Department of Human Resource Management

Human Resource Maintenance and Retention

Only Study guide for

HRM2602

University of South Africa
Pretoria

© Unisa 2017

Author: Khatoon Gani
DUTLD: Michelé van Wyk and Riana Rheeder
Language editor: Lulu van Molendorff

*Based on a previous study guide by Louis Mare

Dear HRM2602 student

Welcome to the exciting world of Human Resource Maintenance and Retention (HRM2602) Please note that this module is offered online. This means that study material for this module will be available on myUnisa. It is thus very important that you register to use myUnisa and access the HRM2602 myUnisa module site regularly. Study material and other content on myUnisa can only be accessed if you have registered your myLife e-mail account. Keep your login and password details in a safe place, as you will have to access the site regularly. By accessing the HRM2602 module site, you will gain access to the workbooks (the study material), discussion forums where you can talk to fellow students and your lecturer, other additional resources, frequently asked questions, and relevant module-related information.

By now you should have received the *Study @ Unisa* brochure, which contains important information regarding your studies. This brochure is also available on myUnisa. The Directorate of Despatch should supply you with the following **printed tutorial matter** for this module when you register:

- two general tutorial letters: HRMALL6/301/4 and HRMONLI/301/4
- Tutorial Letter HRM2602/101/3 (which contains contact details for the lecturer, your assignment
  tasks and due dates, and other module-related information)
- this study guide: HRM2602/SG001/4

In this study guide you will find all the workbooks for this module, which includes:

Item		Pages
1	Preface	1
2	Workbook 01	11
3	Workbook 02	22
4	Workbook 03	35
5	Workbook 04	50
6	Workbook 05	62
7	Workbook 06	76
8	Workbook 07	86
9	Workbook 08	99
10	Workbook 09	109
11	Workbook 10	116
12	Workbook 11	125
13	Appendix A: Self-assessment assignment (both semesters)	138
14	Appendix B: Comments on the self-assessment assignment	141

It is important that you read this study guide thoroughly and then log on to the HRM2602 myUnisa module site and familiarise yourself with the site. Start by reading the home screen for further instructions on how to proceed with this module.

Please do not hesitate to contact me if you have any module-related queries. I hope that you enjoy this dynamic and stimulating module.

Kind regards

Khatoon Gani
Lecturer: HRM2602
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
UNISA

Preface

Contents		Pages
1	Welcome	1
2	Purpose of the module	2
3	Learning outcomes of the module	2
4	Framework for the module	2
5	Schedule for the module	4
6	How to approach the module	4
7	Assessment	5
8	Icons used for this module	7
9	Success factors for this module	8
10	New language policy	9
11	References to links and the worldwide web	9
11	Concluding remarks	9

1   WELCOME

It is a great pleasure to welcome you to this interesting online module Human Resource Maintainance and Retention (HRM2602). To make sure that you share my enthusiasm for this field of study, I urge you to read this preface carefully.

This preface contains introductory information for the HRM2602 module. It also contains module-specific information related to the tutorial matter for the module, the purpose and outcomes of the module, the characteristics of the module, the framework for the module, the resources available, the workbooks, the study plan, the HRM2602 myUnisa module site, how you will be assessed in this module, the icons used, and the success factors for the module. Refer back to this preface as often as you need to as it will certainly make studying this module a lot easier.

I recommend that you start studying as soon as possible, as this module is not only intensive but also comprehensive. By beginning with your studies early, you will be able to cover the module content in adequate time and submit your assignments by the required due dates.

2   PURPOSE OF THE MODULE

The purpose of this module is to familiarise you (usually managers and potential managers who will all come into contact with HRM issues) with the basic principles of HRM and show you how to manage human resources constructively and strategically in today's business environment in order to realise the company's goals.

3   LEARNING OUTCOMES

After completing this module, you should be able to

- effectively assess and develop qualified employees and be able to manage their careers (topic 1)
- develop and implement compensation and benefits and also promote health and safety in the workplace in order to retain qualified employees (topic 2)
- discuss the role of positive and equitable labour relations in ensuring long-term organisational success (topic 3)
- effectively manage diversity as well as explain the latest trends and developments in HRM (topic 4)

4   FRAMEWORK FOR THE MODULE

4.1   Explanation of terms

Any teaching and learning method requires the use of certain terms. To find your way through this workbook, it is essential that you take note of them. Terms used in this workbook are explained here.

Topic	Workbook	Learning outcomes
A topic represents a major component of the subject and tutorial matter. It consists of a number of *workbooks which are available in workbooks* and has a number of *learning outcomes* which indicate the standard or level of competence you should achieve in that topic.	A workbook is an identifiable section of a *topic*. Each topic consists of one or more workbooks which are available in workbooks.	In your studies you will be concentrating mainly on learning outcomes. In each topic, specific learning outcomes are formulated which you MUST BE ABLE TO DEMONSTRATE IN RESPECT OF THAT TOPIC. These specific learning outcomes are also linked to the activities in this workbook, the assignments and the examination. They are therefore a means for us to evaluate or assess your mastery of a specific topic.

MAKE SURE THAT YOU UNDERSTAND THE TERMINOLOGY USED IN THIS MODULE.
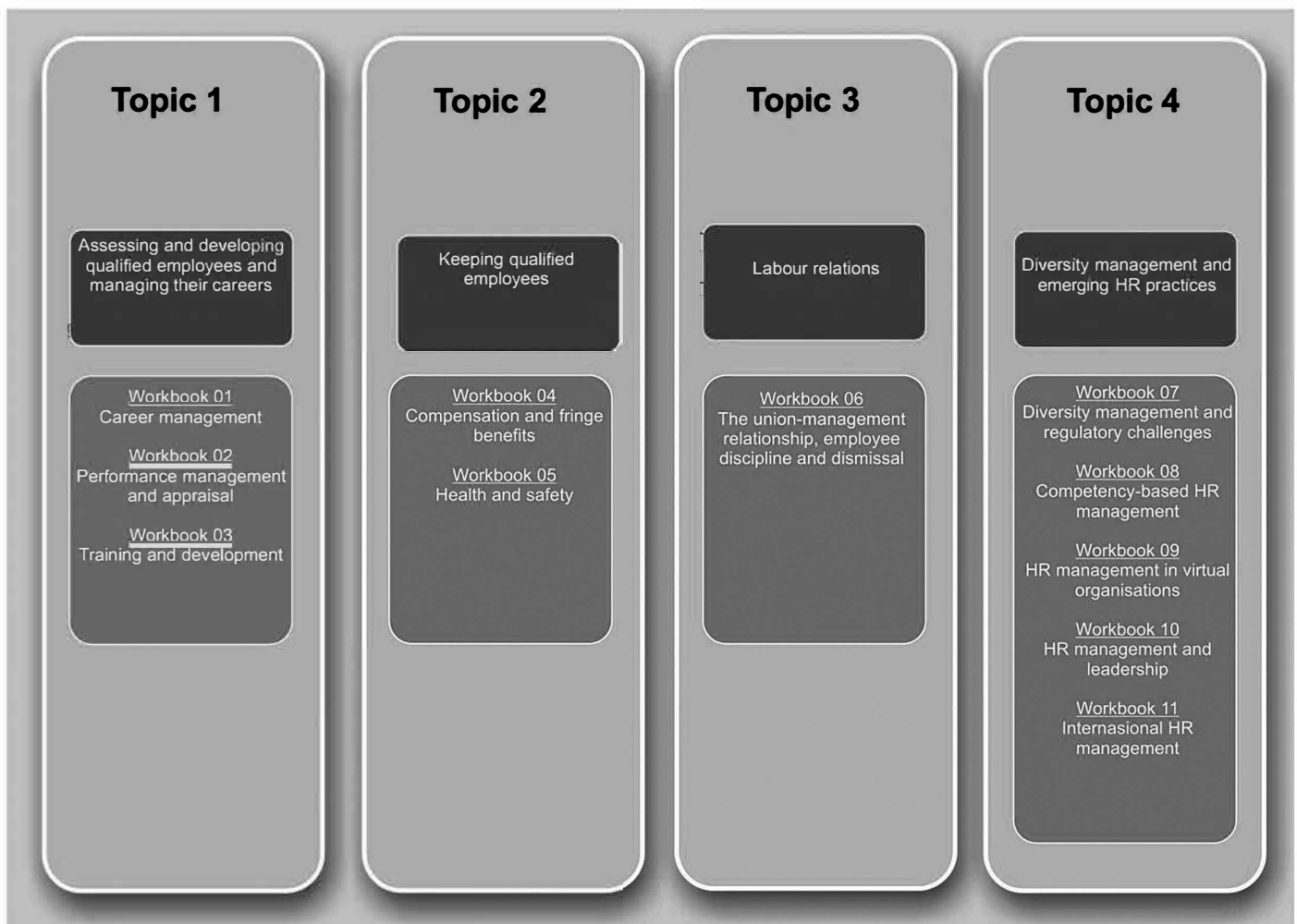
Preface

4.2 Framework

As indicated in HRM2602, the management of people is one of the primary keys to organisational success. Yet, ironically, in the past, little or no attention has been paid to this important resource. Finance, general management, marketing, production and research and development have tended to be the focus of attention. If we compare our success in HRM with that of organisations in other countries, we realise that South African organisations have a lot of room for improvement. In prosperous countries, human resources are considered to be critical to success.

So, there is no doubt that proper HRM is essential in all organisations, be they in South Africa or any other country.

This brings us to the aim of HRM which can be summarised as follows:

Human resource management (HRM) is a specific organisational practice to help HR managers and functional managers optimally apply and utilise the human resources of the organisation (or institution) in order to achieve the goals of the organisation (or institution). In other words, management can "use" or direct the people employed by the organisation to contribute to the organisation's goals and objectives.

I can thus briefly summarise the aspects that we will be covering in this module as follows:

Topic 1	Topic 2	Topic 3	Topic 4
Assessing and developing qualified employees and managing their careers	Keeping qualified employees	Labour relations	Diversity management and emerging HR practices
Workbook 01 Career management Workbook 02 Performance management and appraisal Workbook 03 Training and development	Workbook 04 Compensation and fringe benefits Workbook 05 Health and safety	Workbook 06 The union-management relationship, employee discipline and dismissal	Workbook 07 Diversity management and regulatory challenges Workbook 08 Competency-based HR management Workbook 09 HR management in virtual organisations Workbook 10 HR management and leadership Workbook 11 Internasional HR management

5   SCHEDULE FOR THE MODULE

You will need to spend at least 120 hours on this module. This includes approximately 40 hours of reading and studying the learning material, 40 hours doing the activities and assignments and 40 hours preparing for the examination.

You may wish to read more widely than only the workbooks and the prescribed book. Remember that when you read information in the prescribed book or in other sources you should not simply accept it blindly. You should question the ideas and information you encounter, using what you have learnt in this module as a guideline. To test your understanding of the ideas that you learn about in this module, you should try to apply them to real situations. You will find a suggested study plan in Tutorial Letter 101.

6   HOW TO APPROACH THIS MODULE

The learning material for this module consists of the preface as well as seven workbooks, a prescribed book (which you must purchase) and several tutorial letters, which you will receive during the semester. The prescribed book is vitally important; you will not be able to complete this module successfully without studying it. Please consult HRM2602/101/3 for the prescribed book information for this module.

Tutorial Letter 101 and the workbooks will guide you through the learning material for this module. All workbooks will be available on myUnisa under Official study material and you can easily download them. You will also receive a printed version of these workbooks in the Study Guide (SG001), which you will receive from Unisa. You may find it challenging to switch to the online learning environment, so we suggest you start off by reading SG001 and Tutorial Letter 101 containing all the information you need to know. Upon registering and joining myUnisa, you will also be linked to an e-tutor site for this module. Your e-tutor will support and encourage you and guide you through the learning process.

Work through the various topics in the workbooks and the chapters in the prescribed book and develop an understanding of the content. Apply the content in different contexts by doing the activities or assignments and self-assessment questions and look at it again when preparing for the examination. Once again, we would like to emphasise that you have to demonstrate that you have mastered the learning outcomes for the module. Some of the assignments will assess your ability to integrate a number of the learning outcomes. It is therefore imperative for you to fully understand all the learning material. This will enable you to apply and integrate the various learning outcomes.

Completing the activities in the workbooks will help you to work through and understand the theory in each chapter. Remember that you can only memorise something once you understand it. We therefore suggest that you keep your workbooks at hand when working through the prescribed book. One of the best ways to make sure that you understand the material is to make a summary of the theory in the prescribed book. These notes or summaries should be detailed and cover all the important aspects. Also make sure that you use the appropriate subject terminology and that you understand all the basic concepts. In addition, to help you understand and remember the theory, do the self-assessment questions at the end of each workbook and all of the assignments set for this module in Tutorial Letter 101. We have provided guidelines for answering the self-assessment questions at the end of each workbook. Remember that the notes or summaries that you compile for each workbook should be detailed

and complete, as you will use them when preparing for your HRM2602 examination. Once you have done all of this, you should know the work, understand it and be able to apply it in practice.

Since this an online module, you will be required to have access to the internet and visit the site regularly. We will post important information and discuss a number of concepts on the discussion forums on myUnisa.

7   ASSESSMENT

7.1 Activities

As I mentioned earlier, you will come across various types of activities in the workbooks:

- reflection on the work covered
- application of the work covered
- self-assessment questions

I believe that doing the activities and assignments is crucial if you want to complete this module successfully. The activities will help you to

- develop an understanding of the topic at hand and master the learning material and learning outcomes in a meaningful way
- improve your insight into the learning material by discovering things for yourself and
- assessing yourself by using the feedback provided on all activities

7.2 Assignments

The assignments for this module are provided in Tutorial Letter 101. The completion of assignments is crucial to help you achieve the learning outcomes. By completing the assignments, you can apply the knowledge that you have learnt and obtain first-hand feedback from the lecturer. The assignment questions also give you an opportunity to apply the theory to a case study or a practical situation relating to your own workplace. In each assignment you will be informed of the outcomes to be assessed. You will also be provided with the assessment criteria so that you know what is expected of you and can prepare an assignment that will serve as a learning opportunity.

A few weeks after the due date for each assignment has lapsed, you will receive a tutorial letter containing the answers to and guidelines for each assignment.

7.3 Assessment questions

At the end of each workbook you will find a list of self-assessment questions based on the work covered in that unit. I advise you to answer these questions diligently, since they give you the perfect opportunity to prepare for possible examination questions. Do NOT consult the

guidelines provided before you have attempted to answer each question yourself. Self-assessment plays a vital role in mastering learning outcomes and you should therefore make an effort to complete all the self-assessment activities in the workbooks. You will find most of the answers to these questions in the learning material covered in the workbooks and the prescribed book. According to the principles of outcomes-based education, you should not be faced with any nasty surprises in the examination. It's in your own interest to work through these self-assessment questions as well.

7.4 Assessment of the module

You will be assessed during the semester on your assignments and in the examination at the end of the semester against transparent assessment criteria that relate directly to the module outcomes. The assignment marks (year mark) together with your examination mark will make up your final mark. Further details of the assessment and examination requirements for this module are provided in Tutorial Letter 101.

8   ICONS USED FOR THIS MODULE

Here is an explanation of the icons used in the workbooks.

Icon	Description
	Learning outcomes. This icon indicates what aspects of the particular topic or workbook you have to achieve and be able to demonstrate. In your studies, you will be concentrating mainly on achieving the set learning outcomes. For each workbook, learning outcomes are set which you must be able to achieve. These outcomes are also linked to your assignments and examination paper, and are therefore a means for me to evaluate your knowledge of a specific topic.
	Activity. This icon draws your attention to activities that you must complete to develop a deeper understanding of the learning material.
	Discussion forum. This icon replaces the typical face-to-face classroom and you are required to participate meaningfully on the myUnisa HRM2602 site to communicate with me and other learners on this website. The Discussion forums tool contains various forums or topics where you can communicate with me and your fellow students. Some of these forums will be linked to activities in the workbooks. Visit the discussion forums regularly.

Icon	Description
	Feedback This icon indicates that you will receive feedback on your answers to the self-assessment activities and questions.
	Key concepts The key concepts indicate which terms or keywords are important for a particular topic or workbook.
	Read If I suggest that you read a certain section, it means that you should take note of the content because it contains useful background information or offers another perspective or further examples. You will not be examined on this material.
	Reflection The reflection icon requires you to reflect on the important issues or problems dealt with in the study material.
	Self-assessment When you see this icon, you will be required to test your knowledge, understanding and application of the material you have just studied.
	Study. This icon indicates which sections of the workbook and related material you need to study and internalise. The sections that you have to **study** are clearly indicated and form the basis for assignments and examinations. To be able to do the activities and assignments for this module, to achieve the learning outcomes and to be successful in the examination, you will need an in-depth understanding of the content of these sections in the workbook. To gain a deep understanding of the learning material, you must, firstly, accept responsibility for your own studies. Secondly, learning is not the same as memorising. You will be expected to show that you understand and can apply the information, not simply remember it. For this purpose, I have also included points for reflection throughout the workbooks. See this reflection as part of the studying process. It requires you to reflect on the important issues or problems dealt with in the workbooks.

9   SUCCESS FACTORS FOR THIS MODULE

To ensure that you deliver the quality of work required to successfully pass this module, we suggest that you:

- study the workbooks conscientiously according to the guidelines provided
- relate what you are learning to your work situation if applicable
- plan your studies according to the time available and develop your own study plan; we have supplied a basic study programme in Tutorial Letter 101 that you can use as a point of departure
- use the workbooks and the prescribed book according to the guidelines provided
- accept responsibility for asking for assistance if you struggle with certain concepts, principles or processes
- submit the assignments on or before the due dates and study the feedback on assignments carefully to ensure that you understand the work properly
- complete the activities and assessment questions in the workbooks-
- visit the myUnisa sites regularly to keep up with the latest information
- use your e-tutor sites to engage in active discussions
- develop more than a superficial understanding of the concepts and principles in this module
- assess your own progress continuously by completing the activities and assessment questions and carefully study the feedback and guidelines on them
- apply your knowledge in practice
- make sure that you master each of the learning outcomes for this module.

10   NEW LANGUAGE POLICY

Refer to tutorial letter 101 for information about the Unisa Language policy.

11   REFERENCES TO LINKS AND THE WORDWIDE WEB

Remember that references are sometimes made to information that you will find on the worldwide web. As this is an ever changing environment some of these links can change. On the module site on myUnisa you will find under Additional Resources a document containing information about links or websites that we refer to in this study guide that have changed and how you should deal with it. You can use Discussion forum – Alert the lecturer to problems with links referred to in the study material to make the lecturer aware of these. We thus strongly advise that you consult this document first when you stumble upon links that may no longer be available, before alerting the lecturer to it.

12 CONCLUDING REMARKS

I hope that you will enjoy studying this module and benefit from the learning outcomes. Remember to manage your time and plan to make sure that you can prioritise your studies to be successful.

Remember that you are welcome to contact me if you need assistance. My contact details are available in tutorial letter HRM2602/101/3 or you can use the course contact tool on the HRM2602 myUnisa modules site.

I hope that you enjoy your studies! I am certainly looking forward to being your partner in this endeavour.

Best wishes.

Khatoon Gani

HRM2602 lecturer
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
UNISA

TOPIC 1

Assessing and developing qualified employees and managing their careers

Now that you are familiar with Workbook 00, you are ready to start with topic 1, which comprises workbooks 01 to 03.

In HRM2602 you learnt how to make appropriate human resource provisoning decisions and apply human resource provisioning practices in the work environment. Having identified the most suitable candidates among a variety of candidates, it is the organisation's responsibility to retain the most valuable (and employable) individuals in order to stay competetive. Therefore, the management of people is one of the primary keys to organisational success. You will now learn how to manage, maintain and retain human resources constructively and stategically in today's dynamic business environment.

TOPIC AIM

The aim of this topic is to orientate you to the environment within which human resource (HR) managers have to work. Organisational decisions, policies and changes impact on the HR policies and practices of an organisation. Therefore, an HR manager should always be aware of the environment of the organisation.

LEARNING OUTCOMES FOR TOPIC 1

After completing this topic, you should be able to

- explain how career management contributes to the achievement of the strategic goals of the organisation (**Workbook 01 and chapter 8 of your prescribed book**)
- describe the contribution of performance management and appraisal to the strategic goal achievement of the organisation (**Workbook 02 and chapter 9 of your prescribed book**)
- decide how to utilise training and development in the strategic management of human resources (**Workbook 03 and chapter 10 of your prescribed book**)

WORKBOOK 01

Career management

Contents		Pages
1.1	Learning outcomes	12
1.2	Key concepts	12
1.3	Introduction	12
1.4	The benefits of career management	14
1.5	Employability and the changing face of career management	15
1.6	What does successful career management entail?	17
1.7	The plateaued employee and dual-career couples	18
1.8	Summary	20
1.9	Self-assessment	20

We hope that by now you are familiar with the HRM2602 myUnisa module site and the general myUnisa environment. You should have also read the introduction and orientation to the module (MO001) and Tutorial Letter HRM2602/101/3/2017.

In Workbook 01, which is also available in an electronic format on the module site, we will start to look at the content of this module.

The mind map that follows will be repeated at the beginning of each workbook. The aim of this mind map is to indicate where you are in the process of working through the study material.
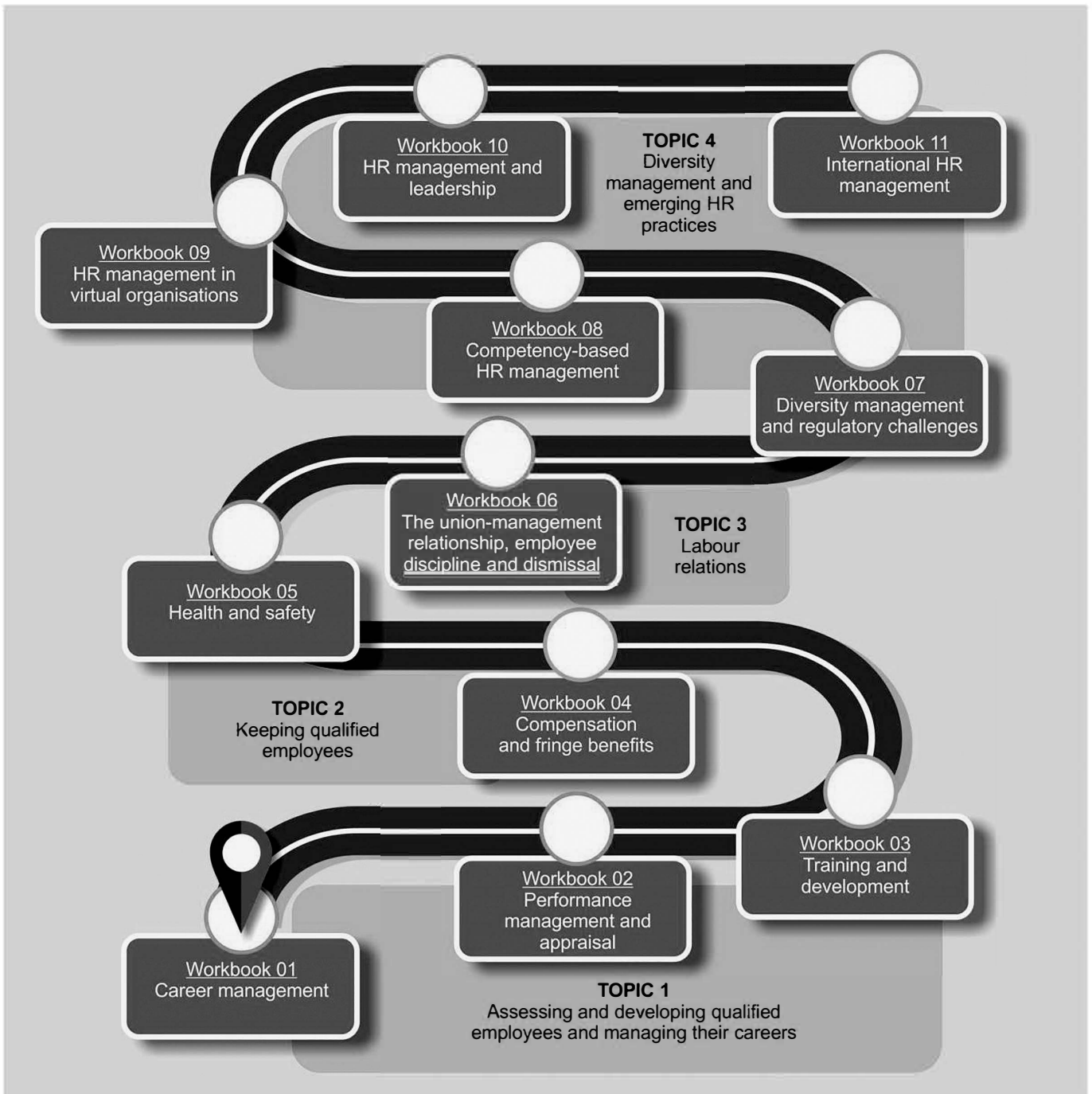
Workbook 01

1.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- define career management
- discuss the changing face of career management
- discuss the importance of employability
- discuss the benefits of career management to the organisation

- describe the elements of a successful career management function
- examine the problems that confront employees wanting to advance their careers
- describe the impact of the ineffective management of a plateaued employee
- describe the career stages that employees go through during their careers
- critically discuss the personal and organisational problems that dual-career couples face

1.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 8 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Career	Organisational career planning
Career management	Dual-career couples
Employability	Dual-career partnership
Employability attributes	Career plateau
Career stages	Career ladder
Individual career planning	

1.3   INTRODUCTION

People work for different reasons. Some people want good salaries, benefits and challenges in the workplace, while others prefer a healthy balance between life and work. Wärnich, Carrell, Elbert and Hatfield (2015:275) confirm this: On a continuum of career interest, work may be viewed as just a job at one end and as a career at the other. In the past, organisations and line managers felt that employees should take responsibility for their own careers and career development. Today organisations and line management realise that they need to assist and support employees in making informed career decisions that will benefit both the organisation and the employee.

As explained in the diagram that illustrates topic 1 at the beginning of this workbook, workbook 01 is the first of three workbooks included in topic 1. It focuses on how career management contributes to the achievement of the strategic goals of the organisation. In this workbook we will deal with the following aspects of career management in organisations:

- benefits of effective career management
- the changing face of career management
- employability
- successful career management
- the plateaued employee
- dual-career couples

Workbook 01

Activity 1.1

Watch the following video and identify the tasks/roles of the individual in the career management process.

Career management process
https://www.youtube.com/watch?v=TeiltLgMlTk

Feedback

Before we start discussing the benefits of career management, reflect on your knowledge and expectations of career management. Why do you think career management plays an important role for every employee?

Share your thoughts and understanding of career management – do this online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**. Here you will find all discussion activities for Workbook 01 where you are expected to share your views on specific issues with your fellow students. Post your views online and also see what your fellow students have to say. This is an ideal opportunity to interact.

1.4   THE BENEFITS OF CAREER MANAGEMENT

Once employees can do their jobs properly, it does not mean that they will be satisfied doing the same job year in and year out. Most people would expect to be promoted (or at least transferred) once in a while. This upward or sideways movement of employees needs to be planned and coordinated carefully in accordance with individual and organisational goals. In this section we discuss how well-planned and well-executed career programmes can benefit both the organisation and the employee.

Study section 8.8.1 in chapter 8 of the prescribed book and do activity 1.2.

Activity 1.2

List and describe at least four benefits of effective career management for your organisation or for an organisation where a friend or family member works. You need to include examples from this organisation.

Feedback

You could have referred to any of the benefits in section 8.8.1 in the prescribed book and related them to your organisation. You are invited to continue this discussion in more detail online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**. Here you will find all the discussion activities for Workbook 01, where you are expected to share your views on specific issues with your fellow students. You can post your views online and also see the views of your fellow students.

1.5 EMPLOYABILITY AND THE CHANGING FACE OF CAREER MANAGEMENT

Organisations all over the world are rapidly changing their structure, workforce composition, reward systems and service contracts. These are the result of political developments as well as production and services based on knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advances, as well as rapid obsolescence in the global knowledge economy (Powell & Snellman 2004:199). Therefore, a new reality has emerged and employees are now required to maintain their employability by taking ownership of their careers, studying market trends and continually developing and expanding their skills and knowledge (Schreuder & Coetzee 2011:26, 49).

We can pose the following critical questions that you should keep in mind when studying this section:

- What are the implications of this "new reality" for my organisation?
- How can this impact on my personal career plans?
- Do I have the employability attributes to compete in the knowledge economy?
- What is the responsibility of the HR team to respond to these changes?
- What is the role of the line manager in addressing these changes?

Study sections 8.8 and 8.9 in chapter 8 of the prescribed book.

After working through these sections, you should be able to explain

- the differences between the old/traditional and the new career
- the employability attributes appropriate for staying employable
- HR's role in career management
- the balance between organisational and individual needs in terms of career management

Activity 1.3

a. Which of the employability attributes below do you think you have or need to acquire?
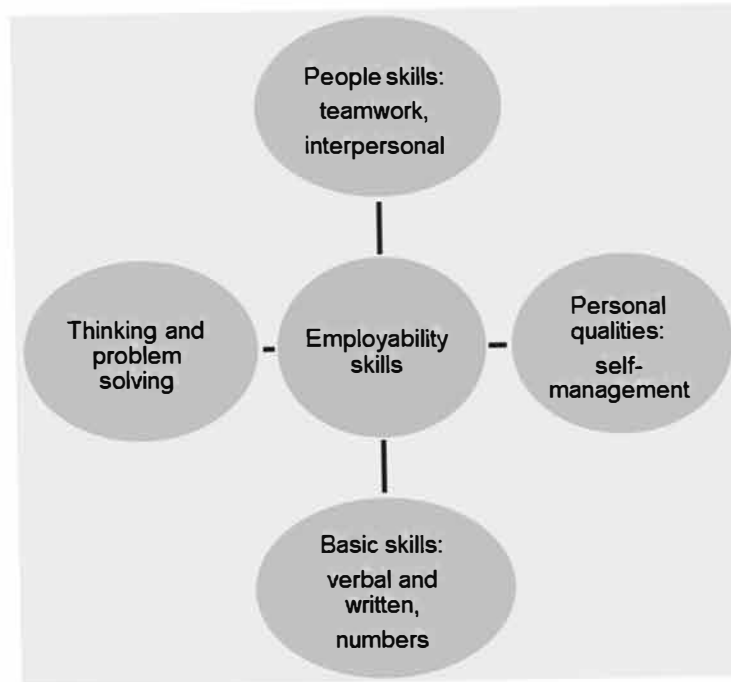
b. What is HR's role in career management?

c. Which role players need to create a balance in the career management process?

Feedback

a. Your internal (subjective) career experiences are important in an uncertain and unstable work environment. In the context of the 21st century, people are considered as competency traders. Their employability lies within their knowledge, transferable skills, experience, unique attributes and accomplishments (Coetzee & Roythorne-Jacobs 2007:47). Therefore employability is a composite set of traits and skills that permits a person to gain access to, adjust to, and be productive in the workplace (Coetzee & Roythorne-Jacobs 2007:47; Herr, Cramer & Niles 2004:115). Employability attributes include

- ✓ career self-management
- ✓ entrepreneurial orientation
- ✓ sociability
- ✓ self-efficacy
- ✓ culture competence
- ✓ emotional literacy or emotional intelligence
- ✓ career resilience
- ✓ proactive behaviour

b. HR managers should have a thorough understanding of the skills and perspectives embodied in the term "employability". This includes challenges and employability skills for employees at the beginning of their work life and at various points along their career stages and throughout their career life cycle. As seen in figure 8.2 in your prescribed book, HR's role in career management entails the following:

- ➢ the goal: matching individual and organisational needs
- ➢ identifying career opportunities and requirements
- ➢ gauging employee potential and instituting career development initiatives

c. As shown in figure 8.3 in the prescribed book, a balance should be created between organisational and individual needs, in a way that links the personal effectiveness and satisfaction of employees with the achievement of the organisation's strategic objectives. Line managers, HR practitioners, and top management play an important role in this ongoing balancing act.

Activity 1.4

a. Refer to the old and new career realities outlined in table 8.5 in the prescribed book. In the table that follows, list at least five realities relevant to your organisation or an organisation where a friend or family member works. Substantiate your views with practical examples.

Reality	Examples

b. Are there sufficient and meaningful interaction between line managers and their team members to ensure that there is a balance between organisational and individual needs?

Feedback

You are invited to continue this discussion in more detail online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**.

This brings us to what determines successful career management.

1.6 WHAT DOES SUCCESSFUL CAREER MANAGEMENT ENTAIL?

Now that you are aware of some of the important issues regarding the old and new career, it is time to discover what successful career management entails. Career management is a process that is planned; a haphazard attempt to manage careers will fail.

Study the entire section 8.10, as well as "HR in practice" and "Tips for effective career management" in the prescribed book before you do activity 1.5.

In this section you should have learnt more about the following aspects:

- factors that should be considered to ensure successful career management strategies and plans
- balancing organisational needs and individual career needs (see figure 8.3 in your prescribed book)
- the role of the organisation in individual career planning
- the elements of implementing career management programmes as a long-term process

Activity 1.5

a. Use a table to list and describe at least five elements that would assist your organisation in implementing effective career management programmes. You'll find a Word version of this table under the **Additional Resources** for Workbook 01 Activities. You can also refer to "HR in practice" for effective career management. If you are not currently employed, ask a friend or family member about the organisation where they work.

b.Refer to the career stages and describe the career stage in which you find yourself currently. Give reasons for and examples of your viewpoint.

Feedback

You are invited to continue this discussion in more detail online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**.

1.7 THE PLATEAUED EMPLOYEE AND DUAL-CAREER COUPLES

Study sections 8.11 and 8.12 in chapter 8 of the prescribed book.

In this section you'll learn about the concept of a plateaued employee and the impact of dual-career couples on organisations. What follows are some key pointers that should broaden your understanding of these aspects.

There are various obstacles that career management programmes must overcome before they become effective. Examples are lack of supervisory participation and the expectation that the organisation is responsible for the employee's career development.

An effective career management strategy or programme can provide the employee with opportunities to progress within the organisation. However, employees are not always realistic and aware of challenges the organisation has to manage because of factors beyond its control. Think of the organisation's structure. In a department there might only be one line manager until this position becomes vacant. Factors such as the one in this example can limit opportunities for promotion, leading to a demotivated and disengaged employee who sees no future prospect of being promoted within the organisation. Employees reaching this stage find themselves on a career plateau, and are referred to as plateaued employees.

One of the challenges in career management is to manage work and family responsibilities. Both couples and organisations should be aware of the personal and organisational problems that could impact either positively or negatively on the employees and the organisation, depending on how they are managed. Research indicates that dual-career couples now comprise 45% of the workforce (Cascio 2006:379). The role of the employee as a family member must be considered, especially if this role conflicts with work activities.

Activity 1.6

a. Read this scenario and then answer the questions that follow.

Peter, who is 43 years old and has high levels of knowledge and skills, works for a large organisation. He has always expected that he would be able to work his way up the organisation until he reaches the top. So far, he has been promoted frequently, has made steady progress up the corporate ladder and has been rewarded for his efforts with money, fringe benefits and job titles. He has always firmly believed that he is destined for the very top.

Then one day a promotion he expected to receive is given to one of his colleagues. Surprised and disappointed, he consults his supervisors, only to be told that his work performance is perfectly satisfactory. He continues his work as before, but the next time promotions are announced, he is once again not among them.

   i.   Put yourself in Peter's shoes and describe how the average person will respond to the second disappointment.
   ii.   List three risks for Peter and his organisation if his career situation is not managed effectively.

b. Read this scenario and then answer the questions that follow.

Sam is married and has an 8-year-old son. His wife is a junior medical doctor working long hours in a public hospital. Sam has been working as a lecturer in the HR department at a university for the past four years. He has always dreamt of qualifying as a professor and is working towards this goal.

As his wife works long hours, Sam has to drop off and pick up his son from school, do homework with him and attend most of his son's cricket matches. Sam enrolled for his PhD, but after two years he has not progressed. Recently, his line manager called him to his office to discuss his progress.

   i.   In a short paragraph, explain to the line manager how to deal with this discussion.
   ii.   Make three recommendations to the line manager on how to assist and support Sam in managing his career goals and plans.
   iii.   Critically discuss the following statement: "The organisation is responsible for assisting Sam in dealing with his career-related challenges."

Feedback

For career management to be successful, its challenges have to be managed effectively. You

can continue this discussion in more detail online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**.

In this last section of the unit make sure you can recognise, relate and apply your new knowledge and skills in and at your workplace. The final activity will help you in this.

Activity 1.7

Read the Take-A-Break case study at the end of chapter 8 of the prescribed book and answer the following questions:

a. Critically discuss the effectiveness of career management at Take-A-Break.
b. List the parties who are responsible for career management at Take-A-Break.
c. Indicate whether you think Take-A-Break's career management process is based on old/traditional or new career realities. Give examples and reasons for your response.
d. Identify the career stage in which Karabo is. Substantiate your answer.
e. Critically discuss the risks for Take-A-Break if dual-career couples are not managed proactively and well.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 04: Workbook 01 Activities**.

1.8   SUMMARY

In this workbook we reviewed your knowledge and understanding of career management, which plays an important role in achieving employee objectives. Although employees are responsible for their own career management, the organisation can help them to make better career decisions. HR plays a critical role in facilitating and providing the necessary support for employees wishing to develop their own careers.

1.9   SELF-ASSESSMENT

For self-assessment you are referred to the self-assessment tool on myUnisa. Here you'll find multiple-choice and Essay-type questions. To access these questions, visit the **self-assessment** workbook 01 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 01 and all the activities, you can go on to Workbook 02.

BIBLIOGRAPHY

Cascio, WF. 2006. *Managing human resources: productivity, quality of work life, profits.* 7th edition. New Jersey: Pearson Prentice Hall.

Coetzee, M & Roythorne-Jacobs, H. 2007. *Career counselling and guidance in the workplace: a manual for career practitioners.* Cape Town: Juta.

Greenhaus, JH, Callanan, GA & Godshalk, VM. 2010. *Career management.* Thousand Oaks, CA: Sage Publications.

Herr, EL, Cramer, SH & Niles, SG. 2004. *Career guidance and counselling through the lifespan.* London: Prentice-Hall.

Powell, WW & Snellman, K. 2004. The knowledge economy. *Annual Review of Sociology* 30:199–220.

Schreuder, AMG & Coetzee, M. 2011. *Careers: an organisational perspective.* 4th edition. Claremont: Juta.

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C.* Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa.* 5th edition. London: Cengage Learning.
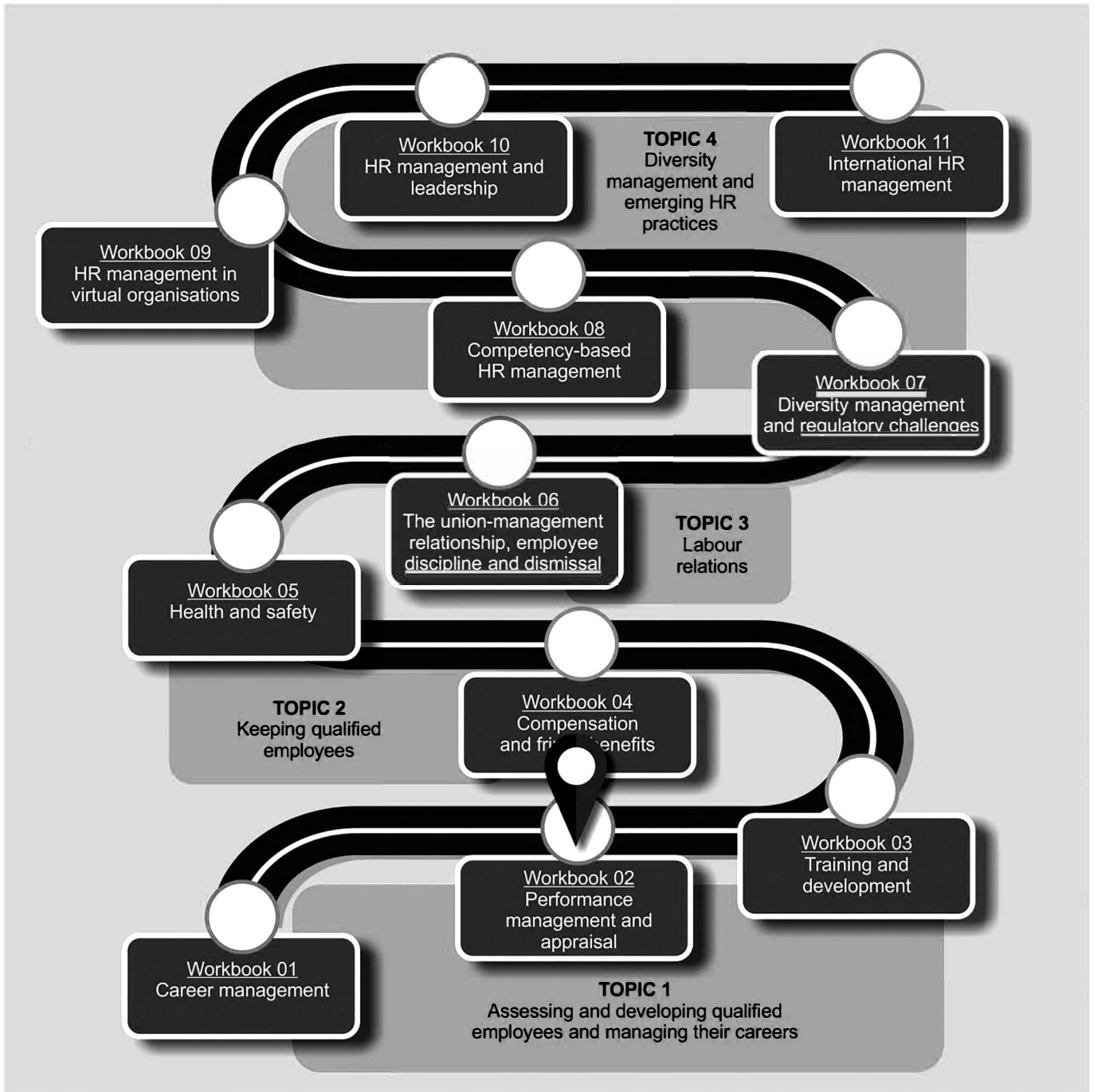
WORKBOOK 02

Performance management and appraisal

Contents		Pages

Have a look at the following mind map to see where you are in the process of working through the study material.

The figure is a curved pathway diagram connecting the workbooks and topics:

- Workbook 10 — HR management and leadership
- TOPIC 4 — Diversity management and emerging HR practices
- Workbook 11 — International HR management
- Workbook 09 — HR management in virtual organisations
- Workbook 08 — Competency-based HR management
- Workbook 07 — Diversity management and regulatory challenges
- Workbook 06 — The union-management relationship, employee discipline and dismissal
- TOPIC 3 — Labour relations
- Workbook 05 — Health and safety
- TOPIC 2 — Keeping qualified employees
- Workbook 04 — Compensation and fringe benefits
- Workbook 03 — Training and development
- Workbook 02 — Performance management and appraisal
- Workbook 01 — Career management
- TOPIC 1 — Assessing and developing qualified employees and managing their careers

2.1   LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- discuss the difference between performance management and performance appraisal

- explain the evaluative and developmental objectives of performance appraisal
- describe the major performance appraisal methods
- design and evaluate a programme of performance appraisal
- discuss the process to be followed when an employee performs unsatisfactorily
- discuss who should perform the appraisal
- provide examples of several rater errors
- discuss several concerns about appraisal feedback interviews
- discuss the effect of technology on performance management

2.2 KEY CONCEPTS

A number of key concepts are listed at the end of chapter 9 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Performance management	Evaluative objectives
Performance appraisal	Developmental objectives
Performance appraisal methods	Legal considerations
Performance criteria	Assessment centres
Performance problems	Rater errors
Problem-solving interviews	

Activity 2.1

Think about or reflect on your own job or talk to a friend or family member who has been employed for a few years and then answer these questions:

a. Has your performance (good or bad), or that of your friend or family member, ever been discussed? Do you talk about performance at work?
b. If so, who discusses performance at work? Is it only you and your colleagues or you and your manager?
c. Do you think it is important to talk about performance at work? Give reasons for your answer.
d. If a performance management process is used in your organisation, discuss your experience of the process.

Feedback

At some stage in work situations, most employees will probably talk about or experience a need to receive feedback on their performance. Employees discuss performance with their colleagues, especially before a scheduled appointment to discuss their performance with their supervisor and also afterwards following positive or negative performance outcomes. A performance management process can be positive if it provides effective feedback on performance, for example sufficient detail so that the employee knows exactly where the deviation was. By thinking about these questions, you are starting to think about performance appraisal.

2.3   INTRODUCTION

Performance management forms part of the development and assessment phases of the employee in an organisation. To understand the concept and purpose of performance management, you need to understand where performance management fits into the value chain and what impact it can have on the productivity and satisfaction levels of employees within an organisation. Figure 2.1 illustrates the basic HR value chain.
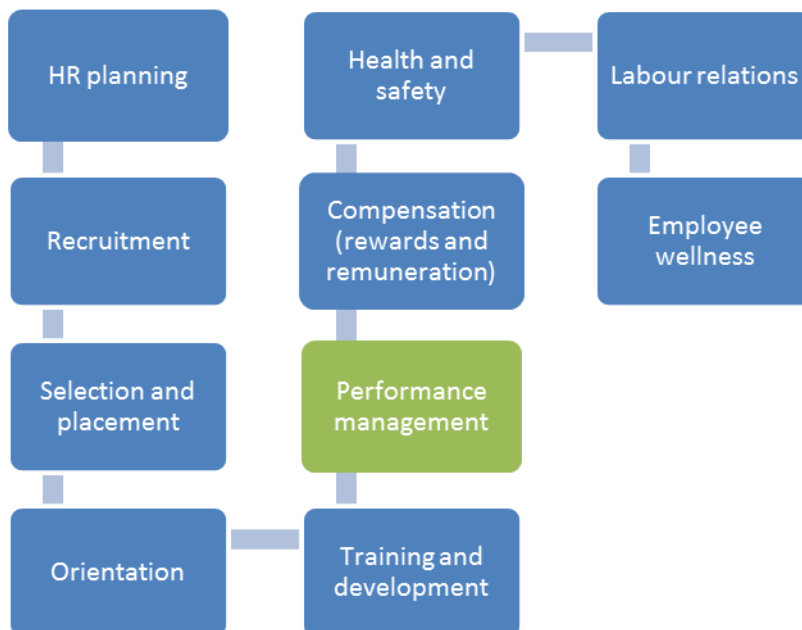

Figure 2.1: Basic human resource value chain

Workbook 02

Activity 2.2

Follow this link

https://www.youtube.com/watch?v=IeSncZ-nbxk (2:46)

and watch the youtube video.

a. Where does performance management fit into the value chain?
b. What impact can performance management have on the productivity and satisfaction levels of employees within an organisation?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

While working through this unit and the chapter in the prescribed book, you need to understand the following key aspects of performance management:

- There is a difference between performance management and performance appraisal.
- Performance management is a process.
- Performance management as an HRM function forms part of the development and assessment process of the employee in an organisation.

In general, most people want to know whether they are performing satisfactorily. They also like to know if they are doing anything wrong and, if so, how they can correct their mistakes or improve their performance. This is where performance management and appraisal fit in. These are some of the key concepts highlighted in activity 2.1.

Effective management of HR performance in an organisation can greatly enhance productivity and organisational success.

In this workbook we explore the concept and process of performance management. We also explain the respective roles of the HR team and the line manager in the process.

2.4 WHAT IS THE DIFFERENCE BETWEEN PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT?

At first, appraising performance and managing performance appear to be similar activities. But are they? Let's take a look at the difference between these two activities.

Study the introductory section of chapter 9 and sections 9.1, 9.2 and 9.3 in the prescribed book.

After working through these sections, you should be able to explain the following aspects related to performance management and appraisal in the workplace:

- the major challenges related to performance management in organisations in South Africa
- the difference between performance management and performance appraisal
- the types of performance criteria and objectives

Performance management forms part of the development and assessment phases of the employee in an organisation. The performance management process consists of four phases. To manage performance effectively, these phases should be implemented as an integrated process. The integration of the four phases is illustrated in figure 2.2 on the following page.
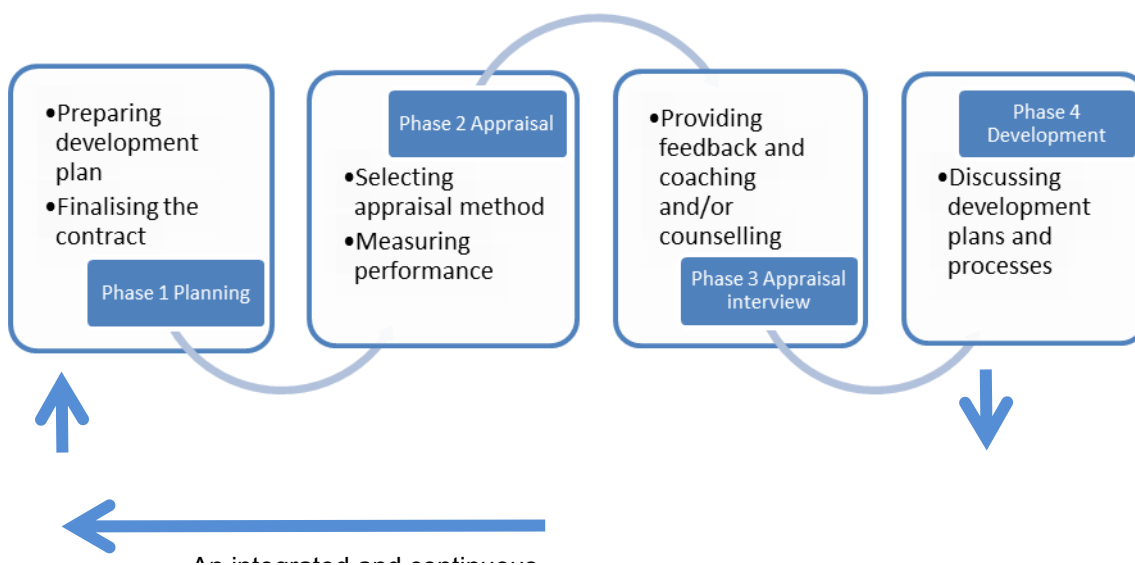

Figure 2.2: Integration of the phases of the performance management process

To make sure that you understand these aspects, do activity 2.3.

Activity 2.3

Watch the following video. Reflect and share your thoughts on performance management.

Performance management
https://www.youtube.com/watch?v=peq0z49Nw4I

Share your thoughts and understanding of career management – do this online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

a. List six challenges related to performance management in organisations in South Africa.
Indicate whether these challenges are relevant to your team/organisation. If you are not working yet, ask a friend or family member about their organisation.

b. Study the introductory part of chapter 9 in the prescribed book. Then try to identify which column in the following table refers to performance appraisal and which to performance management.

Performance …	Performance …
• is only concerned with individual performance	• is concerned with the total performance of the organisation and how individual and team results contribute to that performance
• is a segregated process	• is a process integrating corporate, functional, team and individual objectives, and linked more closely with other aspects of HR management
• is treated as an administrative chore imposed by the HR department	• is treated as a normal process of management
• is seen as something handed down by superiors to subordinates	• concerns all members of the organisation as partners in the process
• is not concerned with team performance	• is concerned as much with team performance as with individual performance
• is a process relying on a once-a-year formal review	• is a continuous process
• provides a basis for performance-related pay decisions	• can provide a basis for performance-related pay decisions, but greater care is taken in developing rating systems and achieving consistency in ratings

c. In table format, distinguish between three different performance criteria. Provide examples of the different types of criteria.

d. Distinguish between evaluative and developmental objectives that are used in performance appraisals. Include examples that are applicable to your work environment or the environment where a friend or family member works.

e. Review the list of sources of ineffective performance in table 9.1 in the prescribed book. Now identify and list the sources that are relevant to ineffective performance in your team and/or organisation, or the one that you spoke about in (d).

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

Now that you know what aspects of performance have to be appraised, you are probably wondering why it is necessary to do performance appraisals.

2.5 THE APPRAISAL PROCESS, PROBLEMS AND LEGAL CONSIDERATIONS

According to figure 2.2, performance appraisal is the second phase in the performance management process. To manage and appraise performance effectively, certain steps need to be taken. You know from our previous discussions that the HR function in an organisation is governed by a legislative framework. The performance management process should take the legislative requirements into consideration to protect both the employee and the organisation. Proper planning and decision-making are extremely important as this will impact on the commitment and buy-in of employees to implement the system and process effectively.

In this section we discuss the steps that should be considered to ensure the effective development and implementation of an appraisal process, including performance problems encountered during the appraisal process. We also look at the legal considerations that organisations should comply with when implementing a performance management system and process.

Study sections 9.4, 9.5 and 9.6 in chapter 9 of the prescribed book.

After working through these sections, you should be able to discuss the following aspects related to performance management and appraisal in the workplace:

- the steps of the performance appraisal process
- employee performance problems
- the legal considerations that impact on the performance appraisal process

Activity 2.4

a. Draw a diagram to illustrate the integration of the seven steps of the performance appraisal process.
b. Discuss the guidelines that an organisation can apply to protect itself from performance-related problems, and to be legally compliant.
c. What are the possible causes of employee performance problems?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

Now you will learn about the different methods available to appraise employee performance.

2.6 METHODS FOR APPRAISING PERFORMANCE AND RATING ERRORS

You will agree that HR managers need to put a lot of effort into choosing the best performance appraisal method(s) for the organisation. They should also ensure that the line managers, who will be responsible for implementing and monitoring the performance management process, buy in to the process and can appraise and rate performance and give feedback to employees. Another important aspect is that the employees have to be properly informed about the system, process and method(s) used.

In addition, since people do performance appraisals and ratings in organisations, there is always the possibility of subjectivity and human error. Performance appraisers should therefore be aware of the errors they are likely to make and should receive support and guidance on how to avoid them.

Study sections 9.7 and 9.8 in chapter 9 of the prescribed book.

After working through these sections, you should be able to describe the following aspects related to methods of appraisal in the workplace:

- the different methods that could be used to appraise performance
- the different rater errors the rater can make in appraising performance

Completing activity 2.5 will assist you in summarising the different methods and errors.

Activity 2.5

a. Summarise the different methods of appraisal that could be used. You can do this by completing a Word version of a table which is available under the **Additional Resources** for Workbook 02 Activities.
b. Indicate which method(s) is/are currently used in your organisation or the organisation where a friend or family member works.
c. Describe the different rating errors.
d. Indicate which rater errors you have experienced during performance appraisals in your career. If you have not worked yet, ask a friend or family member.

Feedback

You could have referred to any of the methods for appraising performance in section 9.7 in the prescribed book and related them to your organisation. However, a preferred performance appraisal method should signal the operational objectives to the individual, groups and the whole organisation.

All methods of performance appraisals are subject to rating errors such as rater bias, central tendency, strictness, recency effect, halo effect and leniency, but training supervisors or line managers can minimise many of them. The rater errors will differ in each organisation. For

example, an inexperienced or poor supervisor may decide that the easiest way to appraise performance is simply to give everyone a high evaluation, which is called leniency. Figure 9.8 in section 9.8 of the prescribed book provides specific reasons and motives for giving either inflated or deflated ratings.

2.7 WHO SHOULD DO THE RATING AND WHAT IS THE ROLE OF ASSESSMENT CENTRES?

By now you should understand the important partnership between the HR team and the line management of an organisation. Through our discussions you learnt that the HR team should advise, design, develop and implement an appropriate performance management system that will meet the needs and requirements of the organisation. As part of this process, the HR team needs to propose an approach to rating performance. Different approaches could be considered, namely self-evaluation, evaluation by the supervisor or manager, team evaluation, peer evaluation, multiple evaluation and customer evaluation. In this section we investigate these different approaches to rating performance in organisations.

Study sections 9.9, 9.10, 9.11 and 9.12 in chapter 9 of the prescribed book.

After working through these sections, you should be able to demonstrate an understanding of the following aspects:

- different raters in the performance appraisal process
- the role of assessment centres in performance appraisal
- the role of technology in performance appraisal
- the elements of effective performance appraisal systems

To make sure you understand these aspects, do activity 2.6.

Activity 2.6

a. Describe the different approaches to performance appraisal.
b. Indicate the approach or approaches followed in your organisation to appraise performance. If you are not employed yet, ask a friend or family member which approach their organisation uses.
c. Assess the effectiveness of your organisation's performance management system. Write a paragraph on the effectiveness or ineffectiveness of your organisation's performance management system.
d. Complete figure 2.5 on the steps in developing an effective performance appraisal system. You'll find this figure under the **Additional Resources** for Workbook 02 Activities.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

2.8   THE APPRAISAL INTERVIEW

As per figure 2.2 in section 2.4, the appraisal interview is phase 3 of the performance management process. It plays an extremely important role in building and sustaining relationships between line managers and employees.

During the interview, the supervisor provides performance feedback to the employee. Giving a person positive feedback is usually a pleasure to both the speaker and the receiver, and could result in greater loyalty, better performance and greater organisational goal achievement. This is something managers do easily and it is well received. Obviously, managers have to take great care to ensure that this interview enhances employee development and improves individual performance. You will therefore agree that this interview could "make or break" an employee. Ineffective or destructive performance feedback can easily destroy the relationship between the organisation and the employee, and could lead to a demotivated, unhappy and unstable workforce.

However, giving less positive or constructive feedback is an issue that many managers avoid. Managers tend to ignore the problem, rather than resolve it directly. The challenge is how to provide team members with feedback which is **useful** and gives them **specific details** on what they need to improve in the future in order to enhance their performance. Providing a person with feedback can be highly motivating if it is done in a meaningful and constructive way. Figure 2.6 illustrates a proposed performance feedback process.

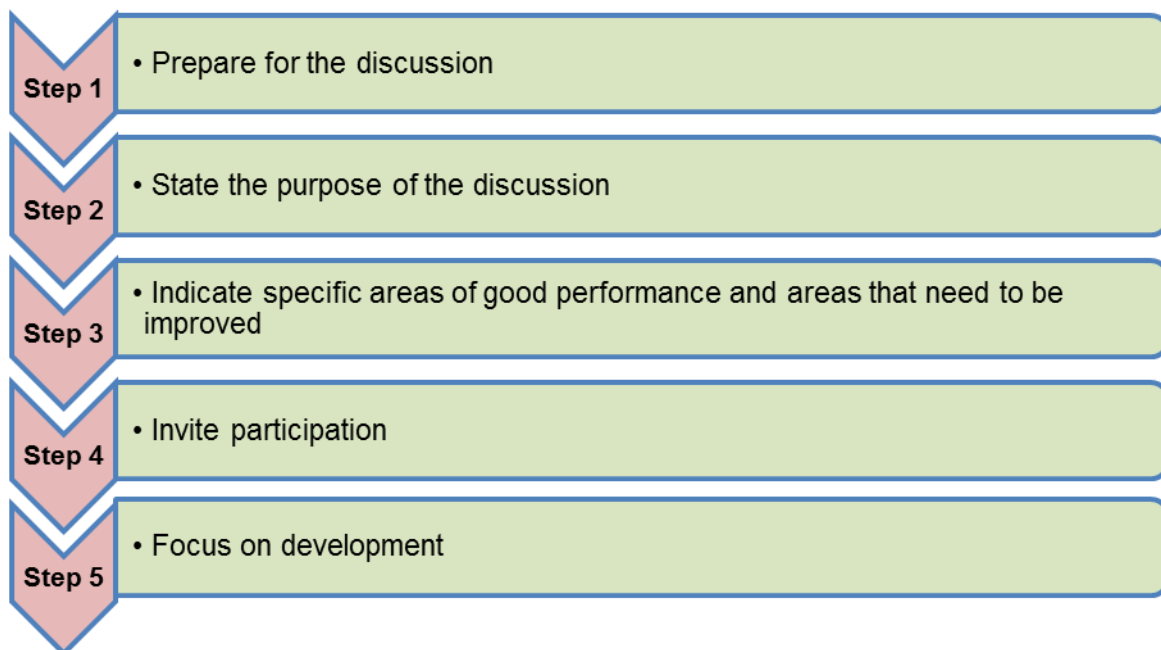| Step 1 | • Prepare for the discussion |
Step 2	• State the purpose of the discussion
Step 3	• Indicate specific areas of good performance and areas that need to be improved
Step 4	• Invite participation
Step 5	• Focus on development

Figure 2.6: Proposed performance feedback discussion/interview

In this section we discuss

- a number of errors the manager can make during the feedback discussion
- details on the steps of the proposed feedback discussion/interview
- different types of interviews that could be used to solve performance and developmental problems

Study section 9.13 in chapter 9 of the prescribed book.

After working through this section, you should be able to explain the following aspects:

- the purpose of the appraisal interview
- typical problems that can occur during the appraisal interview
- the format of the interview
- problem-solving interviews

Now that you have worked through these sections, do activity 2.7.

Activity 2.7

a. Summarise the different problems the manager should avoid during the appraisal discussion/ interview.
b. Have you experienced any of these problems during appraisal discussions/interviews?
c. Work through the steps in the proposed appraisal discussion/interview and write down the key aspects of each step.
d. Based on the different interviewing techniques, which technique will be most suitable to resolve performance issues in your team or organisation or the organisation where your friend or family member works?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 05: Workbook 02 Activities**.

2.9   SUMMARY

You have now reached the end of Workbook 02. By now you are probably convinced of the importance of a proper performance management system and process. You realise that employee performance should not be managed on an ad hoc basis only, but should be seen as part of the day-to-day management process. The HR manager should therefore ensure that

- a performance appraisal system best suited to the organisation is in place
- it is administered in such a way that it results in fair and equitable treatment for the diversity in the workplace

- employees and supervisors are familiar with the implementation of the system
- appraisers are properly trained so that the organisation and its employees can benefit from the system

Sincerity and honesty are two vital components that managers need to add to the process.

2.10 SELF-ASSESSMENT

For self-assessment you are referred to the self-assessment tool on myUnisa. Here you'll find multiple-choice and essay-type questions. To access these questions, visit the **self-assessment** workbook 02 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 02 and all the activities, you can go on to Workbook 03.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: Study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. Human resource management in SouthAfrica. 5th edition. London: Cengage Learning.

WORKBOOK 03

Training and development (T&D)

Contents		Pages
3.1	Learning outcomes	36
3.2	Key concepts	37
3.3	Introduction	38
3.4	Training, development and related concepts	39
3.5	Purposes and priorities of T&D in the 21st century	40
3.6	A systems approach to T&D	41
3.7	Management development for organisational success	44
3.8	South Africa's T&D challenge	45
3.9	A human resource development strategy for South Africa (2010−2030)	46
3.10	South African legislation that support T&D	46
3.11	Summary	47
3.12	Self-assessment	47

Have a look at the following mind map to see where you are in the process of working through the study material.
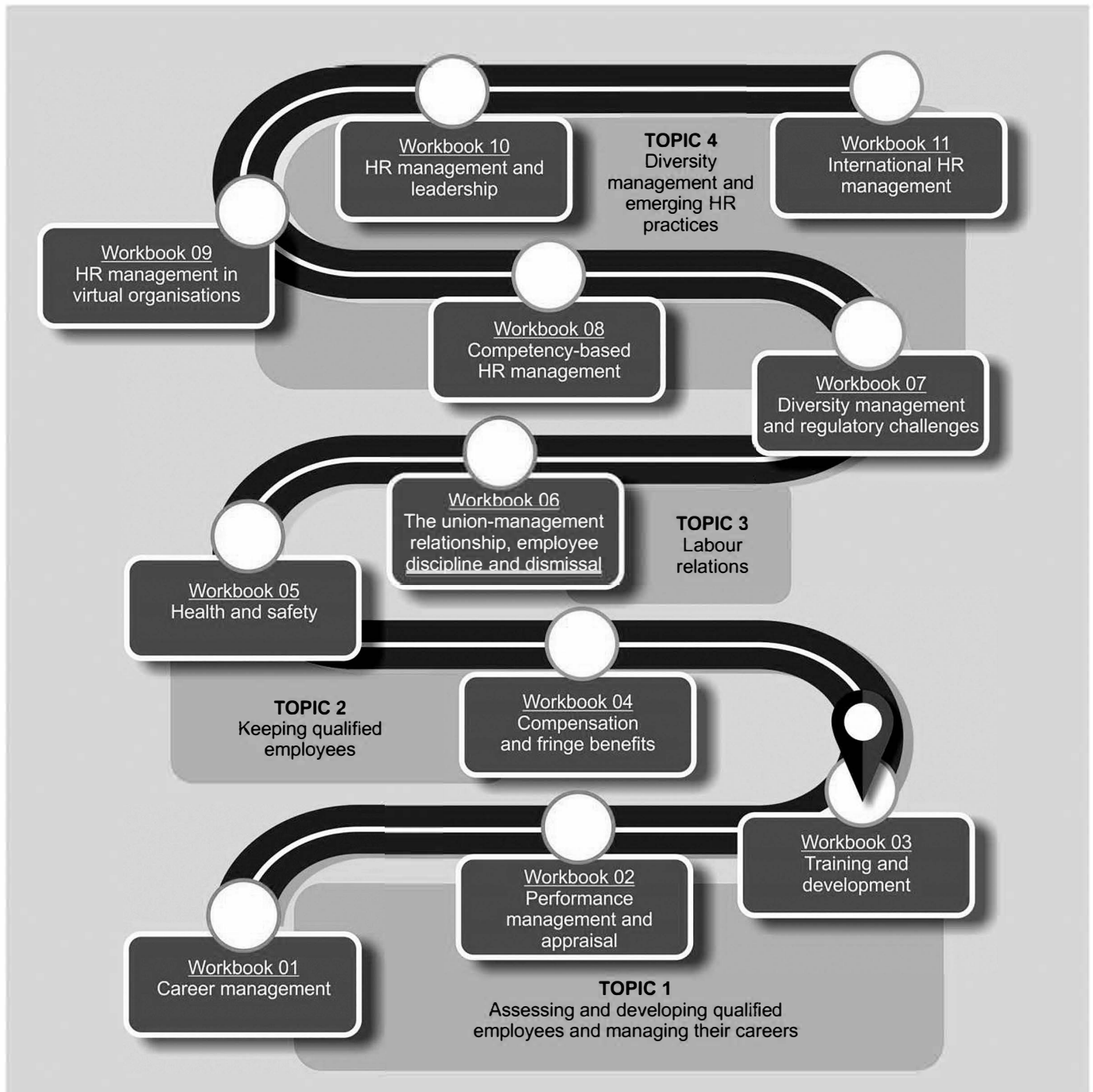
3.1   LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- distinguish between the different concepts that are related to T&D
- discuss the major purposes of T&D

- identify the differences and similarities between employee training and management development
- describe the systems approach to T&D in organisations
- describe strategic T&D in organisations
- describe the major phases of the training process
- explain a needs assessment process that includes organisational, job/task and individual needs
- describe the steps of the process of designing and delivering T&D interventions
- identify and describe different on-the-job and away-from-the-job T&D techniques
- outline a process to evaluate T&D interventions
- explain the main aim of each of the Acts that govern T&D in South Africa
- critically discuss how the T&D legislation can resolve the serious skills shortages in South Africa

3.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 10 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Education	T&D objectives
Training	T&D evaluation
Development	T&D legislation
On-the-job training	Strategic T&D
Away-from-the-job training	Skills shortages
Needs assessment	Skills development

Note:

Organisations often refer to the relevant HR team/department responsible for T&D as follows:
- Human Resource Development (HRD)
- Education, Training and Development (ETD)
- Learning and Development (L&D)
- Training

What is this department called in your organisation? If you are not working yet, ask a friend or family member.

3.3 INTRODUCTION

In this workbook we focus on the training and development (T&D) of employees. This unit forms part of a major HRM function, namely assessing, developing and keeping qualified employees.

In Workbook 02, we discussed the first part of this activity, namely **assessing** human resources (performance management and appraisal). We now move on to the second part, namely employee **development**. This is achieved by means of employee training and management development.

We will explore the concepts and processes of T&D as well as the respective roles of the HR team and the line manager in the process.

You learnt in Workbook 02 that proper performance appraisal will result in the employees knowing whether their performance on the job is acceptable and what their strengths and weaknesses are. How will the weaknesses that have been identified be corrected? This is where the development part of the second major HR management activity plays a role.

The key question therefore is:

How does the HR manager ensure that employees at all levels are trained and developed for their present and future jobs?

Activity 3.1

Think back to Workbook 02 (performance appraisal). What are the issues that should be discussed in a proper performance appraisal?

Think about your most recent performance appraisal. Were any T&D issues raised during that appraisal? Were they resolved? How were they resolved? Ask a friend or family member if you are not working yet.

Feedback

Try to imagine the kinds of expectations a proper performance appraisal will raise. Employees will know what they have done wrong or right in doing their duties and what kind of performance is needed to do the job properly. But where do employees go from there? They will certainly want to improve their weaknesses to ensure a successful career within the company. This is where the HR manager plays a crucial role: firstly, by assisting employees to overcome their weaknesses (by means of proper T&D) and, secondly, by helping them to plan their path up the corporate ladder (by means of proper career management).

Effective T&D can contribute greatly to improved performance and also motivate employee behaviour. It is therefore vital for every HR manager to be aware of the requirements for proper T&D and to ensure that they are constantly adhered to.

3.4 TRAINING, DEVELOPMENT AND RELATED CONCEPTS

The terms "training" and "development" seem to mean more or less the same thing. Do you think there are any differences between them?

Study section 10.1 in chapter 10 of the prescribed book.

Activity 3.2

Read this scenario and answer the questions that follow.

Mrs Tembi Shula's family is an ordinary family. First, there is Bruce. He has just finished his school career and is learning to be a mechanic. Janice is 15 years old and very excited about her next few years in high school. Then there is little Jabu. Jabu is his mother's youngest child and is only 5 years old. Mrs Shula spends much of her time teaching Jabu to read and write. Lastly, there is Desmond Shula. The company he works for is pressuring him into doing an MBA. He has been told that managers with an MBA have a much better chance of advancing within the organisation.

a. Determine the stage of education, training or development, where each member of the Shula family find themselves. Use the table that is available in a Word format under **Additional Resources** for Workbook 03 Activities, by ticking the appropriate block in this table:

Name of family member	Education	Training	Development	Learning
Desmond Shula				
Bruce Shula				
Janice Shula				
Jabu Shula				

b. Based on your response, explain the concepts of education, training and development in your own words.
c. Advise Desmond on whether he should enrol for an MBA. Provide reasons for your viewpoint.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

You will probably agree that T&D play a crucial role in the organisational context. Let's now take a look at the purposes of T&D.

3.5 PURPOSES AND PRIORITIES OF T&D IN THE 21st CENTURY

Study sections 10.3 and 10.4 in chapter 10 of the prescribed book.

T&D interventions are very expensive. It is important for organisations not to embark on a T&D exercise only for the sake of T&D, but for these interventions to be in line with the goals of the organisation. By doing this, a number of essential employee capabilities and skills can be developed to adapt to change and promote a climate in which constant learning is encouraged and new knowledge can be spread throughout the organisation. This will be to the benefit of both the organisation and the employee.

After working through these sections, you should be able to explain the following aspects:

- purposes of T&D
- T&D priorities for the 21st century

Now do activity 3.3.

Activity 3.3:

Watch the following video and reflect on the role of T&D in organisations. Share your thoughts and understanding of T&D – do this online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

Importance of employee training
https://www.youtube.com/watch?v=rdOrYmb_Ttw

a. In this table, classify each of the purposes of T&D as being a purpose for the organisation or for the employees. Tick the appropriate block.

Purpose of T&D	Organisation	Employees
1. Improved performance		
2. Updated employee skills		

3. Improving effective people management		
4. Resolving organisational challenges		
5. Orientation of new employees		
6. Preparation for promotion and managerial succession		
7. Satisfaction of personal growth needs		

b. Evaluate whether the T&D priorities for the 21st century are dealt with in your organisation or the organisation where your friend or family member works. Give reasons for and examples of your viewpoint.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

3.6   A SYSTEMS APPROACH TO T&D

Because of the importance of T&D for the organisation and its employees, as well as the time and money involved, the actual T&D process needs to be approached systematically.

Study section 10.4 in chapter 10 of the prescribed book.

According to Wärnich, Carrell, Elbert and Hatfield (2015:346), T&D is best thought of as a complex system that involves a number of distinct, but highly interrelated phases. This section focuses on the following aspects related to T&D:

- division of the responsibilities of the HR team and line management in T&D – refer to table 10.2 in the prescribed book
- strategic T&D – refer to section 10.4 in the prescribed book
- the training process – refer to figure 10.2 in the prescribed book

After working through this section, you should also be able to demonstrate an understanding of the four major phases of T&D:

- training needs assessment
- training design
- training delivery
- training evaluation

For the purpose of this discussion these phases are illustrated in figure 3.1 on the following page.
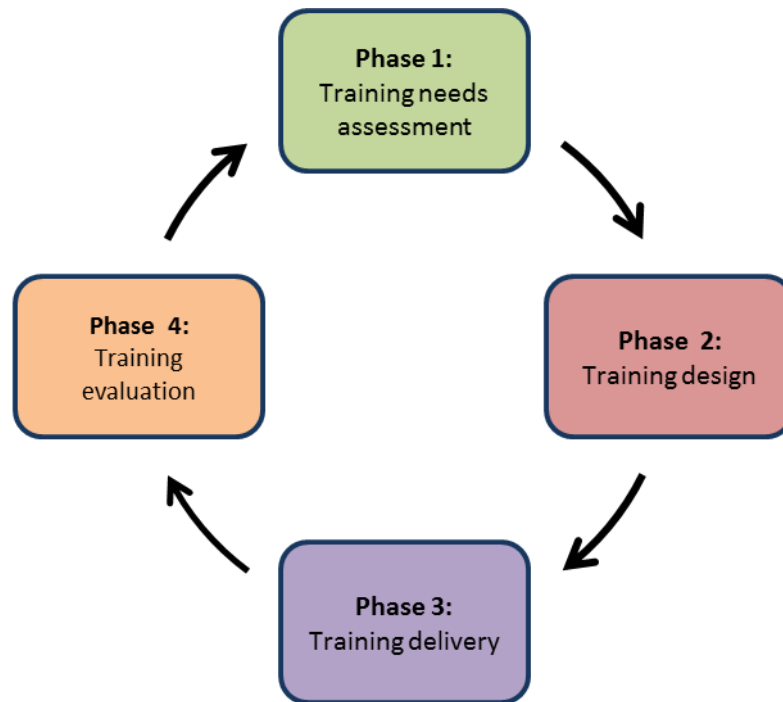

Figure 3.1: Phases of the training process (adapted from Wärnich et al (2015:347))

These phases are discussed in detail in the prescribed book.

Activity 3.4

Study section 10.4 in chapter 10 of the prescribed book. Keeping the case study at the end of chapter 10 in mind, answer these questions:

a. First focus on the needs assessment phase. Identify the three levels at which this can be done. Which of the individual analysis methods was used in the case study? Why?
b. Now focus on phases 2 and 3, namely design and delivery of T&D. Do you think Southwood School (in the case study) should have used away-from-the-job techniques for the managers?
c. Using a table, differentiate between on-the-job and away-from-the-job training techniques.
d. Finally, focus on the evaluation phase. Should the trainer have evaluated the training programme? If so, what do you think would have been the best evaluation strategy for the trainer to use?

Feedback

You should now realise that employee T&D, like many other HR management activities that you already know, are regarded as a process consisting of several interrelated phases or steps. Each phase or step has its own important contribution to make and HR managers should take

care not to neglect any of these phases, because this could jeopardise the whole T&D effort. This neglect could waste a lot of time, effort and money.

Let's summarise this process. The T&D process begins with needs assessment at organisational level (to uncover major problem areas), the operations level (to enable training personnel to create programmes that focus on the right way to perform a job) and individual level (to determine the extent and nature of employee training needs, i.e. why T&D are needed). You had to read section 10.6.1 to decide on the individual analysis method used at Southwood School. The managers engaged in group discussion where they voiced their concerns about the performance management system.

Once these needs have been spelt out, it is possible to put together an employee training plan. This plan shows overall objectives, programme priorities and resource allocations. It also indicates who will be trained in what, by whom and when. Each potential trainee can then be matched with a training opportunity which might occur in-house or outside the organisation (on the job or away from the job). As each programme is developed, the instructional objectives to be met, programme content and the delivery system or training technique to be used must all be considered. Then the actual training takes place. There are a variety of T&D techniques or methods that can be used while employees are either on the job or away from the job. It is important to be aware of the advantages and disadvantages of each specific technique when choosing a training method. The trainer in the case study used away-from-the-job techniques and a two-hour mandatory workshop in-house but outside the normal busy work schedule of managers to focus on the training only. See table 10.6 for a better understanding of the potential assets and liabilities of away-from-the-job T&D.

Table 10.4 in the prescribed book provides a summary to distinguish between on-the-job and away-from-the-job training techniques.

Finally, the trainer needed to evaluate the training programme, because it is necessary to know whether the total effort of T&D did in fact achieve the overall objectives that were formulated. There are four levels of T&D evaluation (see section 10.4.3 of the prescribed book). You could have chosen any of these levels and related them to the managers at Southwood School.

How would the HR manager know whether the chosen training methods are suitable for the people who are to be trained? T&D is a type of learning and trainers can benefit from applying certain principles of learning and learning styles (see section 10.4.2 of the prescribed book).

What are the basic principles of learning?

Contrary to the context of the Shula family in activity 3.2, where some family members are children, teenagers and adults, in the organisational context all members are adults. Does this mean that adults learn differently from children or teenagers?

Activity 3.5

Study section 10.4.2 in chapter 10 of the prescribed book. Keeping the case study at the end of chapter 10 in mind, pay special attention to the principles of learning (section 10.4.2). Then answer this question:

Which of the basic principles of adult learning should the trainer incorporate in training the managers? Which principles should be left out and why?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

3.7   MANAGEMENT DEVELOPMENT FOR ORGANISATIONAL SUCCESS

Often employees become managers by being promoted without a detailed discussion on what is expected of line management in the organisation. It is extremely important that the organisation have a strategy, plan and process linked to the development of managers in the organisation.

In this section we explore the conditions that are required to ensure successful T&D programmes for managers within organisations.

Study sections 10.5 and 10.6 in chapter 10 of the prescribed book and do activity 3.6.

Activity 3.6

a.   What are the key differences between a T&D intervention for managers and one geared towards employees?
b.   Critically discuss the following statement:

HRD professionals should possess the following four sets of skills:

- o   *power skills*
- o   *relationship skills*
- o   *technical skills*
- o   *entrepreneurial skills*

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

3.8   SOUTH AFRICA'S T&D CHALLENGE

Rebuilding the economy has become one of the biggest challenges facing South Africa. This challenge can be overcome by improving productivity and performance through skill enhancement and development.

Study section 10.7 in chapter 10 of the prescribed book and then do the following activity.

Activity 3.7

a. Identify, in order of importance, the shortcomings of the previous education system in South Africa. Which of these will have to be overcome through T&D activities in the organisational context?
b. Now look at the different types of organisational competencies. Taking South Africa's diverse workforce into account, explain how the HR manager can help improve these competencies.

Feedback

The shortcomings of the previous education system in South Africa are listed in section 10.7 in chapter 10 of the prescribed book. You should realise by now that because of South Africa's unique situation (the result of its history of discrimination), the T&D function is different from that in other countries. The diverse South African population differs vastly in terms of education and skills. To rectify this imbalance in South Africa, legislation was promulgated (see section 10.10 in chapter 10 of the prescribed book).

How do these Acts affect the HR manager's task in South Africa? These managers will not only have to meet employee and organisational T&D needs, but will also have to adopt a broader approach. They will have to contribute extensively (through, say, affirmative action initiatives such as accelerated development, literacy training and bursaries to designated groups) to eradicate the educational backlog in South Africa as a whole. In other words, designated or previously disadvantaged groups, both inside and outside the organisation, need to be assisted through T&D.

The greatest training challenge facing South Africa can therefore be summarised as the T&D of previously disadvantaged groups (outside the organisation) for **entry** into the job market, as well as the training of employees (inside the organisation) for **progression** through the managerial ranks. You will agree that this is a huge responsibility.

The core and strategic competencies which are driven by the corporate strategy are the two types of organisational competencies. The HR manager can help improve these competencies by following the systems approach to T&D. You learnt about this in section 3.6 of this workbook and section 10.4 in chapter 10 of the prescribed book. The next section focuses on a human resource development (HRD) strategy for South Africa.

3.9 A HUMAN RESOURCE DEVELOPMENT (HRD) STRATEGY FOR SOUTH AFRICA (2010−2030)

A national T&D strategy is important if a country wants to grow economically and use its citizens effectively. The Reconstruction and Development Programme (RDP) identified people as its most important resource and its purpose was to meet the needs of the economy. Therefore a new HRD strategy was formulated as a call to action for all stakeholders in South Africa.

Study section 10.8 in chapter 10 of the prescribed book and then do this activity.

Activity 3.8

What are the goals of the HRD strategy?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

3.10 SOUTH AFRICAN LEGISLATION THAT SUPPORT T&D

The democratisation of South Africa 20 plus years ago has had major implications for all HRM practices. With the formulation and implementation of the Constitution and the Bill of Rights, a number of Acts have been implemented to govern HRM practices. The main aim of the different Acts is to protect both the employer and the employee in our journey towards rebuilding the economy. The National Skills Development Strategy (NSDS II, 2011–2017) was prepared in support of the HRD strategy and in alignment with the aims and strategic objectives of the Department of Labour. The NSDS sets out objectives and various indicators for skills development so that the South African economy can grow and also improve the quality of life of its citizens.

Various acts were approved by the government to resolve the serious skills shortages in South Africa. These include the National Qualifications Framework Act (NQFA), the South African Qualifications Authority Act (SAQA), the Skills Development Act (SDA) and the Skills Development Levies Act (SDLA).

Study sections 10.9 and 10.10 in chapter 10 of the prescribed book.

Activity 3.9

a. Complete the table that contains the acts/programmes/plans that address the skills challenge in South Africa. This table is available in a Word format under **Additional Resources** for Workbook 03 Activities.
b. What does the development of a Workplace Skills Plan (WSP) entail?
c. Which of the SETAs do you belong to and is it fulfilling its purpose?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 06: Workbook 03 Activities**.

3.11 SUMMARY

You will probably agree that all organisational members need to receive some sort of training and/or development to improve organisational performance or fill the gap between actual and desired performance. They also need to be given some guidance on possible career alternatives within their organisations. You should understand that the employee's career needs to be managed and guided so that it incorporates both individual and organisational needs. With South Africa's changing workforce composition, employment legislation and changing societal views (e.g. of women, the disabled and other designated groups), it is the responsibility of the HR manager to ensure that these groups receive special attention when designing and implementing T&D programmes.

3.12 SELF-ASSESSMENT

For self-assessment you are referred to the self-assessment tool on myUnisa. Here you'll find multiple-choice and Essay-type questions. To access these questions, visit the **self-assessment** workbook 03 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 03 and all the activities, you can go on to Workbook 04.

This also means that you have completed the workbooks of topic 1.

SUMMARY OF TOPIC 1

Career management involves the integration of organisational staffing needs with the career goals and aspirations of individual employees. To be effective, career management should be formalised and planned, supported from top management and recognised as a process that involves the coordination of a number of separate yet interrelated HR tools and programmes.

Most people (managers and employees alike) dislike performance appraisals and find them very stressful, but the process serves an important purpose in the organisation. Promotion (and demotion) decisions and salary increases are often based on performance appraisal information. It also provides information about employees' training needs and gives valuable feedback to employees about their work performance. Employees usually have more trust in performance appraisal data when the performance appraisal method is job-related and the appraisal interview is conducted in a constructive way.

T&D contribute to the organisation's strategic goal achievement. Employees develop skills, abilities, knowledge and attitudes that help them perform more effectively in their current jobs and they can also be prepared for future positions. The training cycle consists of three phases: needs assessment, design and delivery of training programmes, and evaluation of programmes. All three phases are important to ensure effective T&D. Both HR and line managers should be familiar with the legal environment that regulates T&D in South Africa.

You will now start with Workbook 04, which is the start of topic 2.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C.* Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa.* 5th edition. London: Cengage Learning.

TOPIC 2

Keeping qualified employees

The compensation and benefits of employees, as well as their health and safety at work, has become one of the important issues in organisations. After the organisation has attracted and hired a certain calibre of employee, it is critical that the compensation and health management practices not hinder efforts to retain productive and talented employees.

TOPIC AIM

The aim of this topic is to familiarise you with the activities and complexities involved in managing compensation and benefits, as well as the health and safety of employees in the organisation.

LEARNING OUTCOMES FOR TOPIC 2

After completing this topic, you should be able to

- examine, compare and comment on compensation and fringe benefits of employees (**Workbook 04**)
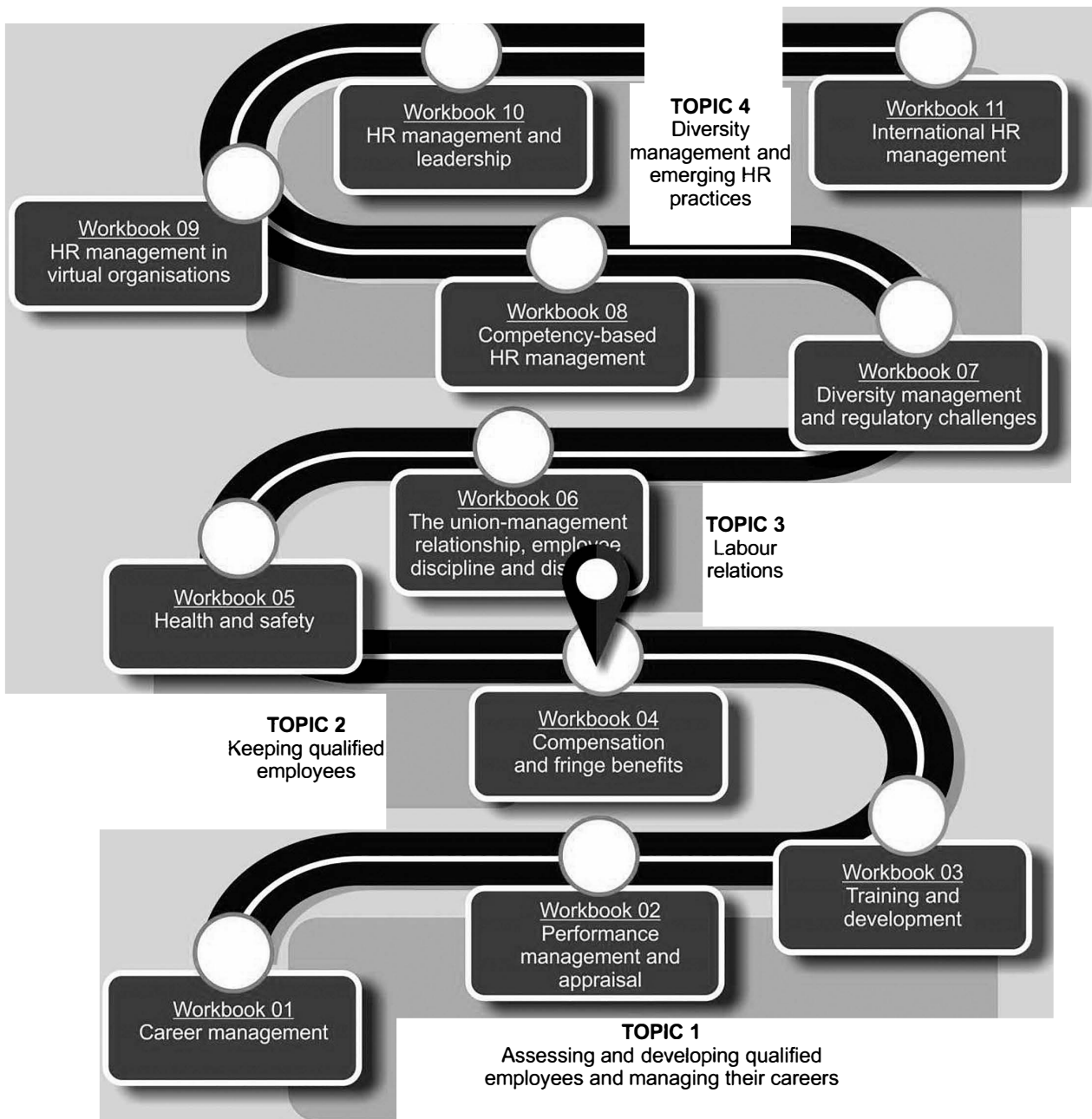- discuss the influence of the health and safety of employees in the organisation (**Workbook 05**)

WORKBOOK 04

Compensation and fringe benefits

Have a look at the following mind map to see where you are in the process of working through the study material.

Workbook 10
HR management and leadership

TOPIC 4
Diversity management and emerging HR practices

Workbook 11
International HR management

Workbook 09
HR management in virtual organisations

Workbook 08
Competency-based HR management

Workbook 07
Diversity management and regulatory challenges

Workbook 06
The union-management relationship, employee discipline and dis

TOPIC 3
Labour relations

Workbook 05
Health and safety

TOPIC 2
Keeping qualified employees

Workbook 04
Compensation and fringe benefits

Workbook 03
Training and development

Workbook 02
Performance management and appraisal

Workbook 01
Career management

TOPIC 1
Assessing and developing qualified employees and managing their careers

4.1   LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- explain the link between pay, motivation and performance
- define job evaluation (JE) and discuss four popular JE methods
- differentiate between three types of individual incentives

- discuss why gain-sharing, profit-sharing and employee stock ownership plans (ESOPs) have grown as organisational incentive plans
- discuss the different executive compensation methods
- explain the importance of employee benefits and their organisational objectives

4.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 11 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Compensation	Gain-sharing plans
Compensation objectives	Profit-sharing plans
Wage surveys	Stock option plans
Job evaluation (JE)	Employee stock ownership plans (ESOPs)
Internal equity	Golden parachute contract
External equity	Skill-based pay
Incentives	Employee fringe benefits
Merit pay	Piecework

4.3   INTRODUCTION

One of the most significant tasks confronting HR managers is the design and implementation of compensation systems. These systems are designed to serve many purposes, but the main goal is to provide fair and equitable remuneration for all employees. The HR manager therefore has to ensure that all employees feel that they are being paid what they are worth and that their salaries compare favourably with those of others doing similar work, inside and outside the organisation. In addition, the compensation programme must provide equity to the employees while allowing the organisation to remain competitive in the marketplace.

The key question therefore is:

How does the HR manager ensure that the organisation's compensation strategy benefits both the organisation and employees?

Compensation is what employees receive in exchange for their contribution to the organisation. The purpose of compensation is to attract, retain and motivate employees in order to achieve the employer's business objectives. The employer's compensation package should be good enough to attract competent employees from the marketplace. It must be reviewed in such a way and kept in line with accepted market norms so that it motivates employees to perform and remain with the company. Without adequate compensation, current employees are likely to leave and replacements will be difficult to recruit. Compensation, however, goes far beyond just wages and salaries. It may also include incentives that help relate labour costs to productivity. A

wide range of fringe benefits and services is almost always part of the total compensation package each employee receives. Taking all of this into account, you should now begin to realise what a complicated task the HR manager faces in determining the compensation and fringe benefits applicable to the different positions in the organisation.

Activity 4.1

Read the case study at the end of chapter 11 in the prescribed book (Future Leaders University) and then answer these questions:

a.   Fiona has been working for Future Leaders University for 23 years. Identify and discuss the method the university can use to research her salary on the local labour market.
b.   Discuss communication as an important element in compensation.
c.   Do you think that money is the only motivator for Professor Clever to stay at the university? Give reasons for your answer.
d.   What is the goal of a compensation system?

Feedback

It should be obvious to you that keeping employees happy in the work environment (especially when it comes to their money) is a very important issue to employees and needs to be attended to by management with the utmost care and attention. When answering the questions in activity 4.1, you should have noted the following:

a.   Future Leaders University can do a salary survey to conduct research into similar competitors' salaries (pay rates) for Fiona. A survey is the systematic process of collecting data on, in this case, compensation paid by other organisations to their employees. Future Leaders University can use wage surveys conducted by compensation consultancies.

b.   Communication in all aspects of HR is important, and especially in compensation. Employees need to understand the company's pay system. Their understanding is indirectly shaped through the pay they receive and directly through formal communication about their pay, their performance and the markets in which the organisation competes. Employees need to be advised of the company's pay policies and how these policies affect them individually. They therefore need information on issues such as how the performance appraisal and incentive system works, if there is a job rating system, how it works and how it affects them. Evidence suggests that the goodwill created by being open about pay may also affect the perception of pay equity. Employees in companies with open pay policies tend to express higher satisfaction with their pay and with the pay system.

c.   There is more to motivation (and keeping employees in an organisation) than just money. Different things motivate people in different ways under different circumstances, which makes it difficult to answer the question. For instance, a sabbatical may motivate Professor Clever to embark on professional development, whereas family responsibility time to attend to her special needs child may motivate Fiona. There are, however, certain principles which managers can apply to use money as a motivator. For money to

motivate, it must be substantial enough to encourage the employee to perform and must also be directly related to work performance. Organisations use intrinsic and extrinsic rewards to compensate employees for their time and effort. Extrinsic rewards relate to being stimulated by external sources, such as salary and benefits. Intrinsic rewards have to do with being stimulated internally and performing because of the challenges, satisfaction and fulfilment when making a contribution.

d. The compensation system is one of the most important HR tools. With its compensation system, a company aims to

- attract employees with the required personalities, skills, competencies and values
- retain good performers (in the case of Future Leaders University to keep valued employees such as Fiona)
- encourage and reward employees who believe in the importance of quality
- promote performance, productivity and outputs

It is obvious why employees would feel upset about their salary increases (or no increases). Obviously they view salary increases as important. Misunderstanding of salary increases (or no increases) is bound to occur in organisations if the policy on compensation, benefits and incentives is not communicated properly or properly understood by all employees. The HR manager therefore plays a vital and difficult role in determining the policy of the organisation and ensuring that it is implemented correctly at all levels in the organisation. To enable you to better understand compensation systems and benefits, we will answer the following questions in this workbook:

- What are the objectives of compensation?
- What role does job evaluation play in the compensation process?
- What types of pay systems can be found?
- Why have fringe benefits become so important and what types of benefits exist?
- What is executive compensation and what does it entail?

4.4   COMPENSATION OBJECTIVES

You will agree that employees should be compensated in some way for their contributions in the company. Once employees have been paid for their effort, a fair exchange has taken place between them and the organisation. This is one of the many objectives of compensation.

Study section 11.1 in chapter 11 of the prescribed book.

Activity 4.2

Read the introductory part to chapter 11 in the prescribed book, then study "Compensation objectives". Keeping the case study in activity 4.1 in mind, answer these questions:

a. Which of the compensation objectives (summarised in figure 11.2) are applicable to Future Leaders University? Why?

b. Identify and explain other compensation objectives in designing a compensation system.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 07: Workbook 04 Activities**.

4.5 JOB EVALUATION

How do you determine how much to pay someone? Remember that employees not only differ in terms of their qualifications and experience, but they also have different types of jobs at different hierarchical levels. The HR manager therefore has to use another tool to determine what the employees' compensation should be.

Job evaluation is used by organisations to determine the value of jobs and therefore to determine the relativity of pay between jobs. Job evaluation implies that a job's worth can be measured and that employees in higher-level jobs will earn higher salaries than those in lower-level jobs.

Study section 11.2 in chapter 11 of the prescribed book.

Activity 4.3

Read the following paragraph and answer the questions:

Robert had been working for his twin brother Tshepo for 6 months. He then told Tshepo that he wanted a steady monthly salary, and he refused to continue working until Tshepo had indicated how much he would pay him. Tshepo then asked a few friends to help him out. Unfortunately they soon joined Robert in demanding compensation for their efforts. Tshepo suddenly realised that he had a serious problem. He had no idea what to pay his employees. And even worse, he didn't know how to determine their salaries! Should they all be paid the same salary or should people doing similar work be paid a similar salary? Was it really necessary to pay them steady salaries each month? Would it not be better to negotiate each month's salary with them after all expenses had been covered?

a. How can job evaluation solve Tshepo's problems?
b. Compare internal and external equity in considering Robert's salary.
c. Which job evaluation methods are most suited to Tshepo's business? Why?
d. Explain whether Tshepo should use a job evaluation committee or outside assistance.
e. Briefly summarise the advantages and disadvantages of the different job evaluation methods

by using the following table that is available in a Word format on **Additional Resources** for Workbook 04 Activities.

JE method	Advantages	Disadvantages
Job ranking	• Fast and easy to complete •	•
Job classification		
Point		
Factor comparison		

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 07: Workbook 04 Activities**.

4.6 PAY SYSTEMS AND GUIDELINES FOR INCENTIVE PLANS

Compensation systems differ in organisations as well as among employees. The HR manager usually has to determine whether employees will be compensated for the time they took to do the job or for the amount of effort they put into it. In this section, we will look at different pay systems.

Study sections 11.3 and 11.4 in chapter 11 of the prescribed book.

Activity 4.4

Read this paragraph and answer the questions that follow.

A medium-sized business specialising in the manufacturing and distribution of corrugated cardboard gift boxes and storage containers has just completed wage negotiations with the union representatives of their staff. The following are agreed:

• a basic salary of R60 000 per annum
• a pension fund – 8% of annual salary, half to be contributed by the employee and half by the employer
• a hospital insurance fund – 10% of annual salary, half to be contributed by the employee and half by the employer
• an across-the-board increase of 8.36%, effective from the following month; in addition to this, a 2% salary increase for staff who have worked at the company for longer than three years

- a gain-sharing plan for all employees in the company
- the individual performance incentive will be changed to team-based incentives from the following month
- the company will implement the broad-banding system

However, the employees are dissatisfied with the across-the-board increase and the implementation of team-based incentives.

a. Identify the different forms of pay that the company offers in the paragraph.
b. Critically discuss why employees are dissatisfied with the across-the-board increases.
c. Draft a checklist to assess whether the guidelines for incentive plans in the organisation are adhered to.

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 07: Workbook 04 Activities**.

Besides taking the above pay systems into account, the HR manager also has to remember that top management (or executives) are paid differently from mid-level and lower-level management (see "Executive compensation" in the prescribed book).

4.7   EXECUTIVE COMPENSATION

Executive compensation can be defined as the total remuneration or financial compensation a top executive receives within a company. This includes a basic salary, any and all bonuses, share options and any other company benefit. Executive compensation is an important part of corporate governance and is often determined by a company's board of directors.

Executives (CEOs, top management, etc.) in any organisation receive "special treatment", either in the form of add-on packages not received by other employees, or in the form of compensation components entirely unique to the organisation. Milkovich and Newman (2008) identify two characteristics of this group:

- These employees tend to be strategically important to the company. If they do not succeed at their job, success for the entire organisation is in jeopardy.
- Their positions have built-in conflict. Conflict may arise because different factions place incompatible demands on members of the group.

This explains why executive compensation is different from the rest of the organisation's compensation.

Executive compensation has become a controversial issue in recent years. Cases of CEOs leaving office with large sums of money while the companies they led are in financial difficulties are regularly covered by the media and presented as proof that there is a problem. More recently, the economic crisis and government rescue of failing firms with public funds have justified imposing caps to executive pay (Kelly-Gagnon & Guénette 2010). Adding to this, with the implementation of the King III report, the focus will be more on executive compensation than ever before.

Study section 11.5 in chapter 11 of the prescribed book and then answer the questions in activity 4.5.

Activity 4.5

a. Distinguish between a golden parachute contract and a stock option plan.
b. What are the most common determinants of the executive pay of CEOs?

Feedback

You should have referred to sections 11.5.1 and 11.5.2 in chapter 11 of the prescribed book to explain the difference between these two options. A golden parachute contract protects executives should another company buy their company. The stock option plan allows managers to buy a specific amount of stock in the company. By now you should understand the reasons for the difference in pay for top management and the rest of the organisation. A number of different factors determine the pay of top management, namely organisation size, organisation performance, executive-specific factors, organisation structure, job- or position-specific factors and job complexity.

Executive compensation has become a complex issue and requires proper planning and implementation, not only from HR, but at board level as well. Refer to section 11.5 in the prescribed book for more details on Executive compensation

Most organisations do not just pay their employees a basic salary, but also provide something "extra". These "extras" are referred to as employee fringe benefits.

4.8   EMPLOYEE FRINGE BENEFITS

Organisations differ in how they allocate employee benefits or compensation. However, through legislation (Compensation for Occupational Injuries and Diseases Act, Basic Conditions of Employment Act or the Unemployment Insurance Act), government influences employee benefits by means of regulations concerning safety, retirement or unemployment compensation.

It is also interesting to note that a substantial part of an organisation's compensation costs are made up of employee benefits. But is the payment or provision of these benefits really all that important?

Study section 11.6 in chapter 11 of the prescribed book.

Activity 4.6

Watch the following video. Reflect and share your thoughts on compensation and benefits.

Compensation and benefits in animation
https://www.youtube.com/watch?v=pqtYQb9nbRk

Share your thoughts and understanding of compensation and benefits – do this online. If you are not employed, ask your parents or family members which benefits or types of compensation are offered by their organisation.

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 07: Workbook 04 Activities**.

Answer the following questions:

a. Which benefits mentioned in the video are provided by your organisation?
b. Which of the benefits mentioned in the video are influenced by the government legislation concerning safety or loss of employment?
c. Which of the reward pie benefits mentioned in the video are linked to business results and are also considered as voluntarily offered by the organisation?
d. Explain the impact of benefits on the productivity and performance of employees.

Feedback

You now probably agree that it is really necessary to provide benefits. Originally, benefits were introduced to promote and reward employee loyalty and, in some instances, to discourage unionisation. There may also have been an element of paternalism – believing employees to be incapable of fully providing for their personal welfare. However, this has changed. Nowadays, benefits play an important role in encouraging employees to work for the organisation and to remain with it.

Organisations offer rewards based on business results, that is, the productivity or performance of employees (individuals or teams). Business results are an outcome of the strategic planning and objectives of the organisation. Therefore rewards, pay systems or benefits will vary among organisations and will be linked to the performance of the organisation. You should have noticed that benefits can be classified into three basic groups, according to the type of benefit provided. These groups are the following:

• Economic benefits which include items such as life assurance, low-cost loans, profit-sharing, allowances and share purchase schemes. These benefits are also called non-cash deferred benefits.
• Employee services which include subsidised canteens, use of company vehicles, product or service discounts, medical services and education assistance. These types of benefits are also known as non-cash current benefits.
• Recreational benefits which include provision of leisure areas, sports facilities and social clubs.

Workbook 04

In South Africa, organisations are legally required to provide the following employee benefits:

- unemployment insurance
- compensation for occupational injuries and diseases

All other employee benefits (e.g. pension, medical aid, housing subsidy) are provided at the discretion of the employer. Employers are not obligated to provide any voluntary benefit if they do not wish to do so.

Organisations offer benefits for a variety of reasons. The most important is the tax advantages received. Organisations are taxed on the size of their compensation payroll. By providing employee benefits, the size of the payroll is reduced. However, employee benefits are advantageous not only to the organisation, but also to the employee. Regardless of all the issues to consider when planning for compensation, the HR manager also has to be aware of the additional compensation issues when operating internationally. We will cover these in Workbook 11.

4.9   SUMMARY

By now you have probably realised that the compensation and benefits an organisation provides is one of the most powerful tools that HR managers have at their disposal. Competitive and equitable compensation, incentives and benefits will ensure that good employees are attracted to the organisation, that they are motivated to do their best and that they will remain with the organisation. Because of the importance of compensation and benefits, the HR manager will have to put extra effort into developing a proper compensation strategy.

Rewarding employees financially improves their level of motivation and thus improves productivity. This ultimately shows up in the "bottom line", and part of the increased profits must be circulated back to the workforce responsible for it.

4.10 SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 04 tab on myUnisa and start with your assessment.

 CARRY ON

Now that you have successfully completed Workbook 04 and all the activities, you can go on to Workbook 05.

BIBLIOGRAPHY

Kelly-Gagnon, M & Guénette, J. 2010. Is there a problem with executive compensation? Economic Note. Available at:http://www.atlasnetwork.org/networknews/wp-content/uploads/montreal-economic-institute-executive-compensation.pdf (as on 11/02/2009).

Milkovich, GT & Newman, JM. 2008. *Compensation.* 9th edition. Boston: McGraw-Hill.

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C.* Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa.* 5th edition. London: Cengage Learning.
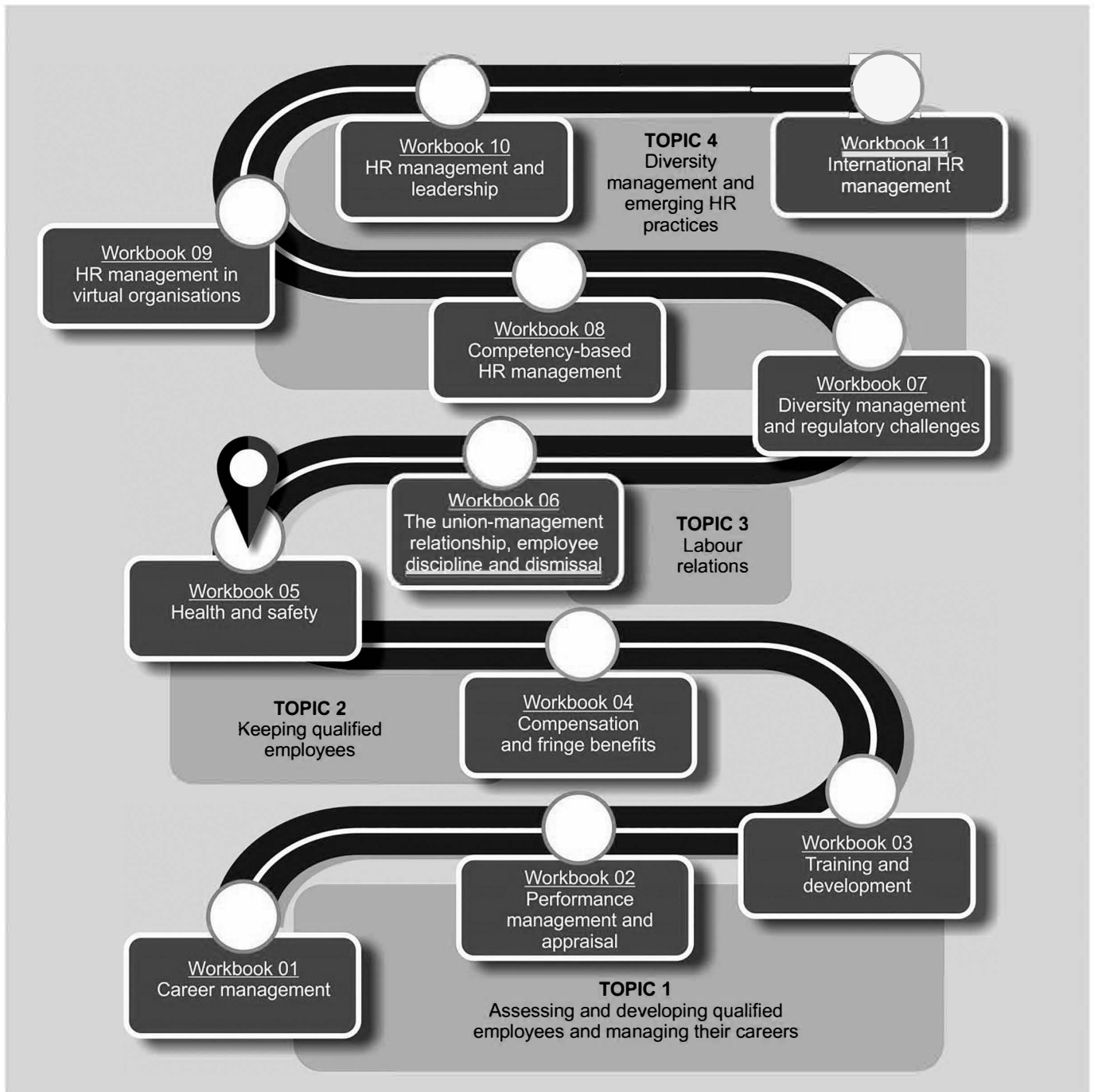
WORKBOOK 05

Health and safety

Have a look at the following mind map to see where you are in the process of working through the study material.

5.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- differentiate between stress and burnout
- discuss the essentials for an effective employee assistance programme (EAP)

- list several work-related consequences of alcohol and drug abuse
- discuss the impact of HIV/AIDS in the workplace
- discuss the consequences of companies' failure to deal with HIV/AIDS in the workplace
- Discuss the purpose of the Occupational Health and Safety Act (OHSA) and its major provisions
- list initiatives an organisation can use to help reduce violence in the workplace

5.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 12 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Health	Alcohol abuse
Safety	Substance abuse
Stress	HIV/AIDS
Job burnout	Wellness programmes
Employee assistance programmes	Workplace violence

5.3   INTRODUCTION

Workplace health and safety focus on the physical, mental and emotional well-being and protection of people. A concerned HR manager will realise that employees who are safe and healthy will be able to contribute much more to achieving the organisation's goals than those who have to struggle with their health and deal with safety issues. Fortunately, HR managers can do a lot to enhance the health and safety of employees. You would probably agree that employees are entitled to working conditions that enhance rather than diminish the efforts they put into their jobs.

Activity 5.1

Think about any large shopping centre close to your home and answer the following questions:

a. Does the environment in and around the shopping centre look healthy and safe? (Note things such as dangerous equipment and hazardous elements in and around the shopping centre, floor surface, etc.)
b. Do you think the health or safety of the employees in the various shops will be influenced by these factors? Give reasons for your answer.
c. Who do you think should accept responsibility for the health and safety of these employees? Why?

You should realise now that the work environment, working conditions and equipment can have a substantial effect on employees' work behaviour. If working conditions are unsafe and unhealthy, employees not only have to concentrate on doing their jobs, but also on avoiding or minimising these unfavourable conditions.

Now read this paragraph:

Once the right people have been placed in the right jobs, their performance is monitored, they are trained and developed if needed, their careers are properly managed and they are paid a fair and equitable salary (plus benefits), you would think that all the important issues relating to HR management have been taken care of. This is not the case, however. HR managers are also responsible for ensuring a healthy and safe work environment for their employees. As we have already explained, the two most important factors within the HR manager's control that can help retain employees are, firstly, to pay them competitive salaries and benefits (Workbook 04) and, secondly, to ensure a healthy and safe work environment for them.

Surely it is only fair for employees to expect a working environment that is not harmful to their health or would not cause injury or death!

The key question therefore is:

How does the HR manager ensure that the organisation builds and sustains a healthy and safe work environment?

Activity 5.2

Watch the following video:

Health and safety and working conditions
https://www.youtube.com/watch?v=PCs8aNV2FuI

Share your thoughts and understanding of health and safety – do this online.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

Activity 5.3

Read the case study at the end of chapter 12 in the prescribed book and then answer these questions:

a. Do you think that Linda's current situation will have an impact on her performance at work?
b. What health and safety issues are affecting Smart Trade?
c. What can Smart Trade do to ensure and maintain a healthy and safe work environment?

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

To enable you to better understand health and safety, we will now answer the following questions:

- What is the difference between stress and burnout?
- What strategies are available to control job stress at organisational and individual levels?
- What types of employee health care programmes exist?
- What action can be taken to prevent accidents in the workplace?
- Is workplace bullying a reality and how can it be resolved?
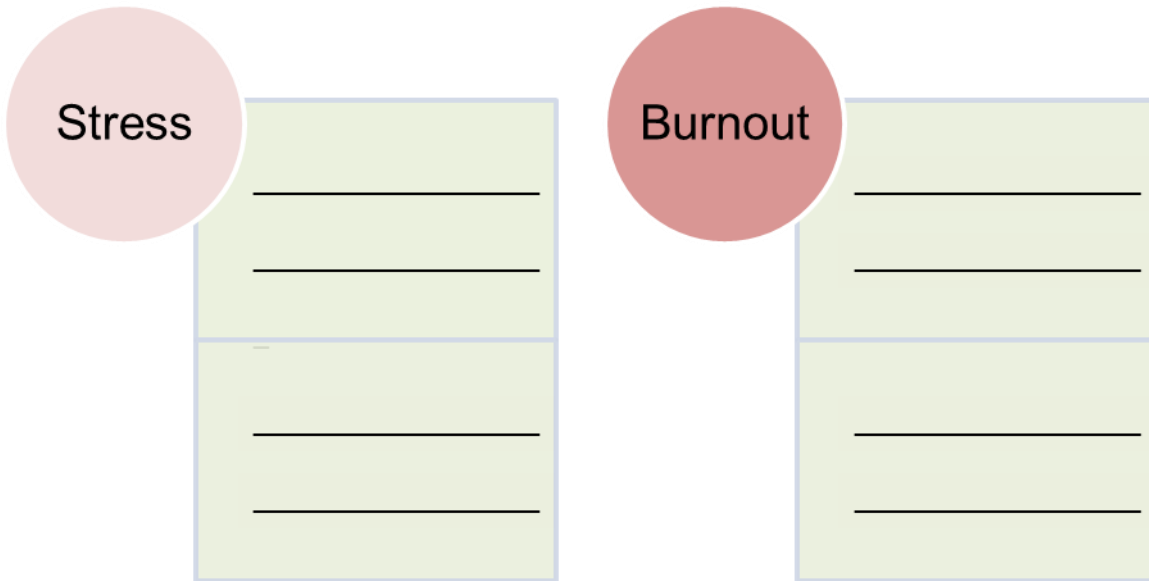
5.4 STRESS AND BURNOUT

Study sections 12.1 and 12.2 in chapter 12 of the prescribed book.

Activity 5.4

a. Use the following diagram to indicate the differences between stress and burnout.

Stress
_____
_____

_____
_____

Burnout
_____
_____

_____
_____

b. What are the causes of stress?
c. Which steps can HR management take to reduce the occurrence of burnout?

Feedback

Stress is any change in the human body caused by physical, mental or emotional factors that require coping behaviour. People differ in the way they respond to stress situations. For example, John could become so anxious during an examination that it affects his performance, whereas Mary would be calm and controlled. Moreover, the effects of stress are not always negative. For example, eustress (positive stress) actually improves productivity and can be helpful in developing creative ideas. Some people also tend to improve their performance when they are placed under mild stress. Although everyone lives under a certain amount of stress, if it is severe enough and persists long enough, it can be harmful (distress).

You could have referred to section 12.1.1 in chapter 12 of the prescribed book to learn more about the causes of stress.

A condition that often develops from organisational and individual failure to deal with stress is called burnout. Burnout is a state of fatigue or frustration. It is a perception that individuals are giving more than they are receiving – whether it is money, satisfaction or praise – and they often feel that they cannot and will not continue to do the job. For a good example of burnout, refer to section 12.2 in chapter 12 of the prescribed book where it talks about Rochelle Ruene. Employees can experience burnout physically, emotionally and behaviourally (see table 12.5 in the prescribed book for symptoms of employee burnout). The HR manager can implement the steps discussed in section 12.1.2 in chapter 12 of the prescribed book to reduce the occurrence of burnout which was experienced by Rochelle.

5.5   CONTROLLING STRESS

Numerous situations, both inside and outside the organisation, contribute to stress at work. As you have learnt in section 5.4, different people deal with stress in different ways. Because of the effects of stress on human behaviour and consequently on employee behaviour, HR managers need to know how to control stress at organisational and individual levels.

Study section 12.1.2 in chapter 12 of the prescribed book.

Activity 5.5

Complete this table to indicate the different strategies that can be used at organisational and individual levels to control stress:

Organisational strategies	Individual strategies
• • • • •	• • • • •

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

5.6   EMPLOYER HEALTH CARE PROGRAMMES

You probably agree that when you feel sick, either physically or mentally, your attitude is generally negative, your morale poor and your productivity can be affected. It is therefore obvious that HR managers should do everything possible to ensure that all their employees remain healthy and feel safe in their working environment. This will promote productivity and improve morale which, in turn, will benefit the organisation. But exactly how can HR managers contribute to the improved health and safety of employees?

Study section 12.3 in chapter 12 of the prescribed book.

Now do **Activity 5.6** on the following page.

Activity 5.6

Read the case study at the end of chapter 12 of the prescribed book and then answer the following questions:

a. Identify and explain the employer health care programmes which can be implemented at the bank.
b. List the stressors in Anne's life and explain how the bank can assist her.

Feedback

You will probably agree that most, if not all, of the health care programmes mentioned in "Employer Healthcare Programmes" are applicable to the bank. They could, for example, assist Anne by means of wellness programmes and substance abuse programmes and also provide all the workers with an HIV/AIDS support programme. It is important for the bank to ensure that these programmes are accessible and that they are presented in a place easily accessible to employees. The bank should also consider the essentials for an effective employee assistance programme (EAP), as discussed in your prescribed book in section 12.3.1. You should have identified the stressors in Anne's life and one of these is the situation with childcare and aftercare.

Let's now take a look at alcohol and drug abuse in the workplace.

5.7 ALCOHOL AND DRUG ABUSE

Study section 12.3.3 in chapter 12 of the prescribed book.

Activity 5.7

Read the case study at the end of chapter 12 and then answer these questions:

a. Discuss the consequences of alcohol abuse.
b. How would you identify an alcoholic in your workplace?
c. What approach would you follow when confronting employees involved in drugs and alcohol?

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

5.8   HIV/AIDS IN THE WORKPLACE

The world of work is coming under constant threat as a result of the HIV/AIDS epidemic in two respects: financial consequences and the basic rights of the infected and affected worker. Earnings are reduced and companies are obliged to incur huge costs through declining productivity, increasing labour replacement and training interventions. A major area of concern is the high labour turnover caused by HIV/AIDS-related deaths.

Study section 12.3.5 in chapter 12 of the prescribed book.

Activity 5.8

Read the case study at the end of chapter 12 again and then answer these questions:

a. Is Anne's concern about HIV/AIDS in the workplace a valid concern?
b. What would you advise Anne to suggest to her director in terms of dealing with HIV and AIDS in the workplace?
c. Discuss the possible economic and morale costs if Anne's director is reluctant to deal with HIV/ AIDS in the workplace.

Feedback

With the increasing number of people infected with HIV, this is becoming a real concern for companies. Anne has seen how this has affected her, having been an employer of a person infected with HIV. The HIV/AIDS epidemic is also a major consideration for companies in general. They will have to find ways to support these employees while keeping the goals of the company in mind and trying to maintain acceptable productivity levels.

It is recommended that every workplace work towards developing and implementing a workplace HIV/AIDS programme aimed at preventing new infection, providing care and support for employees who are infected or affected and managing the impact of the epidemic in the organisation. Employers should take all reasonable steps to assist employees with referrals to appropriate health and welfare facilities within the community if these services are not provided

at the workplace. Employers should also have a proactive organisational policy addressing the rights of AIDS victims and the training of co-workers. The economic and morale costs of companies' failure to deal with HIV/AIDS in the workplace are discussed in section 12.3.5 in the prescribed book.

5.9 SAFETY MANAGEMENT

The employer provides the working environment in which employees execute their tasks. It is thus the responsibility of the employer to ensure the safety of the employee. The employer will usually employ HR managers to ensure that the required safety programmes are implemented effectively.

Study section 12.4 in chapter 12 of the prescribed book.

Activity 5.9

Read the case study at the end of chapter 12 again and then answer these questions:

Assume that Anne works at a company which manufactures paint and paint products. The manufacturing plant is situated in Gauteng and the company supplies its products in bulk directly to large retail stores.

a. Identify the safety elements this company needs to take into account.
b. List the steps that you think this company should take when implementing a safety programme.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

5.10 OCCUPATIONAL INJURIES AND ILLNESSES/DISEASES

HR managers need to be aware of the most common occupational injuries and illnesses that affect employees when performing their duties at work.

Study section 12.5 in chapter 12 of the prescribed book.

Activity 5.10

Complete this table to indicate the different occupational injuries and illnesses.

Injuries or illnesses	Description	Occupations/conditions
Cumulative trauma disorder		
Sick building syndrome		
Occupational disease		

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

5.11 OCCUPATIONAL HEALTH AND SAFETY ADMINISTRATION

The Occupational Health and Safety Act 85 of 1993 (OHSA) is the legislation aimed at preventing accidents at work. NOSA (National Occupational Safety Association) is also an organisation that plays an important role in promoting health and safety in the workplace.

Study section 12.6 and read section 12.7 in chapter 12 of the prescribed book.

Activity 5.11

Mr Jones has just started a business and has 45 employees.

a. What is the purpose of the OHSA?
b. What are the duties of Mr Jones as an employer in terms of the OHSA?
c. What would the functions of the health and safety representative be?
d. What are the duties of the employees?

The purpose of the Act is to provide for the health and safety of persons at work, and the protection of other persons from hazards to health and safety. The ultimate responsibility for the health and safety of employees rests with the employer. In general, it is the duty of the employer to create and maintain, as far as is reasonably practicable, a work environment which is safe and without risks. Furthermore, the employer must ensure that the activities of the enterprise do not threaten the health and safety of people not employed by the organisation. You should have referred to section 12.6.1 for the duties of the employer, the employee and the health and safety representative.

5.12 WORKPLACE VIOLENCE

Workplace violence can be any act of physical violence, threats of physical violence, intimidation or other threatening, disruptive behaviour that occurs at the worksite. Bullying in the workplace has become a problem in recent years. It is a form of work harassment aimed at hurting, intimidating, offending, humiliating or isolating a person in the workplace. These acts can be inflicted by an abusive employee, a manager, supervisor, co-worker, customer and even a family member.

Study sections 12.8 and 12.9 in chapter 12 of the prescribed book.

Activity 5.12

What can organisations do to help reduce violence in the workplace?

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 08: Workbook 05 Activities**.

5.13 SUMMARY

Although the question of employee health and safety probably did not seem that important at first, it certainly plays an important role in retaining employees in the organisation. People who feel that the organisation cares enough about their health and safety, who feel that the working environment is in fact safe and healthy, will be more committed, motivated and productive. Despite the legal requirements for health and safety issues stipulated by the OHSA, the organisation itself has an obligation towards its employees to promote a healthy and safe workplace.

Workbook 05

Organisations that succeed in reducing the rates and severity of their occupational accidents, diseases and stress-related illnesses and improving the quality of their employees' working life will certainly operate more effectively. This improvement can result in

- greater productivity because fewer workdays are lost
- increased efficiency and quality from a more committed workforce
- a reduction in medical and insurance costs
- a reduction in staff turnover (and therefore better retention of employees)

5.14 SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 05 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 05 and all the activities, you can go on to Workbook 06.

This also means that you have completed the workbooks of topic 2.

SUMMARY OF TOPIC 2

Compensation consists of the intrinsic and extrinsic rewards employees receive for their efforts. It affects employee productivity and employees' tendency to stay with the organisation. In modern organisations, the coexistence of a variety of benefit programmes, incentive schemes and salary scales creates a challenge for the HR department: how to reward employee performance fairly and objectively, while still remaining competitive.

Organisations have to create and maintain a work environment that is safe and healthy to work in. This comprises aspects such as implementing safety measures, eliminating hazards, assisting employees who suffer from stress and burnout, and helping employees who are experiencing severe personal problems which are affecting their ability to do their work properly. A fair volume of legislation governs aspects of workplace health and safety. Issues such as the AIDS pandemic also impact on organisations and thus the HR management function.

Now you can go on to Workbook 06, which is the only unit in topic 3.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.

TOPIC 3

Labour relations

Employees interact daily with their managers and colleagues. This interaction may be positive or negative, and is commonly referred to as labour relations. The promotion of positive labour relations is essential to create an organisation that is successful in the current business environment. HR managers play an active role in promoting positive labour relations by developing and implementing fair labour relations policies and practices in the organisation.

TOPIC AIM

The aim of this topic is to familiarise you with the basic principles and practices that ensure positive and equitable labour relations in the organisation.

LEARNING OUTCOME FOR TOPIC 3

After completing this topic, you should be able to discuss the basic equitable labour relations principles and practices in organisations (**Workbook 06**).
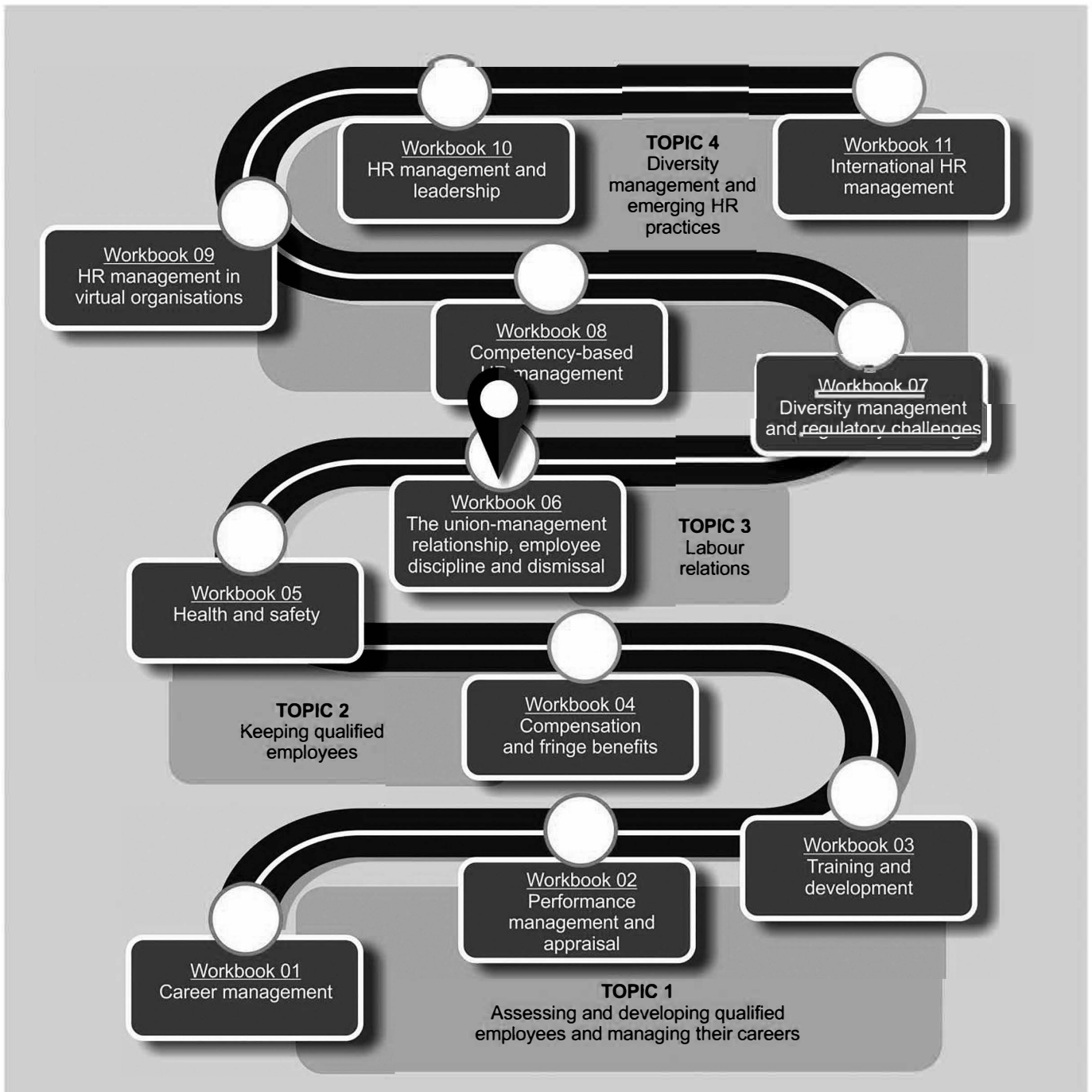
WORKBOOK 06

The union–management relationship, employee discipline and dismissal

Contents		Pages
6.1	Learning outcomes	77
6.2	Key concepts	78
6.3	Summary	80
6.4	Self-assessment	81

Have a look at the following mind map to see where you are in the process of working through the study material.

6.1 LEARNING OUTCOMES

After studying this workbook, you should be able to

- describe what a union is and explain why employees join unions
- identify the basic elements of the Labour Relations Act 66 of 1995

- discuss the role and objectives of the National Economic Development and Labour Council (NEDLAC)
- describe the typical collective bargaining process
- recognise the various sources of poor performance through the illustration and discussion of an unsatisfactory performance model
- explain good and poor ways to discipline employees
- illustrate a model of positive discipline and describe the procedures for ensuring that discipline achieves its goals
- identify the procedures for carrying out the dismissal decision humanely, tactfully and according to law

6.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 13 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

- Union
- Collective bargaining
- Mediation
- Disciplinary action
- Collective agreement
- Workplace forums

Now read this paragraph:

You are no doubt aware of the (sometimes unwelcome) presence of trade unions in most organisations. Trade unions exist for the benefit of the employees to give a collective "voice" to their grievances and demands. How exactly does this work in a real organisation?

Read chapter 13 in the prescribed book.

Activity 6.1

Read the following paragraphs and then answer the questions:

Shanon McDonald is the HR manager of a medium-sized company which manufactures and sells various health products. She listened to most of the employees' complaints and promised that they would be attended to as soon as possible. After this message was given to the employees, their unhappy emotions seemed to subside and things continued as usual. Top

management even suggested that Shanon appoint an HR officer to take over some of her duties so that she could take things a bit easier in the last few years before her retirement. This she subsequently did. This gave Shanon a lot of free time to ensure that all the company's employees remained happy and satisfied and that all their HR-related problems were solved. Whenever an "uncomfortable" situation arose where employees felt dissatisfied with their superiors, other employees or the organisation, Shanon was quick to pick this up and invariably managed to keep everyone's emotions under control by acting within her authority as the HR manager, and by controlling the company's staff with an iron hand. Indeed, Shanon was extremely proud of the fact that her word was law in HR management issues.

Last week, for example, Shanon dismissed Simon Shabalala (a supervisor in the factory) for drinking on the job. Shanon was quick to assure everyone that she had suspected for some time that Simon was an alcoholic who could not be rehabilitated – she had just never been able to catch him drinking on the job! Shanon was sure that Simon's dismissal reinforced her authority in HR issues and that the employees all respected her for this. That was the situation until yesterday. Out of the blue, all the employees decided to go on strike and collectively handed a memorandum to top management demanding a huge wage increase, the reinstatement of Simon Shabalala and the immediate resignation of Shanon McDonald.

a. What do you think Shanon McDonald did wrong in managing labour relations?
b. Do you think Shanon handled the problem with Simon Shabalala correctly? Give reasons for your answer.
c. If you were Shanon McDonald's HR officer and had been given the authority to handle all labour relations and disciplinary-related problems, what would you have done in these situations?

Feedback

You will probably agree that when employees feel that they are badly treated, they perform poorly or need personal assistance, the organisational goals will not be achieved unless these constraining factors are taken care of. These issues all impact directly on labour relations. The HR manager is the person responsible for ensuring that labour relations are healthy and contribute to optimal organisational goal achievement.

But who exactly is involved in labour relations in the organisational context? The parties involved can be divided into three main groups: the employee, the employer and the state. Employers and employees are the two main role players, and the state plays a secondary role. If employees and employers are to have a say in labour-related matters, they have to act collectively (see "Collective bargaining" in the prescribed book for a more detailed discussion). Thus employees are represented by trade unions (e.g. NUMSA) and employers by employers' organisations (e.g. NAFCOC). The state influences, and to a certain extent controls, this collective action between employees and employers by means of labour legislation (e.g. the Labour Relations Act). See "Unions", "Employers' organisations", "International Labour Organisation (ILO)", "The Labour Relations Act, no. 66 of 1995" and "Building blocks of the Act" in the prescribed book in this regard. Figure 13.2 in the prescribed book, for example, clearly shows the framework for labour relations in South Africa. A person such as Shanon McDonald should also be aware of the role of a body such as NEDLAC (see "The role of NEDLAC" and figure 13.4 in the prescribed book).

Shanon McDonald obviously made a huge mistake in assuming that she alone had a say in how labour matters should be resolved – no wonder the employees demanded her immediate

resignation! Another matter that Shanon might have handled incorrectly was the dismissal of Simon Shabalala. Let's explore the aspect of discipline in more detail.

If you look at "Performance problems" of chapter 9 in the prescribed book, you will see that certain action needs to be taken to solve performance problems. Obviously, Shanon did not even try to identify the cause of Simon's drinking behaviour before simply dismissing him – there was no proof of a performance problem, only an alcohol abuse problem! Shanon made the mistake of assuming that Simon was not doing his job properly because of his alcohol problem. Only once the cause of a performance problem has been identified can the HR manager decide as to how the employee involved should be disciplined, if at all. Perhaps the person needs counselling or training, and it is important to ensure that the correct action is taken in view of the company's disciplinary code and the problem at hand.

You will also see in "Discipline" in the prescribed book that there is an incorrect way of imposing discipline (which sounds very much like what Shanon did). Shanon should rather have used preventive and positive discipline. You will probably also agree that Shanon should have made sure that she knew what the implications of the Labour Relations Act were regarding dismissal (see "Dismissal and the law") before taking such drastic action as she did in the case of Simon Shabalala. If Shanon had really wanted to be a good HR manager, she would also have been aware of other important issues that were impacting on the management of human resources.

6.3   SUMMARY

Review this diagram. It serves as a summary of what labour relations entail.
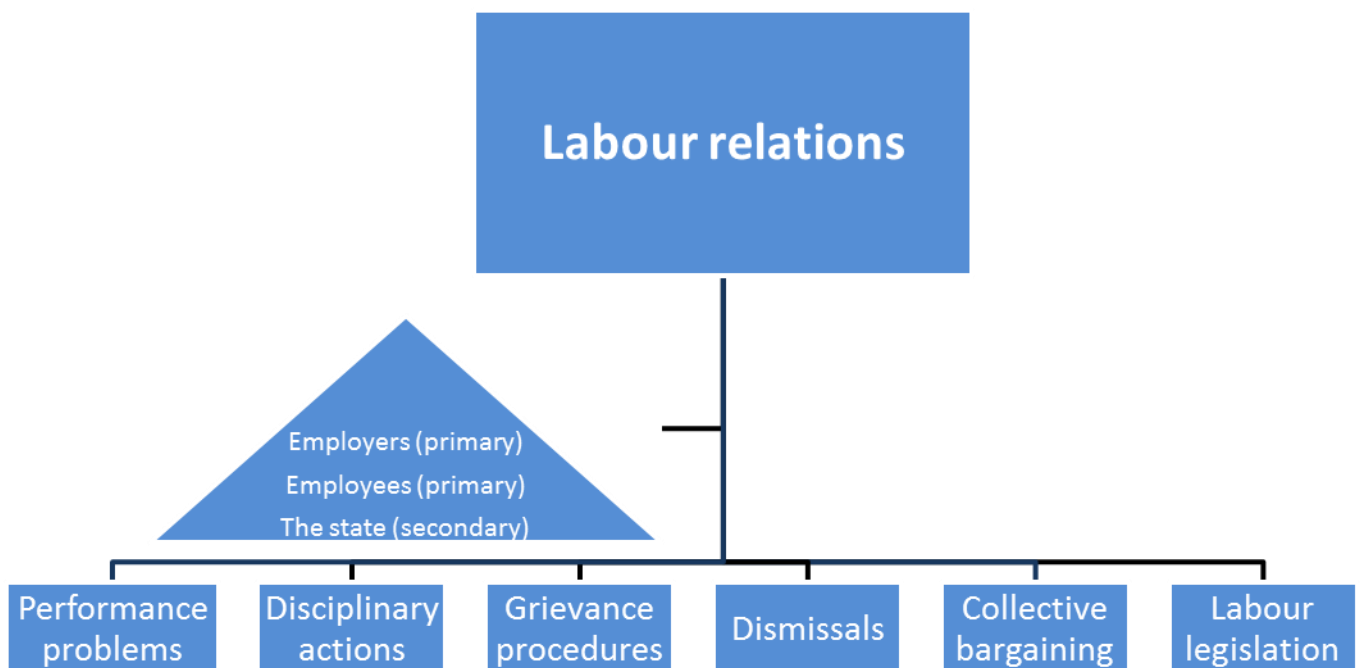
Sound labour relations (and thus good relationships between people) are essential if South Africa is to be globally competitive. Employers and employees (or their representative organisations) are the major players in this relationship, but it is governed by the legislative environment created by the state. Poor relations between employers and employees will lead to loss of productivity and costly organisational conflict, for instance industrial action. The HR

manager should strive to develop and implement practices and procedures that will lead to sound labour relations.

6.4   SELF-ASSESSMENT

The self-assessment questions for this workbook consist of written questions.

Question 1

You are the HR officer in a small clothing factory that is not unionised. The employees have organised a meeting to discuss the fact that, in their opinion, their rights according to labour law are being disregarded by the owner of the factory. They have asked you to come and explain to them what their options are regarding trade unions and industrial action. Draw up a document in which you provide them with information on trade unions and industrial action, as well as the related procedures and agreements that are required.

Question 2

You have to convince the owner of the clothing factory that it is necessary to draw up a formal grievance procedure. He believes this will give employees "ideas above their station" and lead to labour unrest. Draw up a document in which you supply reasons for establishing a grievance procedure as well as suggestions for the steps a grievance procedure should contain.

Question 3

The clothing factory has no formal disciplinary procedure. Every manager applies rules and regulations as they see fit and this has led to many complaints and grievances. You know that implementing a formal disciplinary policy and procedure would solve most of the problems, because many of the complaints and grievances are about unfair treatment by managers. The owner is positive about the disciplinary procedure, because he believes that he can legally get rid of all the negative employees and then appoints people who would be thankful for having a job instead of complaining about every little thing. Explain to the owner the purpose of discipline and the steps in the progressive approach to discipline.

Question 4

Explain to the owner of the clothing factory when and how employees may be legally dismissed.

Question 5

The owner of the clothing factory is unsure about the legislative framework that governs employment relations in his organisation. Clarify this for him in detail.

Feedback

Question 1

You can find the answer to this question in the section which deals with unions in the prescribed book.

Start your answer by providing information on what a trade union is, the type of union that the employees can form or join (trade union), the benefits that membership of a trade union will provide for employees and the types of agreements (closed shop and agency shop agreements) that can be concluded between a representative trade union and an employer or employers' organisation regarding union membership and fees in the organisation. You can also provide information on the registration of trade unions, their obligations and their rights in the workplace. Lastly, include detail about the structure of a trade union and the functions of a trade union representative (shop steward).

Question 2

The answer to this question is in "Collective bargaining" in the prescribed book.

Start this answer by defining the concept of grievance and differentiating between a grievance and a gripe. Explain that employment contracts govern employment relations, but that disputes may arise. An agreed-upon grievance procedure supplies employees with a formal method of airing disputes and problems with management. The steps in grievance procedures may differ from one organisation to another, but they usually contain four steps. Describe and discuss these steps.

Question 3

Find the answer to this question in "Collective bargaining" in the prescribed book.

The primary objective of discipline is to motivate employees to comply with the company's performance standards, rules and regulations. It also serves as a vehicle to create and maintain trust between employees and managers. Discipline that is improperly administered can influence employee morale and behaviour. Progressive discipline follows two rules: the sanction or penalty must fit the offence (you don't fire an employee for taking a pencil) and when an employee persists in behaviour that requires discipline, a series of increasingly serious penalties are used (e.g. a verbal warning, then a written warning, then a final written warning). The main aim of discipline is to solve an employee's problems, not to punish him/her. This is why corrective counselling forms part of the disciplinary procedure. Discuss this in more detail.

The steps in the disciplinary procedure may differ from one organisation to another, but usually include the following, depending on the nature of the misconduct:

- verbal warning
- written warning
- suspension
- dismissal

Question 4

The answer to this question is in "Disciplinary dismissal" in the prescribed book.

Explain why disciplinary dismissals normally occur, the concept of automatically unfair dismissals and other unfair dismissals. A dismissal is only fair (and thus legal) if it is substantively and procedurally fair. Explain these concepts. The only fair reasons for dismissal are misconduct, incapacity and operational reasons. Explain these three reasons for dismissal and describe the steps employers should follow in each instance to ensure procedural fairness.

Question 5

You can find the answer to this question in the sections entitled "The Labour Relations Act, no. 66 of 1995" and "Building blocks of the Act" in the prescribed book.

Briefly discuss the reasons for the LRA, its aims and who is covered by the LRA. Then give details on what the LRA means for workers and – especially in this case – for employers. Also note that certain amendments were made to the LRA in the Labour Relations Amendment Act 12 of 2002. Then provide information on the building blocks of the LRA, specifically referring to the promotion of collective bargaining and worker participation, collective agreements, bargaining councils, statutory councils and workplace forums.

REFLECTION ACTIVITY

Reflect on your learning while working through this unit. Complete the following self-assessment checklist to determine your understanding of this unit and whether you have mastered the learning outcomes:

Learning outcomes	Yes	No
Can I describe what a union is and explain why employees join unions?		
Can I identify the basic elements of the Labour Relations Act 66 of 1995?		
Can I discuss the role and objectives of the National Economic Development and Labour Council (NEDLAC)?		
Can I describe the typical collective bargaining process?		
Can I recognise the various sources of poor performance through the illustration and discussion of an unsatisfactory performance model?		
Am I able to explain good and poor ways to discipline employees?		
Can I illustrate a model of positive discipline and describe the procedures for ensuring that discipline achieves its goals?		
Can I identify the procedures for carrying out the dismissal decision humanely, tactfully and according to law?		

GUIDELINES FOR COMPLETING THE REFLECTION ACTIVITY

- If you answered yes to all of the questions in the checklist, you are now ready to move on to the next workbook.
- If you answered no to any of the questions in the checklist, work through the specific sections again.

It is very important that you achieve all the learning outcomes of this module, as they guide your learning process in this module.

CARRY ON

Now that you have successfully completed Workbook 06 and all the activities, you can go on to Workbook 07.

This means that you have completed the only workbook in topic 3.

SUMMARY OF TOPIC 3

Labour relations or employee relations are important for organisational competitiveness. Regardless of whether you are self-employed, an employee, a private or public organisation, good relationships between people in the workplace are critical to sound labour relations. Unions are associations of workers and have a major impact on organisations' management. The relationship between management and labour needs to be managed in order to prevent costly and stressful organisational conflict. Therefore, labour legislation provides a number of ground rules regarding the relationship between organised labour and management.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C.* Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.

TOPIC 4

Diversity management and emerging HR practices

In the fast-changing business world organisations must be flexible to survive. HR managers play a pivotal role in ensuring this flexibility. After all, how would the organisation achieve its goals if there were no employees to implement and execute strategies and do the work? This means that HR managers must always be aware of new developments in their fields and their leadership role.

TOPIC AIM

The aim of this topic is to familiarise you with the latest trends and developments in HR management.

LEARNING OUTCOMES FOR TOPIC 4

After completing this topic, you should be able to

- explain how diversity management and regulatory challenges contribute to the competitive advantage of the organisation (**Workbook 07**)
- elaborate on how competency-based HRM contributes to organisational productivity (**Workbook 08**)
- discuss how virtual organisations impact on HR management (**Workbook 09**)
- discuss the role of HR leadership in organisations (**Workbook 10**)
- discuss international HR management (**Workbook 11**)

WORKBOOK 07

Diversity management and regulatory challenges

Contents		Pages
7.1	Learning outcomes	87
7.2	Key concepts	88
7.3	Introduction	88
7.4	South Africa's diverse population	90
7.5	Diversity management	90
7.6	Response to diversity: government legislation	96
7.7	Sexual harassment	97
7.8	Summary	98
7.9	Self-assessment	98

Have a look at the following mind map to see where you are in the process of working through the study material.
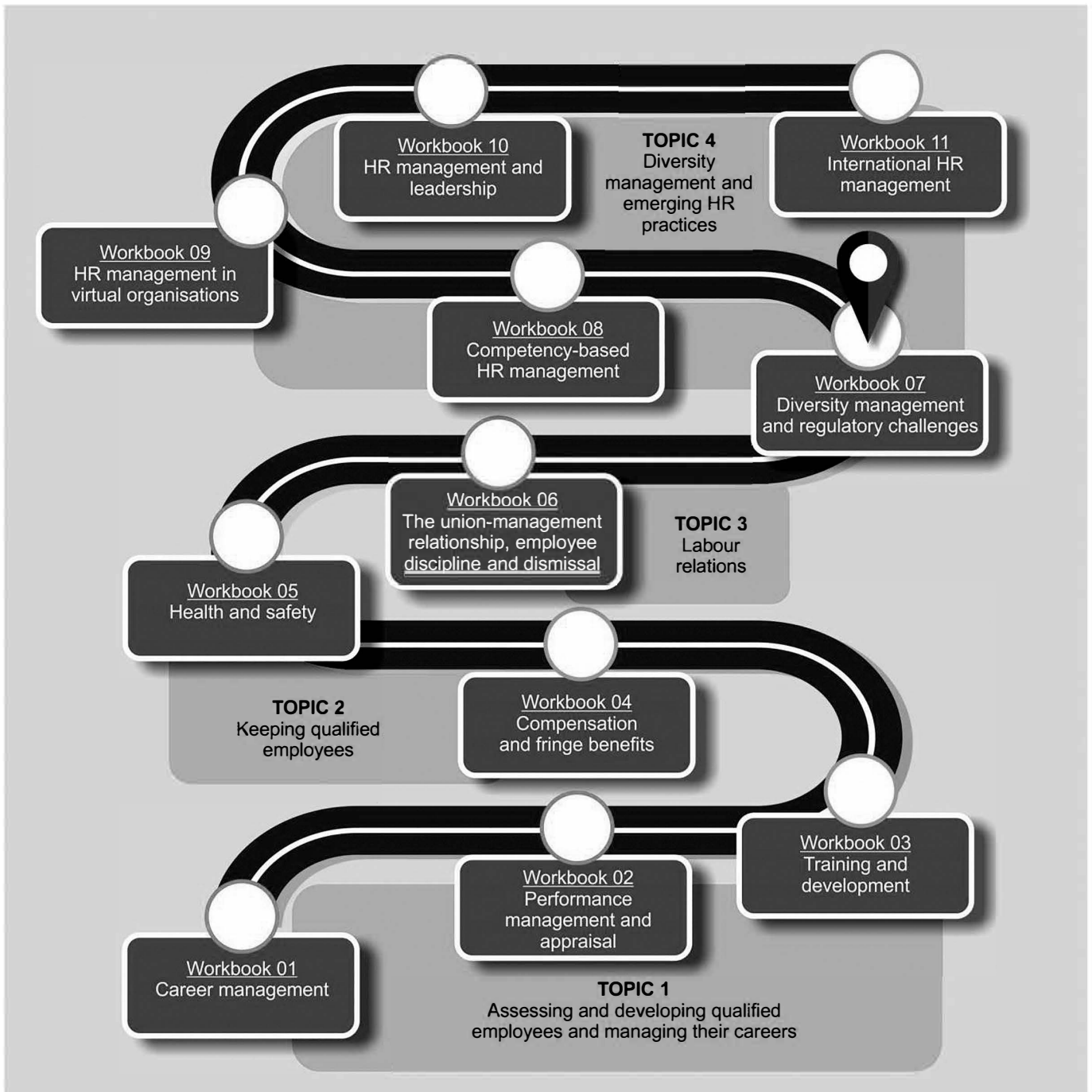
7.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- discuss the composition of the South African workforce
- define diversity management and discuss why it is important
- advise organisations on how to value diversity in the workplace

- advise organisations on how to provide diversity awareness training
- distinguish between stereotypes, prejudices and assimilation

- distinguish between affirmative action and diversity management
- identify the primary principles of the South African Constitution and other related employment legislation regarding discrimination
- discuss the two types of sexual harassment and how employers should respond to complaints

7.2 KEY CONCEPTS

A number of key concepts are listed at the end of chapter 3 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Assimilation	Prejudices
Affirmative action	Stereotypes
Disability	Sexual harassment
Diversity	Quid pro quo
Diversity management	Unemployment
Diversity awareness training	Designated groups
Diverse workforce	Employment equity
Population groups	

7.3 INTRODUCTION

Diversity management is a comprehensive process for creating and sustaining an environment in which all employees feel comfortable, recognised, valued and appreciated, irrespective of differences such as race, gender, culture, religion, disability and sexual orientation. Owing to new labour market demographics, globalisation and competitive pressures, diversity management has become important to business (Marchington & Wilkinson 2008:25). Furthermore, South Africa's past created certain imbalances that have influenced the workforce compilation. These imbalances have a direct influence on the HR functions, such as recruitment policies and employment equity plans. The HR manager plays a significant role in helping to correct these imbalances by creating a diverse workforce and providing opportunities to all individuals.

Workbook 07 is the first of five covering the topic of diversity management and emerging HR practices.

Activity 7.1

Read these paragraphs and then answer the questions that follow:

Sharon Betty has been feeling much better lately and definitely more in control of the people employed in her company. She is now busy bringing all HR activities in line with strategic changes inside and outside the organisation. Sharon has even persuaded top management to include her in all strategic planning sessions. She is also very proud of the way she has solved the problems associated with the increased demand for the company's health products. She has hired and trained several new employees, including many from the different race and gender groups (Sharon feels that this is an exceptional achievement, because in the past she never felt that these employees could be hired as they would not fit in with the organisation's unique culture). In the past, more than 90% of the employees were white males.

Today, however, Sharon is feeling very confused. Early this morning, the new black, coloured and Indian employees issued a formal complaint stating that they are constantly excluded, that they are never told about important matters that affect them and generally that they have very little say in company matters. They feel that something drastic must be done to improve the white (and especially male) employees' way of doing things. To add to Sharon's problems, the female employees have just told her that they are experiencing exactly the same problems and that if she does not do something soon, they will have to take more drastic action!

a. Do you think it is important to be aware of the differences between employees? Give reasons for your answer.
b. What do you think the term "diversity" means?
c. Do you think diversity management is a solution to Sharon's problems? Give reasons for your answer.

Feedback

As you can see, Sharon Betty cannot see the bigger picture. Her company is in the new South Africa, which obviously has a very diverse population in terms of age, gender, disability, race, ethnicity, political and religious beliefs, sexual orientation, etc. (see "South Africa's diverse population" in the prescribed book for a more detailed discussion). Sharon therefore has to make sure she knows exactly what diversity means. Competent HR managers will be aware of these differences, as well as what diversity in the South African context entails. They will also agree that it does not make sense to ignore diversity; rather they should value the unique contributions a diverse workforce has to offer (see "Valuing diversity" in the prescribed book).

Sharon should also realise that if she really wants to contribute to the organisation's goal achievement, she should find out very quickly what diversity management entails, as her company's workforce has definitely become more diverse! This is discussed in more detail in "The multicultural organisation" in the prescribed book. Another important factor that Sharon and all other HR managers in South Africa will have to consider is the impact of labour legislation on diversity management (see "Response to diversity: government legislation" in the prescribed book).

Let's now look at the South African population as a diverse workforce.

7.4   SOUTH AFRICA'S DIVERSE POPULATION

South African business can only succeed if it recognises the emergence of the diversified workforce and finds the means to combine its energies, talents and differences for tomorrow's challenges. Leaders must emerge from the workplace to motivate and direct the workforce. As in the past, these leaders must be able to understand the organisations and the employees' needs, and see that both are met.

Study section 3.1 in chapter 3 of the prescribed book.

Activity 7.2

Read the scenario in activity 7.1 again and then answer the following question:

What are the major groups that provide diversity in the South African workforce?

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

7.5   DIVERSITY MANAGEMENT

Organisations must recognise the business necessity of having a diverse workforce and tapping the potential of that workforce. Diversity management is a planned, systematic and comprehensive managerial process for developing an organisational environment in which all employees, with their similarities and differences, can contribute to the strategic and competitive advantage of the organisation, and where no one is excluded on the basis of factors unrelated to productivity.

Study section 3.2 in chapter 3 of the prescribed book.

Activity 7.3

Explain why it is important for organisations to embark on the diversity management process.

Feedback

There are considerable benefits gained by managing diversity. These include tapping into the workforce's varying skills, attracting and retaining the best talent, promoting productivity resulting from employee job satisfaction, cultivating creativity and problem-solving accompanied by prompt responses to diverse customers and markets, and utilising all people to the maximum.

Make sure you know what diversity and the diversity management process entail.

7.5.1 Diversity

Diversity refers to any perceived differences or similarities among people, be they age, functional specialty, profession, sexual orientation, religion, geographic origin, lifestyle, tenure with the organisation or position. Diversity can be viewed according to a number of dimensions.

Study figure 3.5 in section 3.2.1 in your prescribed book.

Activity 7.4

Complete this table to indicate the differences between the three dimensions. It is available in a Word format under **Additional Resources** for Workbook 07 Activities.

#	Dimension	What does it entail
1.	Primary/internal dimension	• ? •
2.	Secondary/external dimension	• ? •

3	Organisational dimension	• ?
		•

Adapted from Wärnich et al (2015)

Feedback

For feedback on this activity**,** refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

7.5.2 Stereotypes and prejudices

Study section 3.2.2 in chapter 3 of the prescribed book.

Activity 7.5

Watch the following video and reflect on stereotypes, prejudices and assimilation. Share your thoughts and understanding of these diversity issues – do this online.

Stereotypes, prejudice and assimilation
https://www.youtube.com/watch?v=ewE2K8A7Ddw

Read the following statement: "Women are bad at maths, cannot drive and are always emotional and irrational." Now answer these questions.

a. Do you agree or disagree with this statement? Give reasons for your answer.
b. Differentiate between stereotypes, prejudices, assimilation and discrimination.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select
Forum 10: Workbook 07 Activities.

7.5.3 Assimilation and valuing diversity

Study sections 3.2.3 and 3.2.4 of chapter 3 of the prescribed book.

Activity 7.6

Read the following paragraph and then answer the questions that follow.

Mpho is an intelligent young black engineer who recently graduated from university and joined an engineering firm with a predominately white workforce. He is a pleasant young man and a hard worker, but his sexual orientation as gay has started getting in the way and is thus clouding his performance. His supervisors constantly compare his performance to that of his white colleagues and comment negatively about his sexual orientation.

a. As an HR practitioner, use this scenario to help management understand the difference between assimilation and valuing diversity in this organisation.
b. What are the key factors in a diversity management strategy where the focus is on valuing diversity instead of legal requirements?

Feedback

Assimilation assumes that the dominant group's performance and style are superior to those of people who are not in the dominant group. In this case, Mpho's performance is measured against the dominant white group's performance. Valuing diversity is a necessity-driven emphasis on performance by individuals as individuals, which incorporates supportive employment practices, holistic HR development, a retention strategy and effective talent identification and management. The supervisors are commenting negatively about Mpho's sexual orientation, which is an indication of not valuing diversity. They have to acknowledge the difference in Mpho's sexual orientation and appraise his performance as an individual so that the organisation can reap the benefits that a diverse workforce offers. The key factors of a diversity management strategy involve the organisational culture, opportunity for career development and leadership/management practices (refer to figure 3.6 in the prescribed book).

7.5.4 Diversity awareness management

Awareness training seeks to motivate employees to recognise the value and dignity of everyone in the workplace and to treat them with respect.

Study sections 3.2.5 and 3.2.6 in chapter 3 of the prescribed book.

Activity 7.7

Read the following to learn more about respect from a diversity-sensitive perspective:

Most people believe in the golden rule: treat others as you want to be treated. But looking at this proverb through a diversity perspective, you begin to ask the question: What does respect look like; does it look the same for everyone? Does it mean saying hello in the morning, or leaving someone alone, or making eye contact when you speak? It depends on the individual. We may share similar values, such as respect or need for recognition, but how we show those values through behaviour may be different for different groups or individuals. How do we know what different groups or individuals need? Perhaps instead of using the golden rule, we could use the platinum rule which states "treat others as they would want to be treated". Moving our frame of reference from what may be our default view ("our way is the best way") to a diversity-sensitive perspective ("let's take the best of a variety of ways") will help us to manage more effectively in a diverse work environment.

Source: University of California (2010)

Feedback

For feedback on this activity, refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

There are problems that can occur in diversity management and diversity trainers often make mistakes in the process. Let's look at some of these problems.

Study section 3.2.7 in chapter 3 of the prescribed book.

Activity 7.8

a. List some of the mistakes made by diversity trainers.
b. When is diversity training effective?
c. Language sensitivity is another issue that needs to be addressed in diversity management. Guidelines for appropriate language can help managers value a diverse workforce. Read through section 3.2.8 "Language sensitivity" in the prescribed book. Write down these rules and discuss them with your colleague at work or with a friend.

You'll find the feedback on the following page.

You could have referred to any of the mistakes in section 3.2.7, the impact of effective diversity training in section 3.2.8 and appropriate language use in a diverse workforce in section 3.2.9 of the prescribed book.

7.5.5 The multicultural organisation

Unlike organisations where the minority members are expected to adhere to the norms and values of the overriding majority group, the multicultural organisation encourages members of different groups to learn from one another and adopt some of the norms and values of the minority groups.
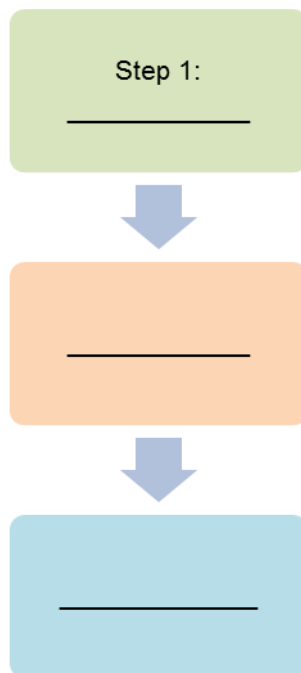
Read section 3.2.10 in chapter 3 of the prescribed book.

Activity 7.9

Using the following diagram, state the three steps of the model for creating a diverse workforce. This diagram is available in a Word format under **Additional Resources** for Workbook 07 Activities.

Step 1:
_____

_____

_____

Feedback

For feedback on this activity**,** refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

7.6 RESPONSE TO DIVERSITY: GOVERNMENT LEGISLATION

While the South African workforce is becoming increasingly diversified, discrimination is still a problem. In fact, various surveys report that discrimination still exists in organisations and that many South African workers still experience employment discrimination. HR professionals are key individuals within organisations who must develop and enforce policies and procedures arising from various Acts which were initiated by government to protect members of the diversified workforce against unlawful discrimination.

Study section 3.3 in chapter 3 of the prescribed book.

Activity 7.10

a. Use the following table to indicate the differences between the different legislation. This table is available in a Word format under **Additional Resources** for Workbook 07 Activities.

#	Legislation	Brief description of its primary purpose
1	Constitution of the Republic of South Africa 108 of 1996	
2	Employment Equity Act 55 of 1998	
3	Labour Relations Act 66 of 1995	
4	Basic Conditions of Employment Act 75 of 1997	
5.	Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000	

b. Define affirmative action.

Feedback

For feedback on this activity**,** refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

7.7 SEXUAL HARASSMENT

More women are entering the workplace following the implementation of the Employment Equity Act. As a result, sexual harassment is becoming more prevalent and this new dimension of discrimination is a cause for concern in organisations. Allowing sexual harassment to go unchecked can lead to the underperformance of employees who are subjected to this form of misconduct. Besides the cost of litigation associated with sexual harassment, other more subtle costs are associated with psychological and physiological harm to victims (e.g. victims often experience depression, frustration, nervousness, fatigue and hypertension). This, in turn, leads to decreased productivity and increased absenteeism.

Sexual harassment is unwanted conduct of a sexual nature. The unwanted nature of sexual harassment distinguishes it from behaviour that is welcome and mutual.

Study section 3.4 in chapter 3 of the prescribed book.

Activity 7.11

a. What constitutes sexual harassment?
b. Complete the following table to indicate the different forms of sexual harassment. This table is available in a Word format under **Additional Resources** for Workbook 07 Activities.

#	"This for that" or quid pro quo sexual harassment	"Can't take it any more" or "hostile environment" harassment
1.	Submission to a rejection of sexual conduct is used as a basis of employment decisions	Can poison the work environment
2.		
3		
4.		

c. What is the role of the HR manager in addressing sexual harassment in an organisation?

Feedback

For feedback on this activity**,** refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 10: Workbook 07 Activities**.

7.8   SUMMARY

You should now be aware of the strategic role that the HR manager plays in diversity management and the implications of diversity for the HR management function. What this basically entails is that HR managers should plan ahead by aligning the HR strategy with the organisation's overall strategy. In conjunction with this, they should then manage the diverse workforce in such a way that all employees' unique contributions are utilised for the optimal achievement of the organisation's goals.

7.9   SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 07 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 07 and all the activities, you can go on to Workbook 08.

BIBLIOGRAPHY

Marchington, M & Wilkinson A. 2008. *Human resource management at work: people management and development*. 4th edition. London: Chartered Institute of Personnel and Development.

University of California. 2010. Managing diversity. Available at: http://ucsfhr.ucsf.edu/index.php/pubs/hrguidearticle/chapter-12-managing-diversity-in…2010/03/31 (as on 12/08/2014).

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C.* Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.
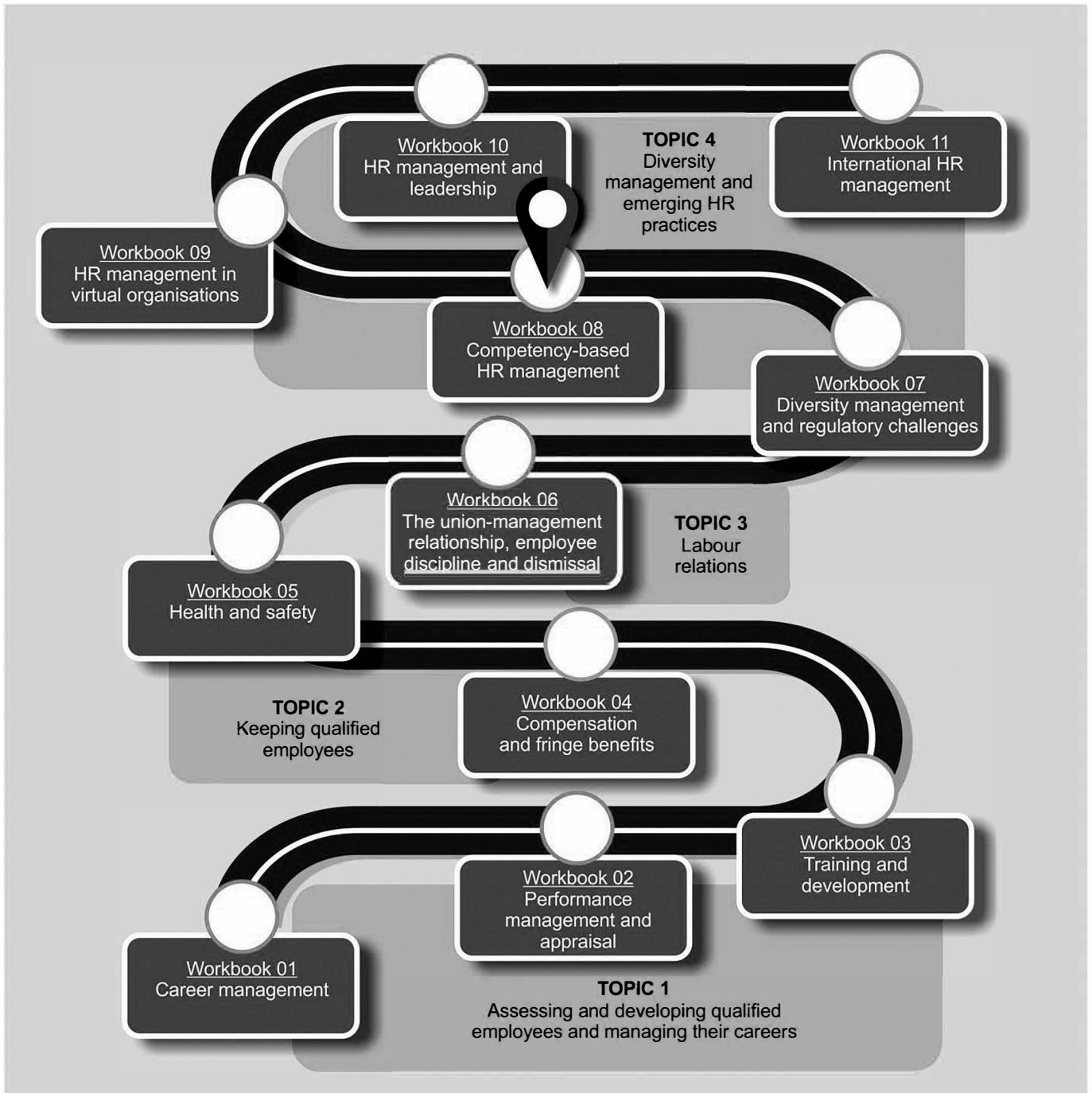
WORKBOOK 08

Competency-based HR management

Contents		Pages
8.1	Learning outcomes	100
8.2	Key concepts	101
8.3	Introduction	101
8.4	Competencies and performance − an integrated approach	101
8.5	Competency identification for the organisation	102
8.6	Competency-based HR management	104
8.7	Competency-based HR transformation	106
8.8	Summary	107
8.9	Self-assessment	107

Have a look at the following mind map to see where you are in the process of working through the study material.

8.1   LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- define the concepts of competency and competency-based HRM
- discuss the relevance and importance of competency-based HRM
- identify the components of a total performance solution

- describe a competency-based HR transformation
- summarise the process of identifying competencies for the organisation
- explain competency-based HR planning
- discuss competency-based employee recruitment and selection
- outline competency-based training and development
- describe competency-based performance appraisal
- discuss key aspects relating to competency-based employee rewards

8.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 14 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Competency	Abstract competencies
Capability	Competency identification
Core competencies	Competency inventory
Basic competencies	Capabilities audit
Individual competencies	HR transformation
Organisational competencies	Competency-based HRM
Functional competencies	

8.3   INTRODUCTION

Have you ever thought about what HR management contributes to employee performance? Businesses continuously attempt to improve their performance because they want to be more profitable. Over the years, various methods have been utilised to help businesses with this – strategic planning, quality management and changing organisational cultures are examples of some of the management interventions that have been applied. Unfortunately, not all of these methods have lived up to expectations. The new focus now is on people and their contribution to organisational success.

Employees' competencies and the role of the HR management department in building and utilising competencies are the focus of this workbook.

8.4 COMPETENCIES AND PERFORMANCE − AN INTEGRATED APPROACH

Organisational performance is the total of the contributions of individual parts of the system, that is, values, purpose, goals, rewards, competencies or leadership development. These contribute to the health of the organisation (see section 14.2, figure 14.1 of the prescribed book). As you can see from figure 14.1, competencies play an important role in the organisation's performance. Now let's look at what competencies are and how they fit into the total performance of the organisation.

Study sections 14.1 to 14.3 in chapter 14 of the prescribed book.

Activity 8.1

Why do you think competencies play a critical role in organisations? Watch the following video and identify the basic competencies for success in any position or job. Reflect on the competencies and share your thoughts and understanding of these basic competencies – do this online.

Competencies – basic skills **https://www.youtube.com/watch?v=-ShKlwLRuzA**

a. Do you think you possess the basic skills – competencies – mentioned in the video?
b. How do you think these competencies contribute to your performance in your studies?
c. In your opinion, what are three of the most important competencies an employer would look for in an employee?
d. What is the difference between capability and individual-based competency?
e. What is the value of competency-based HRM in organisations?

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 11: Workbook 08 Activities**.

The focus of the next section is the methods used to identify employee competencies.

8.5   COMPETENCY IDENTIFICATION FOR THE ORGANISATION

Once the HR department gains recognition through the transformation process, it focuses on developing a competency framework for the entire organisation. This process cannot take place in isolation, but must involve the line function as well.

Study section 14.4 in chapter 14 of the prescribed book.

Activity 8.2

a. Which of the methods described in the prescribed book would you use to identify employee competencies? Substantiate your answer.
b. A capabilities audit gauges how well the organisation is delivering on its required capabilities. Find out if your organisation does a capabilities audit. If so, is your organisation delivering on its required capabilities? Ask a friend or family member if you are not working yet.
c. Complete figure 8.1 on the process of identifying competencies for the organisation (as illustrated by the competency-building model). Use figure 8.1 that is available in a Word format under **Additional Resources** for Workbook 08 Activities, by completing all the steps.
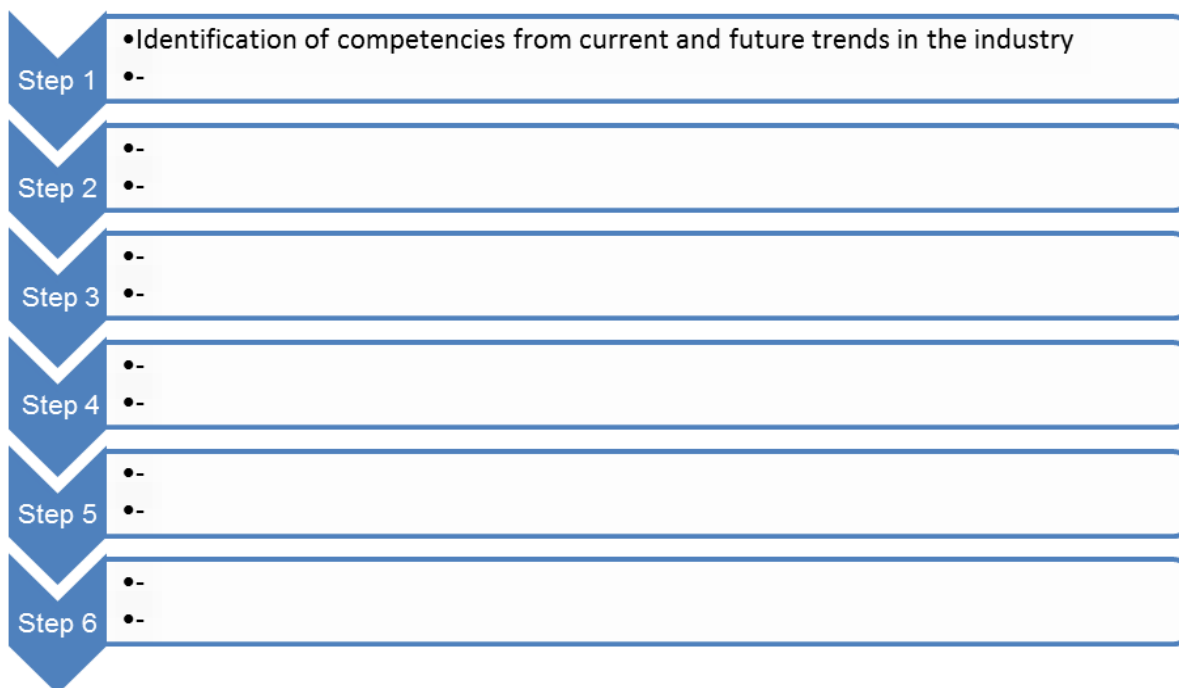
Step 1	•Identification of competencies from current and future trends in the industry •-
Step 2	•- •-
Step 3	•- •-
Step 4	•- •-
Step 5	•- •-
Step 6	•- •-

Figure 8.1: The process of identifying competencies for the organisation, as illustrated by the competency-building model

Feedback

When the organisation knows what should be done to ensure success, it needs to find out what competencies will ensure success in the different jobs. Different methods can be used to identify competencies (see the competency model in figure 14.2 in the prescribed book, the job competencies assessment method (JCAM), the competency menu method and the modified DACUM). These methods have advantages and disadvantages and the one that an organisation uses must be chosen with care.

Did you find it interesting to see how healthy the capabilities of your organisation are? The result of a capabilities audit provides information on how well the organisation is delivering on the required capabilities and areas that need improvement.

The process of identifying competencies for the organisation is outlined in section 14.4 in the prescribed textbook. Figure 14.3 is an example of competencies identified for different groupings of employees within an organisation.

We now focus on how HR practices utilise the identified competencies of each job to create a high-performance organisation.

8.6 COMPETENCY-BASED HR MANAGEMENT

The success of an organisation centres on high-performing employees who are much more productive in achieving work results or outputs than the successful performers who only meet job standards. Maintaining a dynamic culture with employees that strive for achievement requires HR professionals to identify the most effective means to recruit, select and retain employees with core competencies that give the organisation a sustained competitive advantage. HR issues are central to understanding and developing dynamic capabilities. Each value combination is in turn supported and integrated by some of the basic HR functions and processes (HR practices) as illustrated in figure 8.2.

In working through this section and section 14.5 in the prescribed book, we will focus on the highlighted HR functions and processes (figure 8.2) and their implications for competency-based HRM.
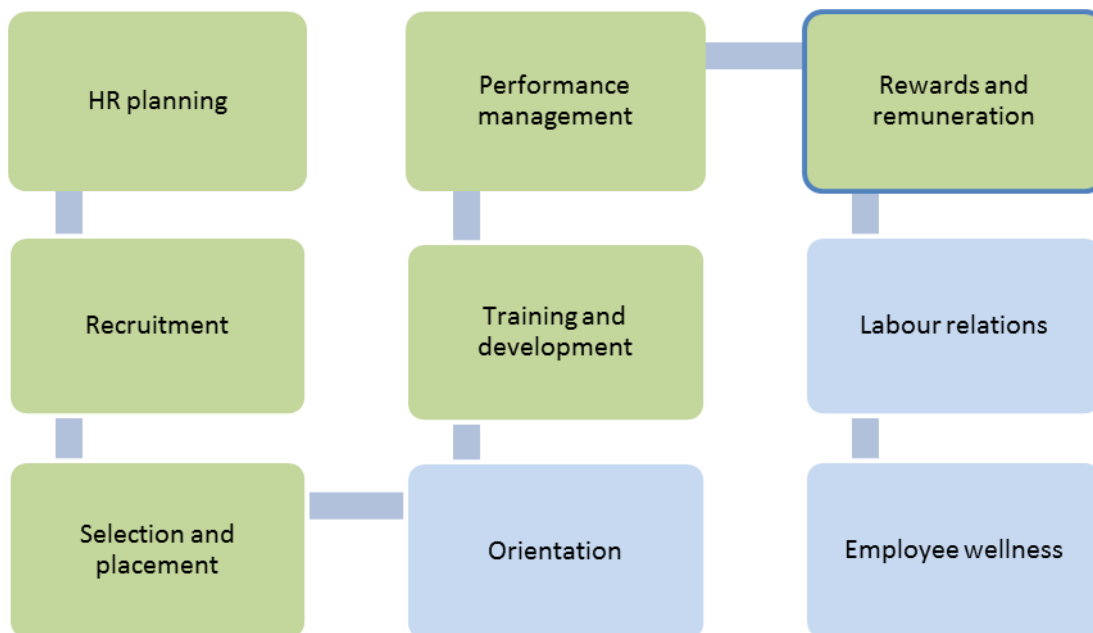

Figure 8.2: A basic HR value chain

Study section 14.5 in chapter 14 of the prescribed book.

Activity 8.3

a. What is the role of HR in competency-based HRM?

b. Explain how a focus on competencies will influence HR management practices and activities. Use this table to answer this question, it is available in a Word format under **Additional Resources** for Workbook 08 Activities.

Competency-based	Influence on HR management practices and activities
HR planning	
Recruitment and selection	
T&D	
Performance appraisal	
Employee compensation (rewards)	

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 11: Workbook 08 Activities**.

It is at this stage that we look at how to transform a traditional approach to managing HR to a competency-based HR approach.

8.7   COMPETENCY-BASED HR TRANSFORMATION

Competency-based HR transformation looks at the people who do the work, and not at the work the people do, that is, the boxes on the HR organisational chart. We consider three major phases to make a shift from a traditional approach of managing HR to a competency-based HR focus.

Study section 14.6 in chapter 14 of the prescribed book.

Activity 8.4

If you were approached by the managers of an organisation to assist them in moving from a work-based to a competency-based approach to HR, what are the steps you would advise them to take?

Use this diagram to answer the question. It is available in a Word format under **Additional Resources** for Workbook 08 Activities.

Step 1 Planning and discovery	• •
Step 2 _____	• •
Step 3 _____	• •

Feedback

The focus in HR management should shift from looking at the work people do to the people who do the work. In practice, this means that the HR department should firstly plan for the change and investigate present and past competencies, as well as the competencies that will be necessary in the future to ensure continued organisational success. In the second phase of the process competencies must be prioritised and decisions made about organisational structure and the people who will do the work. The last phase comprises getting management's buy-in, implementing the changes, managing and monitoring the process, providing continuous communication about the changes and managing the transition.

Once adequately defined, a competency-based approach can have far-reaching implications across all functional aspects of HR. It can provide a firm foundation on which to build fully integrated HR systems to drive performance excellence.

Having gained recognition within the organisation, the HR department can now focus on the competency-based HRM framework for the entire organisation.

8.8   SUMMARY

A competency-based approach to HR management will create an HR department that is more flexible. This should help to release the human potential in the organisation by utilising employees' strengths. This will in turn create a high-performance organisation that is able to take on the challenges it faces in the new business environment.

8.9   SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 08 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 08 and all the activities, you can go on to Workbook 09.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015*. Human resource management in South Africa*. 5th edition. London: Cengage Learning.
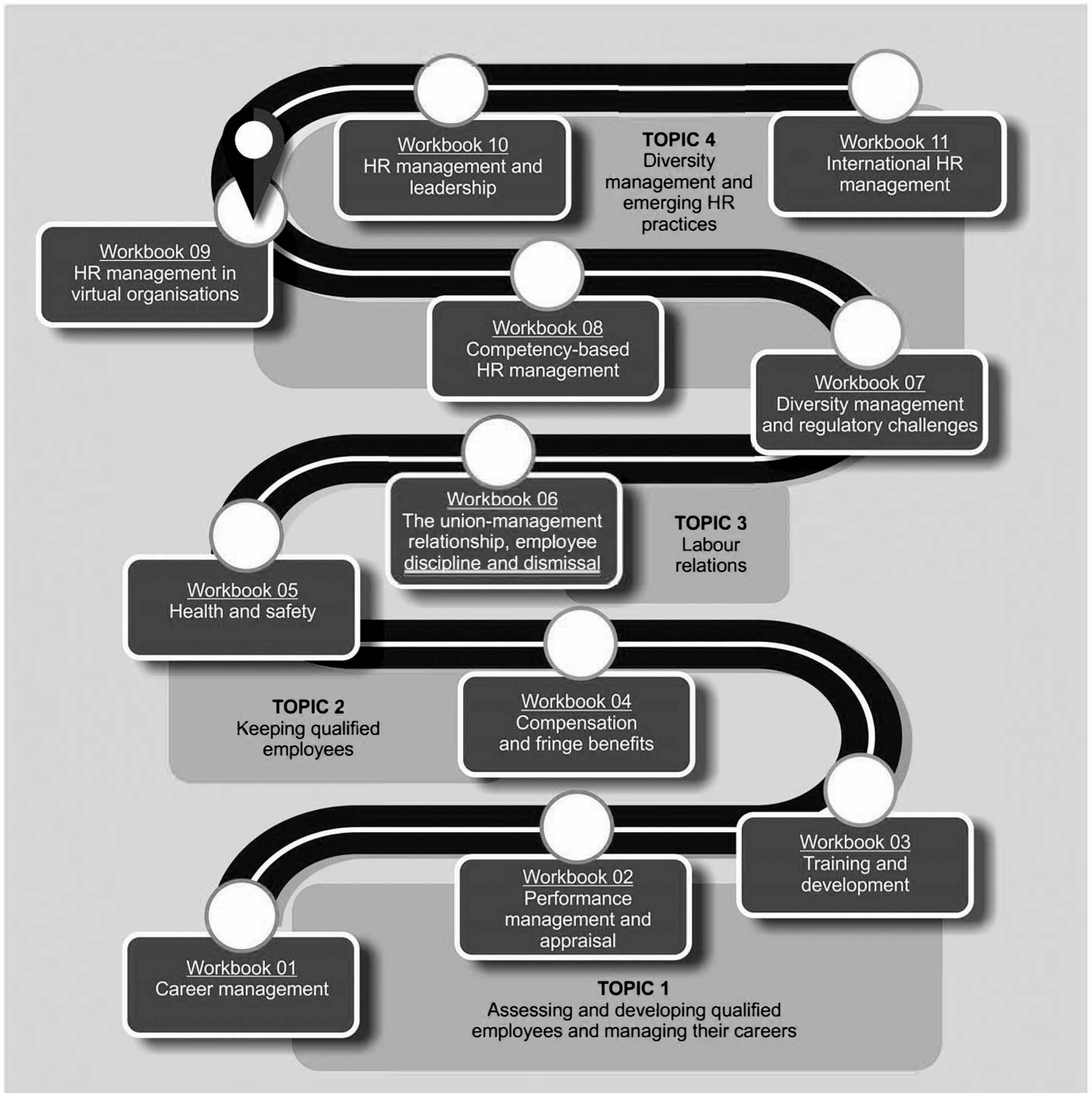
WORKBOOK 09

HR management in virtual organisations

Contents		Pages
9.1	Learning outcomes	110
9.2	Key concepts	111
9.3	Introduction	111
9.4	The virtual organisation and workplace	111
9.5	HR management practices in virtual organisations	113
9.6	Summary	114
9.7	Self-assessment	115

Have a look at the following mind map to see where you are in the process of working through the study material.

9.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- define the concept of a virtual organisation
- identify and explain three forms of virtual work arrangements
- discuss the characteristics of virtual teams

- differentiate between the various virtual teams
- discuss technology within virtual teams
- distinguish between the concepts of E-learning, M-learning and cloud computing
- discuss the role of the HR professional within the virtual organisation
- discuss issues relating to a number of HR practices within the virtual work environment
- distinguish between traditional and virtual organisations

9.2   KEY CONCEPTS

A number of key concepts are listed at the end of chapter 15 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

Cyberlink	Project teams
E-learning	Service teams
M-learning	Process teams
Telecommuting	E-mail
Virtual teams	Front line
Virtual team technology	Virtual leadership
Virtual workplace	Virtual HRM
Virtual organisation	Cloud computing

9.3   INTRODUCTION

The 21st century has brought with it tremendous changes in technology. We can now contact someone from halfway across the globe within a matter of seconds. Data is available literally at our fingertips, some cell phones have e-mail and internet facilities and we can even phone friends and relatives abroad via the internet. The information technology revolution touches each one of us and the office environment has not been left out. Virtual teams, telecommuting and even virtual organisations are the new buzzwords in the 21st-century workplace. Let's now look at the virtual organisation as an entity.

9.4   THE VIRTUAL ORGANISATION AND WORKPLACE

In a traditional employment relationship within the organisation's normal operation, employees report to work in an office building. This means that they are office bound and are expected to report for work and leave the office building at a specific time. The employment relationship may require the employee to have frequent face-to-face interaction with the supervisor or line manager. Virtual organisations differ from traditional organisations in that they have partners, a core business and flexible working arrangements, and are linked with partners or teams via technology.

Study sections 15.1 and 15.2 in chapter 15 of the prescribed book.

Activity 9.1

Read this scenario and then answer the questions that follow.

Thabelo is a computer software developer. He works as an independent contractor, developing software for whoever contracts him to do so. Most of the companies that contract his services are situated in Johannesburg and Cape Town, while Thabelo lives and works in Mhlanga Bay. For the past three years he has also been involved in a joint venture with Pat and Raman. They are developing a new, interactive computer game and plan to launch it on the market in October, ready for the festive season. Pat is stationed in Scotland and Raman lives and works in Mumbai. They meet three times a year to discuss issues that cannot be resolved over the telephone and internet, have a monthly conference telephone call and communicate daily via e-mail, Skype and video conferencing when needed.

a. Is this an example of a virtual team, a virtual organisation or both? Substantiate your answer.
b. Why did Thabelo, Pat and Raman decide to work in this way instead of the traditional, office-bound way?
c. Discuss the role of technology within this team.

Feedback

This is an example of both a virtual team and a virtual organisation. Thabelo, Pat and Raman are a virtual team who are geographically dispersed and whose contact is mostly via e-mail, Skype, video conferencing and telephone. They also form a virtual organisation. A virtual organisation is technology-driven and project-based, with partners involved in a core business activity. There are different types of teams in virtual organisations, such as service teams, project teams and process teams. Working in this manner creates flexibility and is more cost-efficient. It also allows organisations to utilise human resources that are geographically dispersed and in this way organisations have access to the best talent, irrespective of where the people live. In this team technology provides the key to ongoing, stimulating communication, in order to sustain a creative working environment. This team's potential of working flexibly and continually, can only be realised through reliable technology and the correct infrastructure. For more detail on the available technologies, you can refer to figure 15.1 in your prescribed book.

In summary, a virtual organisation must have partners, a core business, flexibility and capacity to connect all of the partners through supportive technology. It has a focus on teams and is perceived by those working either internally or externally as an organisation.

A virtual workplace involves employees working far away from their colleagues and managers. Let's look at three forms of virtual work arrangements: telecommuting, frontline and cyberlink.

Study section 15.2 in chapter 15 of the prescribed book.

Activity 9.2

a. Read the case study at the end of chapter 15 in the prescribed book and answer questions 1–4 at the end of the case study.
b. What is the difference between a frontline and cyberlink work arrangement?
c. Briefly explain the characteristics of virtual teams and list the factors that determine the success of these teams.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 12: Workbook 09 Activities**.

Technology plays a vital role in realising the potential of working flexibly. Virtual teams rely heavily on technology and the correct infrastructure. Technology forms a large part of managing and empowering a virtual team. HR professionals should be informed of what technologies are offered and used by remote employees and must train managers on how to manage virtual teams (see "A profile of a successful telecommuting employee" and "Virtual tips and tools" in the prescribed book).

9.5 HR MANAGEMENT PRACTICES IN VIRTUAL ORGANISATIONS

Study section 15.3 in chapter 15 of the prescribed book.

Activity 9.3

Again read the scenario about Thabelo in activity 9.1 and then answer these questions:

a. If they were to appoint more staff, for example people responsible for handling the marketing and distribution of their product, they would have to implement HR policies and procedures. How would the virtual environment in which they function influence the work of the HR department?
b. Briefly explain the role of the HR professional in a virtual organisation.
c. Explain the concept of cloud computing.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 12: Workbook 09 Activities**.

Activity 9.4

What would you say are the advantages and disadvantages of e-learning? Watch the following video to learn more about the benefits of e-learning. Reflect and share your thoughts and understanding of these benefits – do this online on the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 12: Workbook 09 Activities**.

 Advantages of e-learning

https://www.youtube.com/watch?v=sxUQsKxcOYM

Feedback

E-learning involves the use of the internet, electronic media and information and communication technologies (ICT) to conduct training online, whereas M-learning is a subset of e-learning, educational technology and distance education that focuses on learning across context and learning with mobile devices. Before adopting e-learning, consider the following:

- The support of top management must be obtained.
- Sufficient funds need to be available for the development of the training.
- Managers and HR professionals need to be retrained to accept this new training approach.
- The potential users need to be self-motivated enough to direct their own learning.

F-learning and M-learning give the learners the ability to control what they learn, the speed at which they progress through the programme and even when they learn. E-learning has a major impact on HR and training, although advantages and disadvantages need to be considered (see table 15.2 in the prescribed book).

9.6   SUMMARY

In this unit we considered the impact of the management of employees within a virtual organisation and you learnt about different forms of virtual work arrangements. Virtual work arrangements are arrangements that allow employees with unique skills to work remotely from their colleagues and managers. We highlighted the advantages and disadvantages for both the

organisation and the employees in implementing these types of arrangements. HR professionals play a critical role in leading the transformation of the HR function within an organisation from a traditional to a virtual organisation.

9.7   SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 09 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 09 and all the activities, you can go on to Workbook 10.

BIBLIOGRAPHY

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.

HRM2602

Human Resource Maintenance and Retention

WORKBOOK 10

HR management and leadership

Contents		Pages
10.1	Learning outcomes	117
10.2	Key concepts	118
10.3	Introduction	118
10.4	Human resource transformation	118
10.5	What is leadership?	119
10.6	Leadership versus management	122
10.7	What are the responsibilities of a good leader?	122
10.8	What is HR leadership?	123
10.9	Summary	124
10.10	Self-assessment	124

Have a look at the following mind map to see where you are in the process of working through the study material.
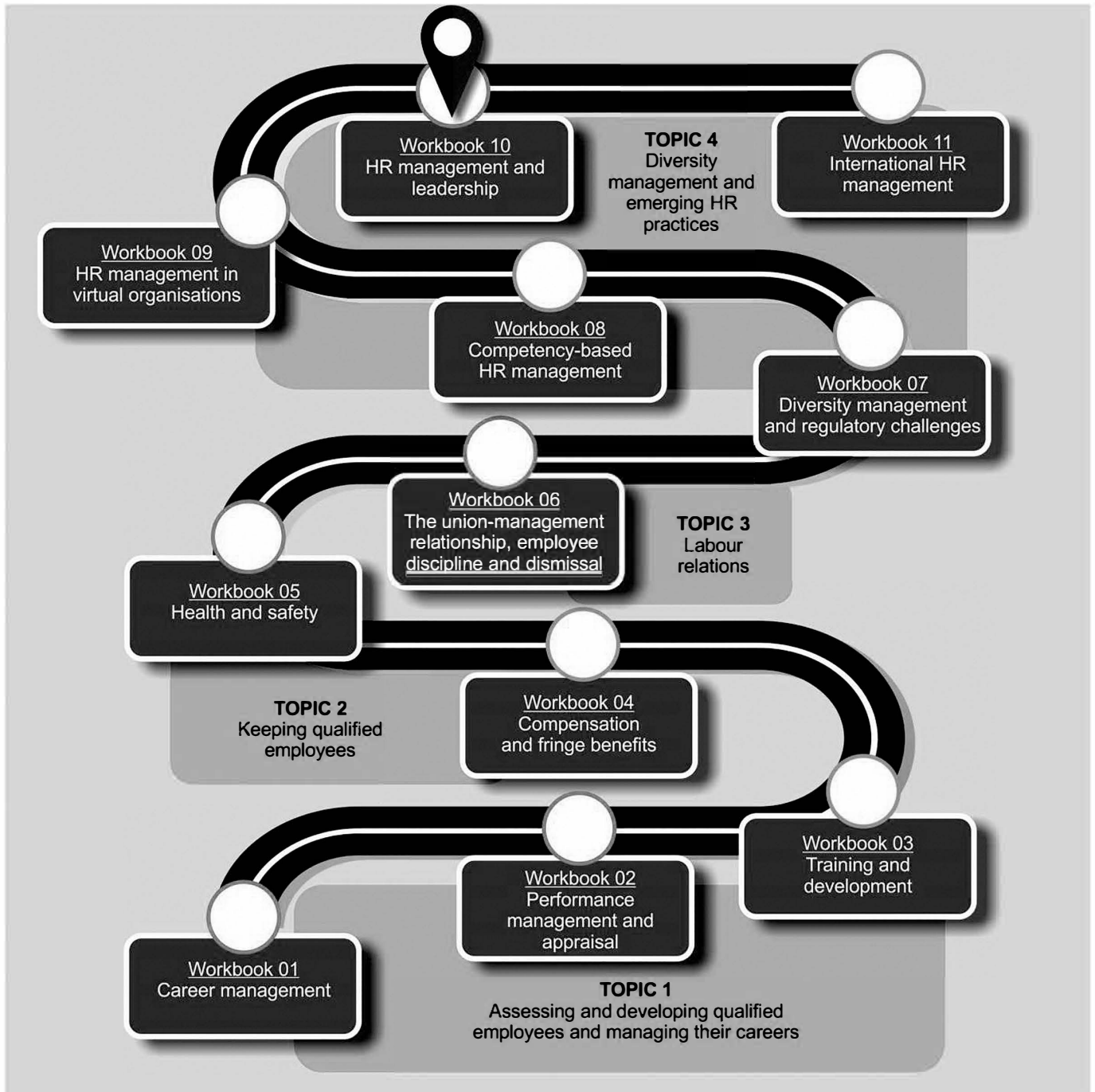
10.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- define the concept of HR transformation
- explain why transformation is important for the HR function
- list the barriers to HR transformation

- define the concept of leadership
- explain the importance of leadership
- distinguish between leadership and management
- distinguish between the different leadership roles
- identify the characteristics and responsibilities of a good leader
- discuss the process of HR leadership in an organisation
- discuss the concept of E-leadership in the virtual environment

10.2 KEY CONCEPTS

A number of key concepts are listed at the end of chapter 16 of your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

HR transformation	E-leadership
HR leadership	Leadership
HR barriers	Management
Strategic leadership	Functional teams
Operational leadership	Cross-functional teams
Transactional leadership	Self-directed teams
Traditional leadership	Emotional intelligence
Team leadership	E-HRM

10.3 INTRODUCTION

All employees in an organisation need some form of guidance. From a managerial perspective, the behaviour and actions of employees have to be channelled and directed towards the achievement of the organisation's objectives. This calls for leadership.

10.4 HUMAN RESOURCE TRANSFORMATION

According to Dave Ulrich, HR transformation is the process transforming HR practices so that they are aligned to customer needs and integrated around the capabilities of the organisation. The roadmap for each HR transformation is designed according to the organisation's specific goals and capabilities, and it incorporates the dimensions of strategy, process, and technology, to produce an integrated talent management plan for the organisation (Wärnich et al: 619). The transformation process has not been prevalent in many organisations. This situation can be attributed to a number of barriers (**refer to table 16.1 − barriers to HR transformation – in the prescribed book**). To overcome these barriers, it is essential that HR professionals become true leaders within their organisations.

10.5 WHAT IS LEADERSHIP?

A leadership story

A group of employees and their leaders are set a task of cleaning a road through a dense jungle on a remote island to get to the coast where an estuary provides a perfect site for a port. The leaders organise the labour into efficient units and monitor the distribution and use of capital assets – progress is excellent. The leaders continue to monitor and evaluate progress, making adjustments along the way to ensure that the progress is maintained and efficiency increased wherever possible. Then, one day in the middle of all the hustle and bustle and activity, one person climbs up a nearby tree. The person surveys the scene from the top of the tree and shouts down to the assembled group below ... "WRONG WAY" (adapted from Covey (2004).

Leadership has sometimes been described as taking people to a place that they would not normally go to on their own. When typing the term "leadership" into a Google search on the internet, over 51 million results are generated. This shows the importance placed on this concept.

A leader is often defined as a "person who is appointed, elected, or informally chosen to direct and coordinate the work of others in a group" (Fiedler 1995). Leadership is usually defined as the "ability to influence others toward the achievement of goals that contribute to a worthwhile purpose" (Cacioppe 2000).

Study chapter 16 in the prescribed book.

Activity 10.1

Read this scenario and then answer the questions that follow:

Frank is a communicative, well-educated man in his forties. He has a relaxed, open approach to people and to life, and gets along easily with almost everyone. After completing his degree, Frank joined HR in the staffing area, then moved to compensation and benefits, and from there into a managerial role.

During the course of his career, Frank worked for several large South African based multinationals and he also travelled globally. For several years he lived and worked in Gauteng. Eventually Frank moved to ABC Industries, assuming a director-level position in one of the company's major divisions. Frank did well and when the corporate HR manager position became vacant, he decided to go for it. Frank had made a good impression on the management committee and had several strong supporters in the group. In a matter of weeks, he was moving into the executive suite. Over the next year, the HR function, staff and budget grew rapidly. ABC Industries was undergoing a major transformation, which provided HR with the opportunity to implement many long-needed cutting-edge programmes. Frank's organisation was publicly cited in several surveys of HR best practices. Seemingly everything was going great. Only two years after assuming the position, Frank was fired and the HR staff and budget were severely cut.

What happened?

The market for ABC's products was becoming increasingly competitive and profit margins were being reduced. All the new programmes the HR team had implemented were taking increasing amounts of time from ABC's line managers, but were not demonstrating pay-back in the business terms that they so desperately needed. During Frank's tenure, the HR budget had spiralled out of control and he had difficulty explaining what had happened. In executive committee meetings he had little to contribute to discussions of overall business strategy or operational changes that needed to be made to remain competitive. As things at ABC got tougher and budget pressures increased, HR and its programmes began to look more and more expendable. There was a notion to move away from the "soft" stuff and get back to basics. Frank defended his position and could not make the cuts that were demanded.

a. Identify Frank's problem and indicate why you think it was a problem.
b. Would you describe Frank as a leader or as a manager? Why?
c. What are the environmental influences of leadership?
d. Do you think Frank needs emotional intelligence to cope with the leadership demands of today's world of work?

Feedback

As you can see, Frank did not see the bigger picture. Business today is faced with many challenges and Frank failed to convince the company that he could meet those challenges. Today's stretched organisations and stressed management teams have little room for departments that are viewed solely as overhead, a perception which has been the lingering legacy of the HR function. Frank does not seem to be particularly visionary, innovative, willing to take risks, hard-driving or results-oriented. He was not inclined to challenge the status quo or stand up for unpopular causes. He did not distinguish himself with brilliant strategies or take command of the big picture. Frank is a good example of the typical HR type who is not able to link their HR expertise to bottom-line measures and results that the organisation can understand and value.

Frank was not able to transform HR into a strategic partner of the company (see section 16.1 "HR transformation" in the prescribed book for a more detailed discussion). To remain convincing, HR leaders need to take a long, hard look in the mirror and redefine themselves, their capabilities and their role. They need to realise that the leadership style that served them so well in their move up the HR management ranks and that may have been adequate in top HR positions in the past will no longer work. The measures of success have changed and HR leaders need to meet the new standards – there is thus an urgent need to transform!

Refer to section 16.2 "What is leadership?" in the prescribed book. Leaders create a vision and strategy, while keeping their eye on the horizon. Managers plan and budget and keep their eye on the bottom line. Frank was not able to create radical change and adapt to the changing environment of the company. Leaders are people who other people naturally follow through their own choice, whereas managers **must** be obeyed. Managers may only have obtained their position of authority through time and loyalty given to the company, not as a result of their leadership qualities. Leaders may have no organisational skills, but their vision unites people behind them.

To be an effective leader, you need to

- understand and interpret the environment in which you operate

- develop winning strategies and execute them brilliantly
- measure the impact of your strategies systematically, and adjust them when required
- develop organisational, departmental, team and personal capabilities

Figure 10.1 depicts these capabilities.

Frank was having a difficult time adjusting to the new role demands and demonstrating the required capabilities. See "What is HR leadership?" in the prescribed book. As a result of the restructuring and repositioning of the HR function, many companies are redefining the roles of HR leaders so that they may be direct contributors to business performance. The HR leadership role focuses on aligning organisational capabilities with business strategy by designing and implementing HR processes.

Unlike management, leadership today involves people relationships. Frank needs emotional intelligence to cope with these relationships. Today's emotionally intelligent leaders can recognise the importance of each employee's differing needs, and they are able to accept and initiate appropriate changes to meet such needs.
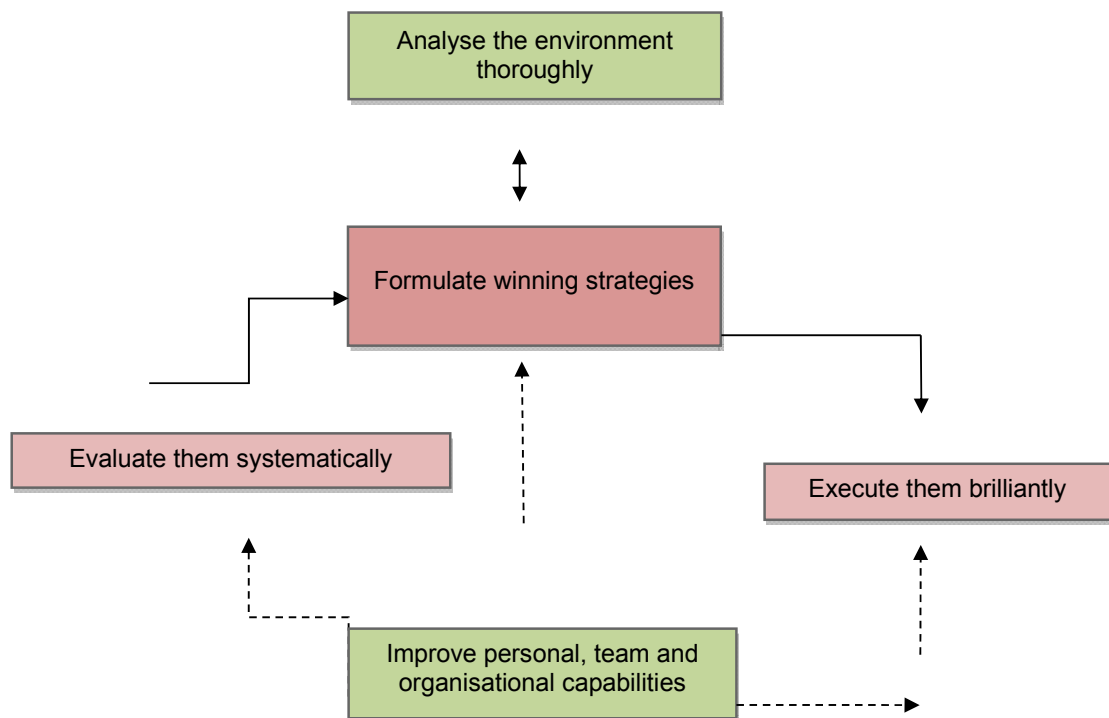

Figure 10.1: Effective leadership capabilities (Gandz 2005**)**

Unlike management, leadership involves people relationships, influence, change, a shared purpose for achieving a desired future and accountability to make things happen (see figure 16.2 in section 16.2 of the prescribed textbook). How do these two responsibilities differ?

10.6 LEADERSHIP VERSUS MANAGEMENT

Study section 16.2.1 in chapter 16 of the prescribed book.

Activity 10.2

Complete the table to indicate the differences between leadership and management. This table is available in a Word format under **Additional Resources** for Workbook 10 Activities.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 13: Workbook 10 Activities**.

10.7 WHAT ARE THE RESPONSIBILITIES OF A GOOD LEADER?

Being a leader means the responsibility to serve others – the people who follow you. Great leaders inherently know this and they understand that the benefits of being a leader also bring with them great responsibilities.

Study section 16.2.3 in chapter 16 of the prescribed book.

Activity 10.3

a. Briefly explain the responsibilities of a good leader.
b. How do you successfully accomplish each responsibility on a regular basis?
c. Distinguish between the leadership roles in different teams.
d. How would you describe the concept of E-leadership in the virtual environment?

Feedback

One of the main responsibilities of a leader is to provide a climate necessary for creating growth and success. The following responsibilities make for a good leader:

- Have a vision.
- Develop a plan.
- Identify the goals to realise the vision and plan.
- Select a team (assess their strengths and weaknesses) to help you realise your vision.

Responsibility is being accountable for what you do or fail to do. As a leader in any organisation, you must accept greater responsibilities to carry out the vision of the organisation, such as solving problems, making decisions and setting priorities. Be aware that leaders are not perfect and do make mistakes. The challenge is to face and acknowledge the mistakes and rectify them (see mistakes identified among leaders in section 16.2.3 of the prescribed textbook).

There are three types of teams: functional, cross-functional and self-directed. The leader does not fulfil the same role in each of these teams. The nature of the team determines the leadership approach. For instance, do you (the leader) want to be at the centre of things, trust the abilities of the team and let them get on with it, or do you want to be part of the team as a member (coach or facilitator)? Refer to table 16.3 in your prescribed book in this regard.

E-leaders in the virtual environment:

- Fulfil their leadership roles through electronic channels and by dealing with a virtual workforce
- Need to monitor and motivate their workforce by means of electronic media
- Rely on effective indirect communication between the leadership and the virtual workforce
- Have to take note of the differences between conventional, virtual and global teams and should be able to adapt their leadership style to these teams

10.8 WHAT IS HR LEADERSHIP?

Study section 16.3 in chapter 16 of the prescribed book.

Activity 10.4

a. Explain the actions that are necessary for HR leadership to maximise its impact in value-added operations to organisations.
b. Briefly discuss the six steps to HR leadership.

Feedback

Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 13: Workbook 10 Activities**.

10.9 SUMMARY

In this workbook we explained the importance of leadership. Leaders have a major effect on subordinates and ultimately on the success of organisations. Organisations need strong leadership and strong management for optimum effectiveness. In today's dynamic world, we need leaders to challenge the status quo, to create a vision of the future and to inspire organisations to achieve this vision.

10.10 SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access these questions, visit the **self-assessment** workbook 10 tab on myUnisa and start with your assessment.

CARRY ON

Now that you have successfully completed Workbook 10 and all the activities, you can go on to Workbook 11.

BIBLIOGRAPHY

Cacioppe, R. 2000. Creating spirit at work: re-visioning organisation development and leadership (part 2). *Leadership and Organization Development Journal* 21(2):110–119.

Covey, SR. 2004. *The 7 habits of highly effective people: restoring the character ethic*. New York: Free Press.

Fiedler, FE. 1995. Cognitive resources and leadership performance. *Applied Psychology: An International Review* 44:5–28.

Gandz, J. 2005. The leadership role. *Ivey Business Journal Online. Reprint #9B05TA01*. Available at: www.iveybusinessjournal.com (as on 22/02/2014).

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.
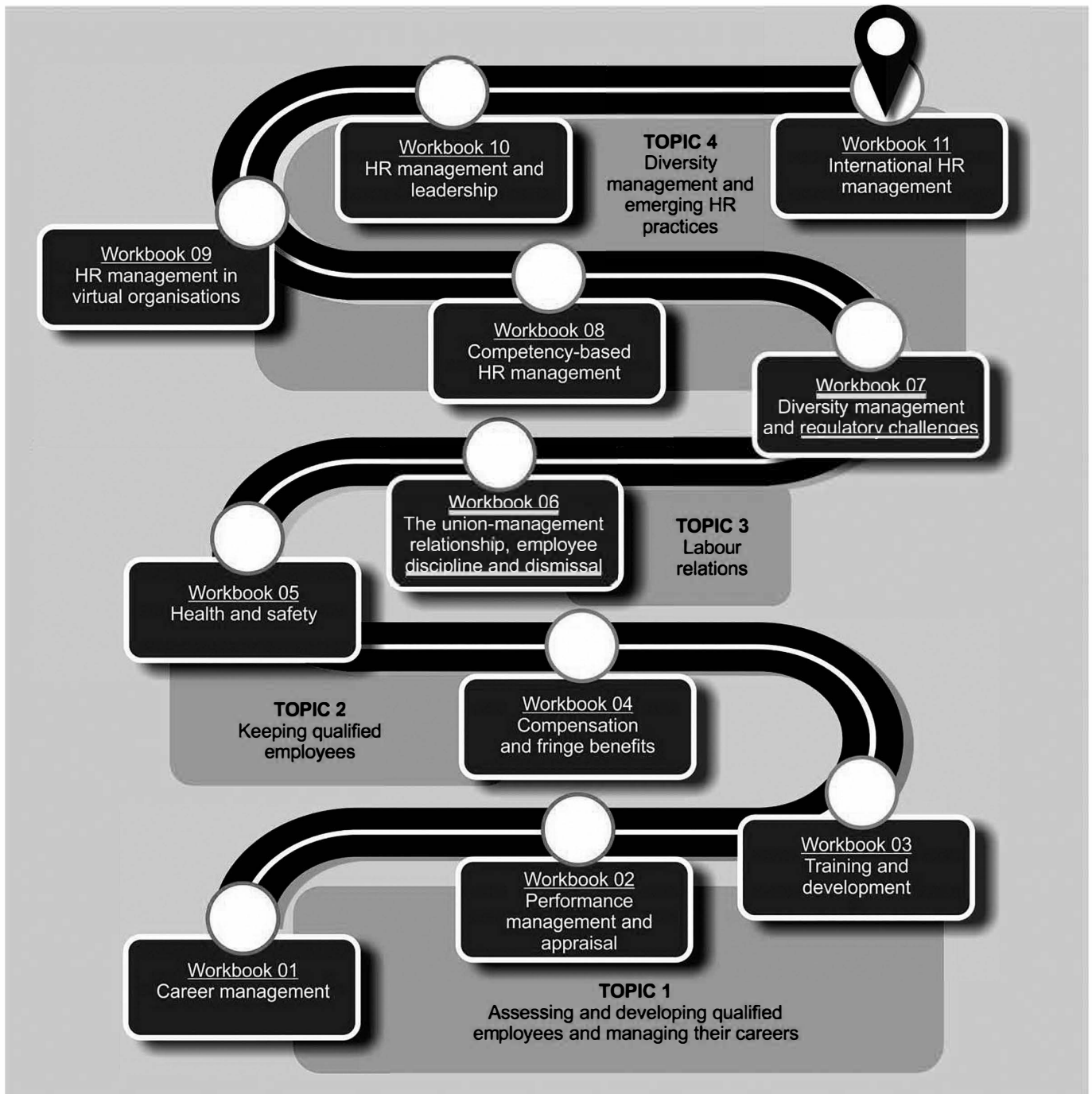
WORKBOOK 11

International HR management

Contents		Pages
11.1	Learning outcomes	126
11.2	Key concepts	127
11.3	Introduction	127
11.4	Why do companies decide to do business abroad?	128
11.5	Types of organisational firms used internationally	128
11.6	What types of culture are found in the world of work?	129
11.7	What impact does going abroad have on the activities of HR professionals?	131
11.8	International HR management activities	132
11.9	Retention of personnel	133
11.10	Key issues in industrial relations of multinationals	133
11.11	Self-assessment	134

Have a look at the following mind map to see where you are in the process of working through the study material.

11.1 LEARNING OUTCOMES

Read through the outcomes before you continue. This will give you an overall picture of what we will discuss in this workbook.

After studying this workbook, you should be able to

- discuss the different types of culture found internationally
- explain how domestic and international HRM differ
- discuss the staffing process for individuals working internationally

- discuss issues relating to the induction of international employees
- identify the unique training needs for international assignees
- identify and discuss the two factors in international HRM that assist in retaining competent personnel
- discuss the key issues in industrial relations of multinationals

11.2 KEY CONCEPTS

A number of key concepts are listed at the end of chapter 17 in your prescribed book. Please read through them before you continue. Then you will be familiar with the different concepts that we will refer to in this workbook.

Some of the important key concepts in this workbook are:

- Ethnocentric approach
- Polycentric approach
- Regiocentric approach
- Balance sheet approach
- Geocentric approach
- International HR management

11.3 INTRODUCTION

Companies expand internationally for many reasons. The decision to go multinational has a great impact on the human resources of a company and therefore on the HR management activities. For employees, it may create new career move options and even a change of careers. For HR management, internationalisation creates problems that require different strategies, policies and practices which often include a new dimension of responsibilities not usually found in domestic organisations.

Read chapter 17 and more specifically the introductory part of chapter 17 in the prescribed book.

Activity 11.1

Think back on the past five years. How many companies do you know of that have expanded internationally, either by purchasing other businesses abroad or by opening offices in other countries?

Feedback

A few examples are listed in the introductory section, chapter 17 of the prescribed book. For example, MTN opened offices in Nigeria and Woolworths is set to take over an Australian department chain store (Moorad 2014).

11.4 WHY DO COMPANIES DECIDE TO DO BUSINESS ABROAD?

Study section 17.1 in chapter 17 of the prescribed book.

Activity 11.2

Explain why companies decide to expand their operations internationally.

Feedback

Section 17.1 provides some reasons why companies expand operations internationally. These include

- reducing costs as companies are closer to their markets
- fewer government regulations
- access to growth opportunities
- taking advantage of labour force availability

11.5 TYPES OF ORGANISATIONAL FIRMS USED INTERNATIONALLY

Study section 17.2 in chapter 17 of the prescribed book.

Activity 11.3

What are the primary differences between multinational, global and transnational companies?

Use the following table to indicate the differences between these three types of companies.

Multinational	Global	Transnational
• A collection of decentralised and fairly autonomous operating units directed towards their own national markets • –	• – • –	• – • –

Feedback

You should have referred to section 17.2 in chapter 17 of the prescribed book. Multinational companies have a considerable degree of autonomy. Global companies have a high degree of integration managed from their headquarters. Transnational companies include management from headquarters and integrated networks of interactive units.

11.6 WHAT TYPES OF CULTURE ARE FOUND IN THE WORLD OF WORK?

Culture refers to behaviour and belief traits of a particular social and/or ethnic group. In other words, it is the "shaping of the mind" that defines the differences between members of different groups. Therefore, culture is what influences the way in which things are thought and done in organisations specific to a particular country.

Activity 11.4

Watch the following video to learn more about culture. Reflect and share your thoughts and understanding of cultural differences – do this online. Refer to the **Discussion Forums** tool on the HRM2602 myUnisa module site and select **Forum 14: Workbook 11 Activities**.

Cultural differences – team challenges 2
https://www.youtube.com/watch?v=QlifMpIwPus

Feedback

It is obvious that in countries mentioned – China, Japan, India, Argentina or Egypt – people coming from America can inaccurately predict the reactions of those they interact with in these countries. For example, in Argentina arriving late for a business dinner is acceptable, whereas in America it would be considered disrespectful of your host. The codes for interpreting the environment, attaching values and priorities to that information, classifying behaviour as acceptable or not are all passed from one generation to the next and also differ from one country to another.

Let's learn more about culture in a global world of work.

Study section 17.3 in chapter 17 of the prescribed book.

Activity 11.5

a. Explain how the culture of a country where an organisation decides to open new offices will influence the way it does business and the kinds of people who will be effective in those offices.
b. Briefly explain how these cultural differences influence the training provided to employees.

Feedback

In chapter 17 of the prescribed book you will see that culture is what defines the differences between members of different groups. It distinguishes one group of people from another. It also defines people, relationships and leadership, and thus has a profound influence on every aspect of business. A shared culture simplifies human interaction, because individuals can easily predict other people's reactions. Misunderstandings occur less frequently when people share a culture than when cultures differ. (See section 17.3 "Cultures in the global world of work" in the prescribed book.)

Hofstede has identified four dimensions of culture that can be used to identify and distinguish between the different values and attitudes of employees in different cultures. The influence of these dimensions on business is that organisational structures, management styles, organisational cultures and change programmes must be adapted to the current culture of the country in which the office is situated. This also means that HR management functions and

activities will be different, depending on the country and culture. Let's take a closer look at what impact doing business abroad has on the activities of HR professionals.

11.7 WHAT IMPACT DOES GOING ABROAD HAVE ON THE ACTIVITIES OF HR PROFESSIONALS?

Study section 17.4 in chapter 17 of the prescribed book.

Now that you are aware that culture plays a largely significant role in organisational activities and the people working in these environments, it is time to look at the different activities of HR professionals when working in their local organisations compared to international organisations.

Activity 11.6

Complete the following table by identifying the differences between domestic and international HRM:

#	Difference between domestic and international HRM	How it differs
1.	HR functions	International operations have more functions performed by HR professionals, e.g. international relocation and orientation
2.		
3		
4.		
5.		

Feedback

Employees who move to foreign countries for work-related purposes need to be assisted, by their organisations and the HR professional, in terms of training (e.g. diversity training). This will help them to better understand the country they are relocating to, how the organisation functions within this country, what the cultural norms are, and so on. In addition, the organisation and its HR professionals have more complex HR functions since they need to help employees to transfer, relatively easily, all their personal belongings, and help the employees' family to find alternative work, schools for their children, homes, and so on. Refer to figure 17.1

in the prescribed book to learn more about environmental forces that influence the design and implementation of HRM systems on the expatriation or transportation of employees and their families internationally. Now that you understand the difference between domestic and international HRM, let's focus a little more on important international HR activities.

11.8 INTERNATIONAL HR MANAGEMENT ACTIVITIES

Study sections 17.5 to 17.9 in chapter 17 of the prescribed book.

Multinational companies need to develop strategies that promote success and maintain a competitive edge in the global market. One such important aspect is to focus on human resources, especially global human resources, which are important for the success of multinational companies. Employees should therefore be carefully recruited, selected, managed and retained. For example, the HR professional faces the challenge of recruiting from parent country nationals versus host country nationals. Furthermore, training and development initiatives focus on developing job-related skills and knowledge that enable employees to perform jobs in international organisations.

Activity 11.7

a. Discuss how your job as an HR manager may be influenced by a decision to open offices internationally.
b. Briefly explain who would do the performance appraisals of these employees and if they would be appraised using the same system currently used by the organisation.
c. Suggest how compensation and benefits differ from those of employees who do not go on international assignments.

Feedback

When a company opens offices internationally, it has to decide whether existing employees will be transferred or whether new employees will be recruited. Will new recruits be sourced in the parent country or the host country? Organisations can use recruitment of parent country nationals, host country nationals or third country nationals. HR has to consider the advantages and disadvantages of each option as indicated in table 17.1 in the prescribed book. Posting employees internationally can be very costly; therefore, organisations can consider alternative assignments instead of posting employees internationally for extended periods. The selection process is more complex for international assignments, because candidates need to have unique skills to ensure success (refer to section 17.6 in chapter 17 of the prescribed book). Orienting and preparing employees for international assignments involve different approaches and activities (refer to section 17.7 in chapter 17 of the prescribed book) which should not be neglected. T&D as a core function takes on a new and more complex dimension, which includes training before, during and after foreign assignments, especially cultural assimilation, sensitivity and language preparation.

Performance appraisals of staff on international assignments are complicated by cultural and policy/structural issues (e.g. who will do the evaluation?). This is further influenced by long distances and the amount of contact with the expatriate (refer to section 17.9 in chapter 17 of the prescribed book). However, performance appraisal should not be neglected for expatriates, because it has a profound influence on their career progression.

Knowledge of the laws, customs, environment and employment practices of host countries is important when compiling compensation packages for international employees.

11.9 RETENTION OF PERSONNEL

Study section 17.10 in chapter 17 of the prescribed book.

Activity 11.8

What are the typical components of a global employee's compensation package?

Feedback

You could have referred to figure 17.4 in chapter 17 of the prescribed book to discuss the components of global employees' compensation packages. The retention of expatriate employees is also influenced by an effective compensation policy that meets the objectives covered in section 17.10.1 in chapter 17 of the prescribed book.

11.10 KEY ISSUES IN INDUSTRIAL RELATIONS OF MULTINATIONALS

A country's own history and the influences from other countries help shape a country's labour systems and employment legislation. When an organisation starts functioning internationally, relationships between management and employees take a different approach. This can be related to diversity approaches taken by different countries regarding their labour relations legislation.

Read sections 17.11 to 17.15 in chapter 17 of the prescribed book.

Activity 11.9

How should HR departments within multinational organisations deal with labour relations issues?

Feedback

International HR management is hugely influenced by labour legislation and roles that unions play in the various countries and organisations. HR departments within multinational enterprises must therefore decide which approach to follow when dealing with labour relations issues. You could have referred to section 17.11 in chapter 17 of the prescribed book to learn about the approaches international organisations can take when dealing with labour relations issues such as discipline, dismissals, transfers, layoffs and retirements.

11.11   SELF-ASSESSMENT

The self-assessment questions consist of written questions.

Question 1

Explain why managers should be aware of cultural differences when they are sent on international assignments.

Question 2

Explain how HRM activities and functions differ in a multinational organisation.

Question 3

Compensation plays a huge part in the retention of expatriate staff. Explain the complexities of compensation for expatriate employees.

Question 4

You are the T&D manager for an international brewery. You are responsible for preparing employees for overseas assignments. Write brief notes on the five different T&D techniques that you can use for this purpose.

Feedback

Question 1

The answer to this question is in "Cultures in the global world of work" in chapter 17 in the prescribed book.

Begin by explaining what culture is and how this impacts on management. Explain Hofstede's dimensions of culture and the fact that providing a unified managerial approach for managing in different cultures was found to be impractical. The best approach to follow would be to adapt

organisational structures, management styles and organisational cultures, and change management programmes to the dominant culture of the host country.

Question 2

This is an easy question to answer. You will find the answer in "What impact does going abroad have on the activities of HR professionals?" in chapter 17 of the prescribed book. You could have discussed the differences between domestic and international operations as indicated in this section.

Question 3

Find the answer to this question in "Compensation" in chapter 17 in the prescribed book.

Compensation for expatriate employees concerns three broad categories of activities: how base pay is determined, how taxes are managed and which benefits are offered.

The six approaches to base salary are

- negotiation
- balance sheet
- localisation
- lump sum
- cafeteria
- regional systems

Where taxes are concerned, the company can decide on one of the following strategies:

- laissez-faire
- tax equalisation
- tax protection
- ad hoc

Companies are often compelled to include compulsory benefits, such as health care benefits, social security or the equivalent thereof in the host country and leave provision.

Discuss these components by explaining each one and mentioning the advantages and disadvantages of the different approaches.

Question 4

The answer to this question is in "Training and development" in chapter 17 of the prescribed book where the five T&D techniques to prepare employees for overseas trips are discussed.

REFLECTION ACTIVITY

Reflect on your learning while working through this unit. Complete the following self-assessment checklist to determine your understanding of this unit and whether you have mastered the learning outcomes:

Learning outcomes	Yes	No
Can I discuss the different types of culture found internationally?		
Am I able to explain how domestic and international HRM differ?		
Can I discuss the staffing process for individuals working internationally?		
Can I discuss issues relating to the induction of international employees?		
Am I able to identify the unique training needs for international assignees?		
Am I able to identify and discuss the two factors in international HRM that assist in retaining competent personnel?		
Can I discuss the key issues in industrial relations of multinationals?		

GUIDELINES FOR COMPLETING THE REFLECTION ACTIVITY

- If you answered yes to all of the questions in the checklist, you are now ready to move on to the self-assessment assignment.
- If you answered no to any of the questions in the checklist, work through the specific sections again.

It is very important that you achieve all the learning outcomes of this module, as they guide your learning process in this module.

This also means that you have completed the four topics for this module.

SUMMARY OF TOPIC 4

Employees are a company's most valuable resource, but the ability to use this resource effectively is limited by the company's HR policies and practices. HR must be flexible enough to embrace the challenges facing the new business environment if it does not want to be a constraining factor that undermines the organisation's competitiveness. It is becoming increasingly important for HR managers to align HR efforts with strategic objectives, to integrate the different HR activities to support employee performance and to recognise individual differences. The competency approach to HR management is a way to ensure HR flexibility. Competencies are characteristics that employees possess and use in appropriate and consistent ways to achieve desired performance. A competency model is the written description of all the competencies needed to ensure organisational success. This approach will lead to a change in HR practices such as recruitment and selection, T&D, performance appraisal and compensation.

Virtual office, virtual teams and virtual organisations are the new buzzwords in HR. They have come about owing to advances in technology and social and economic changes, which have led to significant changes in the world of work. Examples are changed organisational structures, different work arrangements and changes in the way people are managed. The new approach to working has had such an impact on HR management that a new field of HR management, called e-HRM, has been created.

The globalisation of businesses continues to grow. Multinational organisations have opened

offices in South Africa and local businesses have entered into agreements with businesses abroad. South African businesses are thus exporting products and services and entering into joint ventures with overseas businesses, and have in this way entered the international arena. Multinational organisations impact on HR management activities with the complex legal, political, economic and culture factors in staffing global jobs, selection, orientation, T&D, performance appraisal, retention of expatriates and labour relations issues when doing business internationally.

BIBLIOGRAPHY

Grobler, PA, Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2010. *Human resource management in South Africa*. 4th edition. London: Cengage Learning.

Moorad, Z. 2014. Woolworths seals Donald Jones takeover. *Business/Retail & Consumers*. Available at: http://www.bdlive.co.za/business/retail/2014/07/18/woolworths-seals-david-jones-takeover (as on 14/08/2014).

Wärnich, S, Botha, J & Grobler, PA. 2006. *Human resource management: study guide for MNH202C*. Pretoria: University of South Africa.

Wärnich, S, Carrell, MR, Elbert, NF & Hatfield, RD. 2015. *Human resource management in South Africa*. 5th edition. London: Cengage Learning.

APPENDIX A: SELF-ASSESSMENT ASSIGNMENT (BOTH SEMESTERS)

Note that the questions in the self-assessment assignment (Assignment 3) are good examples of possible examination questions and should be used as such in your preparation for the examination. For your convenience, a mark has been allocated to each question. As a general guideline, we suggest that you write at least one to two pages (depending on your handwriting) per 10-mark question. Do not expect a high mark if you do not produce the correct volume and content.

Assignment 3 for both semesters
Study workbooks 01 to 05 to complete this self-assessment assignment.

Do **NOT** send this assignment to the university.

Question 1

Your friend, Jane, is visiting you as usual. However, you notice that she looks stressed and worried. You ask her what is troubling her. She tells you that her performance appraisal is taking place the next day and that she hates appraisals. Jane says she does not understand why her organisation always wastes time on this activity. She does not see what benefits this performance appraisal has for either herself or the organisation. She also feels that this activity is too formal and finds it boring. She further mentions that, in some cases, employees do not receive any feedback after this activity. It appears that this activity is only carried out as a matter of formality.

Explain the purpose and objectives of a performance appraisal to help Jane understand the importance of performance appraisals. (10)

Question 2

Gina is a training consultant for an HR outsourcing company. An accounting firm has approached her to deliver leadership and management training for their board of directors to improve their leadership and management skills. Gina decides to use "away-from-the-job" training, because she feels that these directors' jobs are very stressful and training would be more successful away from their working environment. This will enable them to focus only on the training.

Briefly discuss any five appropriate methods that Gina can use for this training session. (10)

Question 3

Rosina is a single parent of two children, aged four and six. She resides in Pretoria, but has recently been called in for an interview at a company in the Sandton area of Johannesburg. At the interview Rosina voices her concerns relating to her possible acceptance of the position, such as finding day care for her children.Organisations vary greatly in the services and benefits they offer their employees so as to increase employee loyalty and decrease absenteeism and staff turnover.

Identify five different types of employee services or benefits that organisations can make available that could attract Rosina to this company. Provide an explanation of each. (10)

Question 4

Lena and Timothy have been married for six years and have three children. They are both medical doctors and work long hours at Shebang Hospital in a rural town. They are currently facing potential conflicts over their career paths and the division of family responsibilities.

As an HR practitioner you advise couples on their dual-career problems. Explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges.   (10)

Question 5

Write a short essay to indicate the differences between EAPs, wellness programmes and safety programmes. Use a table with three columns to structure your answer.   (10)

[50]

ASSESSMENT CRITERIA

Look closely at the assessment criteria in the following table. They will give you an idea of what is expected of you in each assignment category.

QUESTION 1 Explain the purpose and objectives of a performance appraisal to help Jane understand the importance of performance appraisals. (10)		
Poor performance (0–4)	**Average performance (5–6)**	**Excellent performance (7–10)**
• Inability to explain the purpose and objectives of performance appraisal	• Limited ability to explain the purpose and objectives of performance appraisal	• Substantial explanation of the purpose and objectives of performance appraisal

QUESTION 2 Briefly discuss any five appropriate methods that Gina can use for this training session. (10)		
Poor performance (0–4)	**Average performance (5–6)**	**Excellent performance (7–10)**
• Inability to discuss any five appropriate methods that Gina can use for this training session.	• Limited ability to discuss any five appropriate methods that Gina can use for this training session.	• Fully able to discuss any five appropriate methods that Gina can use for this training session.

QUESTION 3

Identify five different types of employee services or benefits that organisations can make available that could attract Rosina to this company. Provide an explanation of each. (10)

Poor performance (0–4)	Average performance (5–6)	Excellent performance (7–10)
• Inability to identify and explain five different types of employee services or benefits that organisations can make available that could attract Rosina to this company	• Limited ability to identify and explain five different types of employee services or benefits that organisations can make available that could attract Rosina to this company	• Fully able to identify and explain five different types of employee services or benefits that organisations can make available that could attract Rosina to this company

QUESTION 4

As an HR practitioner you advise couples on their dual-career problems. Explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges. (10)

Poor performance (0–4)	Average performance (5–6)	Excellent performance (7–10)
• Inability to explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges	• Limited ability to explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges	• Fully able to explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges

QUESTION 5

Write a short essay to indicate the differences between EAPs, wellness programmes and safety programmes. Use a table with three columns to structure your answer. (10)

Poor performance (0–4)	Average performance (5–6)	Excellent performance (7–10)
• Inability to indicate the differences between EAPs, wellness programmes and safety programmes.	• Limited ability to indicate the differences between EAPs, wellness programmes and safety programmes.	• Fully able to indicate the differences between EAPs, wellness programmes and safety programmes.

These questions refer to workbooks 01 to 05. The marks awarded are indicated in brackets.

Question 1

Your friend, Jane, is visiting you as usual. However, you notice that she looks stressed and worried. You ask her what is troubling her. She tells you that her performance appraisal is taking place the next day and that she hates appraisals. Jane says she does not understand why her organisation always wastes time on this activity. She does not see what benefits these performance appraisals have for either herself or the organisation. She feels that this activity is too formal and finds it boring. She further mentions that, in some cases, employees do not receive any feedback after this activity. It appears that this activity is only carried out as a matter of formality.

Explain the purpose and objectives of the performance appraisal to help Jane understand the importance of the performance appraisal activity. (10)

You have to use chapter 9 in your prescribed book and Workbook 02 to answer this question.

Purpose:

As far as employees are concerned, one of the primary purposes of PA is looking at past performance.

Evaluative:

- The most common decisions based on evaluative objectives concern compensation, which includes merit increases, employee bonuses and other increases in pay. Thus the term *merit review* or *merit evaluation* can be found in organisations using PAs to determine pay increases.

- A performance appraisal normally has a two-part effect on future pay. In the short run, it may determine merit increases for the following year; in the long run, it may determine which employees are promoted to higher-paying jobs.

- Staffing decisions constitute a second evaluative objective of the PA because the managers and supervisors must make decisions concerning promotions, demotions, transfers and layoffs. Past performance normally helps to determine which employee is most deserving of a promotion or other desirable job changes.

- PAs can also be used to evaluate the recruitment, selection and placement system. The effectiveness of these functions can be partially measured by comparing employees' PAs with their test scores as job applicants.

Developmental:

- This is the second type of objective of PA – it encompasses developing employee skills and motivation for *future* performance.

- Performance feedback is a primary developmental need because almost all employees want to know how their supervisors feel about their performance. Their motivation to improve their current performance increases when they receive feedback that specifies goals, which in turn enhances future career moves.

- Developmental PA is mainly focused on giving employees direction for future performance. Such feedback recognises strengths and weaknesses in past performances and determines what direction employees should take to improve their performance. Employees want to know exactly how they can improve. Because PAs are designed to cope with poor employee performance, they should develop better employees.

- The results of appraisals influence decisions about the training and development of employees. Below-average evaluations may signal areas of employee behaviour that may be strengthened through on-the-job and away-from-the-job training. However, not all performance deficiencies may be overcome through T&D. Supervisors must distinguish performance problems resulting from a lack of critical skills or abilities from those caused by low morale or some form of job dissatisfaction.

Question 2

Gina is a training consultant for an HR outsourcing company. An accounting firm has approached her to deliver leadership and management training for their board of directors to improve their leadership and management skills. Gina decides to use "away-from-the-job" training, because she feels that these directors' jobs are very stressful and that training would be more successful away from their working environment. This will enable them to focus only on the training.

Briefly discuss any five appropriate methods that Gina can use for this training session.   (10)

You have to use chapter 10 in your prescribed book and Workbook 03 to answer this question.

Lecture:

The lecture is the second-most popular away-from-the-job T&D technique, with some 85% of organisations in South Africa using this controversial method. Its strength lies in delivering uniform information to a large group of people in a timely manner. Almost all T&D methods contain at least some lectures.

Conference/discussion:

Many training programmes focus on organisational problems, innovative ideas and new theories and principles. Discussing problems and critical issues in a conference/discussion format

permits a dialogue between the trainer and trainee, as well as among the trainees. This two-way communication provides trainees with immediate feedback on their questions and ideas, and heightens the motivation for the learner.

Vestibule or simulation:

In a training area created to resemble the employee's actual work area, vestibule or simulation training is performed with the aid of an instructor who demonstrates on the same kinds of machines and uses processes that the trainee will use on the job. Vestibule training has been successfully used for a variety of skilled positions, including retail sales personnel, bank tellers, machine operators and aircraft pilots.

Technology-based systems:

There are two main types of computer-based training (CBT) – CD-ROM approaches and web-based training. Programmed instruction allows trainees to learn the information or skill in small segments and at the learner's own pace. We have shifted from the old booklet-based applications to computers using this same idea. Anyone who has been through a tutorial for programs such as Quicken, Windows or Print Shop realises how well computers can apply the programmed instruction approach. E-learning takes place through the use of the internet or an organisational intranet to conduct training online. No educational or training approach has ever exploded onto the scene faster and with as much promise as web-based training (WBT) or e-learning. The internet offers training opportunities not bound by either time or place.

Case study:

A case study is a written description of an organisational problem. Case studies require participants to identify and analyse specific problems, develop alternative courses of action and recommend the best alternative. A case study may be analysed by individuals or groups. In T&D programmes, participants often form teams to study cases and then present their recommendations for discussion and analysis. The primary purpose of the case study is to enhance problem-solving skills. Participants practise defining problems, generating solutions and deciding on optimal solutions. Working in a group gives members insight into group dynamics and group decision-making processes.

Role playing:

This is a training method in which participants are required to respond to specific problems they may actually encounter in their jobs. During role playing (or *reality practice*), participants play the roles of those involved in an organisational problem. Usually there are no scripts and participants have limited information on which to base their roles. The primary goals of role playing are to analyse interpersonal problems and develop human relations skills. Role playing is commonly used to develop skills in interviewing, negotiation, job counselling, disciplining, performance appraisal, sales and other job duties that involve interpersonal communication.

Management games:

Management games (or *simulation exercises*) are designed to replicate conditions faced by real organisations and usually involve competing teams that make decisions concerning planning, production, finance and control of a hypothetical organisation. The winner is typically the team which achieves the highest net profit at the completion of the game. More complex games

involve the use of a computer. In these games, teams receive a printout detailing the overall impact of their decisions on the effectiveness of the enterprise.

In-basket exercise:

The in-basket exercise is designed to develop the analytical and problem-solving skills of lower-level managers. The technique centres on a series of hypothetical problems that a supervisor may find in a typical in-basket. The in-basket exercise forces the trainee to make immediate decisions and to determine priorities. For this reason, the exercise is often part of an assessment centre programme.

Question 3

Rosina is a single parent of two children, aged four and six. She resides in Pretoria, but has recently been called in for an interview at a company in the Sandton area of Johannesburg. At the interview, Rosina voices her concerns relating to her possible acceptance of the position, such as finding day care for her children.

Organisations vary greatly in the services and benefits they offer their employees so as to increase employee loyalty and decrease absenteeism and staff turnover.

Identify five different types of employee services or benefits made available by organisations that could attract Rosina to this company. Provide an explanation of each.   (10)

You have to use chapter 11 in your prescribed book and Workbook 04 to answer this question.

Employer services and benefits

Childcare programmes: One of the rapidly growing employer services offered is the provision of childcare programmes. The recent growth in employee interest in childcare programmes provided by employers has been enhanced by the employment equity efforts of many companies in South Africa. Employers could follow any of at least four different approaches to childcare, such as on-site programmes, flexible benefits, referral centres and employer consortiums.

Food services: Most companies provide some type of food facility to minimise the time taken for breaks and lunch. Food services vary according to the size of the company and the nature of the work. Some organisations may only provide vending machines and a few tables; others provide complete cafeteria services underwritten by the company.

Education benefits: Many organisations offer employees partial or full tuition reimbursement. Employees often use these highly sought-after benefits to prepare themselves for promotion opportunities.

Transportation programmes: Higher energy costs have caused employers to consider methods of helping employees to get to work. Many alternatives can be considered: paying a transport allowance, offering a motor financing scheme (for all employees), providing company cars for certain job grades and running a company bus.

Housing subsidy: An important benefit offered by companies is the payment of a housing subsidy. The subsidy is normally granted towards the repayment of a housing loan with a

registered financial institution. To ensure that the organisation retains control of the process, the subsidy is paid directly to the financial institution together with the employees' repayments, which are deducted from their salary.

(Marks are awarded for identifying and discussing employee benefits and services that organisations offer to increase loyalty and decrease absenteeism or staff turnover.)

Question 4

Lena and Timothy have been married for six years and have three children. They are both medical doctors and work long hours at Shebang Hospital in a rural town. They are currently facing potential conflicts over their career paths and the division of family responsibilities.

As an HR practitioner you advise couples on their dual-career problems. Explain to management the characteristics of effective programmes to assist dual-career couples in overcoming their career-related challenges. (10)

You have to use section 8.12 of chapter 8 in your prescribed book and Workbook 01 to answer this question.

Refer to section 8.12 in the prescribed book.

- Dual-career audit: An audit, performed through a company survey, should be a starting point for a company to recognise the extent of the problem. Areas the audit should address include the number of dual-career employees, the conflicts they face, how effective they perceive present company policies and opportunities to be and how competent they think they are in managing their careers.

- Special recruiting techniques: By giving a potential employee and his/her spouse a realistic view of the company's workload, travel and career opportunities, employers may be able to avoid a potentially poor job match. Some companies offer employees couple counselling immediately after hiring them to help identify potential problems and conflicts.

- Revision of transfer policies: In many companies, advancement inevitably means a geographical move. But in many cases, relocation results in a crisis for the dual-career couple. Employers are now finding ways to enhance their employees' careers without permanent geographical transfer.

- Examination of nepotism policies: Many employers are revising their policies to allow both spouses to work for the company, as long as an employee does not supervise a relative or participate in decisions concerning the relative's salary, performance or advancement.

- Assistance for dual-career couples: Many employers are helping couples learn how to manage their careers. Workshops and seminars enable participants to assess their opportunities, obstacles, potential conflicts and developmental needs.

Question 5

Write a short essay to indicate the differences between EAPs, wellness programmes and safety programmes. Use a table with three columns to structure your answer. (10)

Appendix B

You have to use chapter 12 in your prescribed book and Workbook 05 to answer this question.

EAPs	Wellness programmes	Safety programmes
Are designed to help employees overcome personal problems ranging from substance abuse to stress and burnout, as well as family and financial problems. Identify problems early in their development. Use positive and negative employer reinforcement to motivate EAP patients to continue treatment. Follow-up monitoring to minimise relapse problems.	Assist employees with their overall health, mainly with the aim of preventing health issues in future, but can also be applied to address existing health problems. Help employees identify potential health risks through screening and testing. Educate employees about health risks such as high blood pressure, smoking, poor diet, obesity and stress. Encourage employees to change their lifestyle through exercise, good nutrition and health monitoring.	Focus on the effective management of matters related to the physical safety of employees. Motivate employees to adopt safe work habits. Can reduce accidents.