work organisation’ covers labour markets, high performance work systems and the state of HRM in contemporary organisations.

The syllabus examines current theoretical perspectives on the relationship between human resource practices and organisational performance. These include strategic HRM, organisational behaviour and employment relations frameworks, which offer different explanations of how HRM practices impact on organisational performance. The relationship between motivation, organisational commitment (defined as an individual’s emotional attachment to an organisation) and both individual and corporate performance is central to understanding the effects of HRM practices on employees.

The skills demonstrated by students are expected to go beyond knowledge and comprehension. As well as demonstrating that they know and understand the major HRM policies and practices, theoretical frameworks and supporting empirical evidence, students are expected to be able to explain the relationship between different human resource policies and practices and the underlying theoretical frameworks (for example, by describing the relationship between performance management and goal setting theory, or pay strategy and different theories of motivation). These theoretical frameworks will then provide the basis for analysing and evaluating whether HRM practices are more or less likely to achieve their hypothesized outcomes. The potential limitations of each theory and the subsequent implications for organisational practice will also be considered.

Students should consult the *Programme Regulations for degrees and diplomas in Economics, Management, Finance and the Social Sciences* that are reviewed annually. Notice is also given in the *Regulations* of any courses which are being phased out and students are advised to check course availability.

Examiners' commentaries 2015

MN3075 Human resource management – Zone A

Important note

This commentary reflects the examination and assessment arrangements for this course in the academic year 2014–15. The format and structure of the examination may change in future years, and any such changes will be publicised on the virtual learning environment (VLE).

Information about the subject guide and the Essential reading references

Unless otherwise stated, all cross-references will be to the latest version of the subject guide (2013). You should always attempt to use the most recent edition of any Essential reading textbook, even if the commentary and/or online reading list and/or subject guide refers to an earlier edition. If different editions of Essential reading are listed, please check the VLE for reading supplements – if none are available, please use the contents list and index of the new edition to find the relevant section.

Comments on specific questions

Candidates should answer **four** of the following **eight** questions. All questions carry equal marks.

Question 1

- a. **Why are cost, reliability, validity and fairness important considerations when a company is recruiting and selecting?** (10 marks)
- b. **Critically evaluate the effectiveness of online recruitment as a method of recruitment.** (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 2 of the subject guide. Some additional references include Capelli (2001) and Beardwell and Claydon Osterman (2010), all referred to in the subject guide.

Approaching the question

- a. Candidates should acknowledge that due to (a) the various biases involved in the recruitment and selection process, (b) the fact that some selection methods are particularly expensive (e.g. assessment centres) and (c) the process can be resource intensive in terms of staff time, the above criteria are important in ensuring 'effectiveness'. In answering the question, candidates must demonstrate understanding of the concepts, with better answers explicitly defining them and using examples.
- b. Better answers discussed in detail the advantages and disadvantages of online recruitment, covering all the points in the module guide. Excellent answers developed the broader argument that all recruitment methods have shortcomings and choice should depend on the nature of the role and the organisational context.

Question 2

- a. **Why is training and development important for organisations?** (10 marks)
- b. **What barriers exist to learning and how can they be overcome? Discuss with reference to people, resources and organisational barriers.** (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 3 of the subject guide.

Approaching the question

- a. Candidates are expected to discuss why training is so central to organisations. Excellent answers will discuss issues relating to (a) product and service quality considerations (b) flexibility (c) new technology (d) downsizing and delayering (e) impact on employee attitudes such as commitment (f) the spillover effect of training and conditions under which this is going to happen (g) training as a means of addressing skills and labour shortages. Candidates are expected to provide an argument, rather than just list the above points.
- b. Candidates should include points in relation to all three dimensions of possible barriers (people, resources, organisations). Exceptional answers will link some of these points to theories for example: (a) importance of feedback/goal setting theory (b) learning not being rewarded to expectancy theory and (c) to learning theories (e.g. Skinner's reinforcement theory and the importance of rewards/incentives for learning). The learning theories should also be discussed in the second part of the question, how these barriers can be overcome: examples include provide incentives to learn, the role of supervisor feedback in the 'experiential learning' approach.

Question 3

- a. **Define what is meant by the 'psychological contract'.** (5 marks).
- b. **How can insights from social exchange theory help explain the incidence of psychological contracts?** (10 marks)
- c. **Should organisations take the psychological contract seriously? Justify your answer using theory and evidence.** (10 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 5 of the subject guide. Additional readings include Cullinane and Dundon (2006), and Coyle-Shapiro and Shore (2007).

Approaching the question

- a. Candidates are expected to define the psychological contract. Better answers will **discuss** more than one definitions, thus highlighting the multifaceted nature of the construct and differentiate between relational and transactional contracts. Full marks were awarded for answers that did not merely list the definition, but demonstrated understanding of its nature.
- b. Candidates are expected to demonstrate good knowledge of social exchange theory and discuss the norm of reciprocity. Better answers clearly linked the theory to the psychological contract through concepts of reciprocity and trust.
- c. Candidates were expected to discuss the negative consequences of contract breach. Good answers included all three categories (employee obligations and fulfilment, employee attitudes and behaviours) and

provide references of research supporting these claims. Exceptional answers discussed the relationship between breach and exiting the organisation.

Question 4

- a. **Discuss the contribution of agency theory on the decision to pay on the basis of behaviour or outcomes.** (10 marks)
- b. **Discuss the relationship between fairness and pay satisfaction using insights from equity theory.** (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 6 of the subject guide.

Approaching the question

- a. Candidates must demonstrate (a) understanding of agency theory (recognise the different interests and the need to align the different interests between the principal and the agent) and (b) discuss the issues of measurement of output and ease of monitoring behaviour and the corresponding appropriate payment systems. Excellent definitions of agency will demonstrate a good understanding of the 'moral hazard concept' while exceptional answers will link agency with the choice of payment systems.
- b. Candidates must demonstrate clear understanding of equity theory in general and procedural and distributive justice concepts in particular, as they are relevant to this question. Better answers will apply these concepts to the question, while exceptional answers will use case study evidence (e.g. Inland Revenue by Marsden and Richardson in the reading list) to further support their answer with examples.

Question 5

- a. **What organisational objectives might inform the use of performance appraisals?** (10 marks)
- b. **According to Grint (1993) 'rarely in the history of business can a system have promised so much and delivered so little'. Do you agree with this statement regarding performance appraisal systems? Justify your answer using theory and evidence.** (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 7 of the subject guide. Additional readings include the textbooks under Essential readings and Grint (1993).

Approaching the question

- a. Candidates should demonstrate understanding that appraisals are used by organisations to assess employee performance and award promotions. Better answers will also discuss the role of appraisals in compensation, dismissal, downsizing and training. Excellent answers will distinguish between judgemental and developmental appraisals.
- b. Candidates are expected to discuss in depth the orthodox and radical critiques of appraisals. It is very important that candidates demonstrate understanding of these approaches and use examples and relevant literature. Exceptional answers will attempt to provide some guidance as to how organisations can overcome these problems drawing on the literature and theories.

Question 6

- a. **Discuss the two key components of Scientific Management (also known as Taylorism) in relation to job design.** (5 marks)
- b. **What are the shortcomings of designing jobs on the basis of Scientific Management?** (10 marks)
- c. **Critically evaluate how job enlargement and job enrichment can help overcome the shortcomings of Scientific Management.** (10 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 8 of the subject guide. Additional readings include the textbooks under Essential and Further readings.

Approaching the question

- a. In order to achieve a pass, candidates should discuss (a) specialisation and division of labour and (b) separation of conception and execution.
- b. In order to achieve a pass, candidates must discuss the shortcomings in depth and make a clear argument why these were detrimental to organisational effectiveness. Better answers argued that whether Scientific Management was compromising effectiveness depended on the nature of the job in question.
- c. Good answers provided a clear definition of the two concepts and demonstrated understanding of the differences between them. Better answers made explicit links between the characteristics of job enlargement and enrichment and how these can overcome specific problems associated with Taylorism.

Question 7

- a. **Distinguish between downward communication and upward involvement.** (5 marks)
- b. **Give examples of downward communication and upward involvement practices.** (5 marks)
- c. **Discuss the advantages and disadvantages associated with involving employees in the management of the organisation.** (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 9 of the subject guide. Additional readings include Boxall et al. (2007) on voice systems, and Dundon et al. (2004).

Approaching the question

- a. and b. Exceptional answers will highlight the fact that downward communication is the weakest form of employee involvement coordinated by management, while upward involvement is driven by employees and usually associated with more voice. In (b) good answers provided at least two examples from each and a short description of what the examples entail.
- c. The question allows candidates to answer either from the management's perspective or from the employees/unions or both. Good answers focused on the attitudinal and behavioural benefits of involvement, but also the various costs and consequences of providing employees with a voice.

Question 8

- a. In a context of planning an organisation's workforce requirements, what is 'numerical flexibility'? (5 marks)
- b. Why might organisations want to achieve numerical flexibility? (5 marks)
- c. Discuss practices that organisations can use to increase numerical flexibility. (15 marks)

Reading for this question

The material and required reading for this question are outlined in Chapter 12 of the subject guide.

- a. Good answers demonstrated understanding that the term numerical flexibility refers to the firm's ability to adjust the amount of labour it hires or pays when demand for products/services changes.
- b. Better answers summarised issues relating to volatile product markets, rapid technological change, seasonal demand fluctuations, and unpredictable demand for the product/service.
- c. Better answers discussed the various practices and provide a more detailed discussion of outsourcing, part-time work or fixed term contracts. Candidates must clearly illustrate clearly how these arrangements represent numerical flexibility and exceptional answers will highlight the shortcomings of these approaches.