WORKBOOK 10

HR management and leadership

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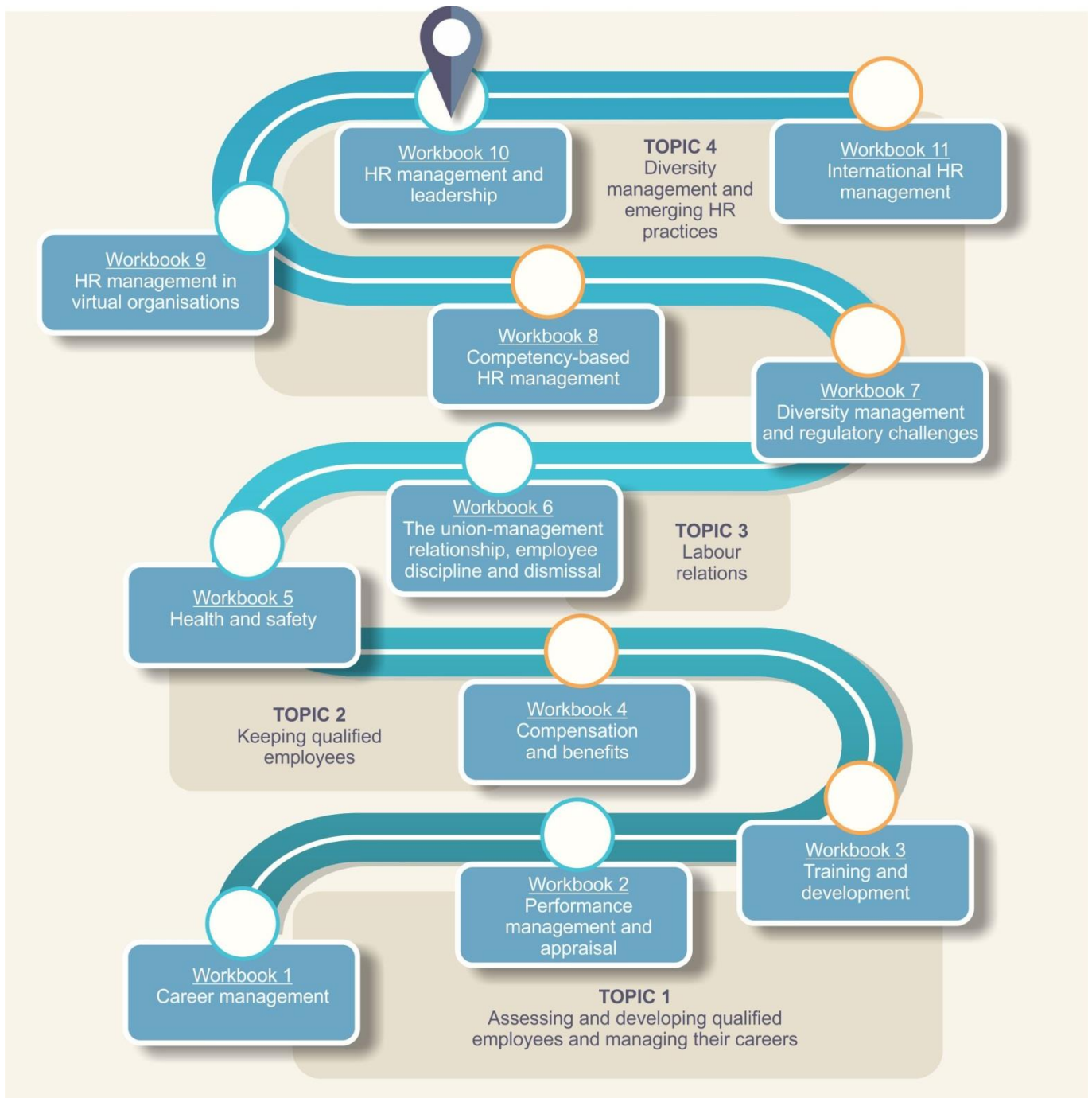
10.1 LEARNING OUTCOMES

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 transformation
- explain why transformation is important for the HR function
- define the concept of leadership
- explain the importance of leadership

- distinguish between leadership and management
- identify the characteristics of a good leader
- list the responsibilities of a good leader
- discuss the process of HR leadership in an organisation

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:

- Transformation
- Leader
- Follower
- Leadership
- Team
- E-HRM
- Strategic leadership
- HR leadership

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

HR transformation focuses on changing how HR functions operate, increasing capabilities, in order to positively impact the productivity of the organisation's people while delivering tangible cost reductions. 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?

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
- execute them brilliantly
- measure the impact of your strategies systematically, adjusting strategies as indicated
- develop organisational, departmental, team and personal capabilities

Figure 10.1 depicts these capabilities.
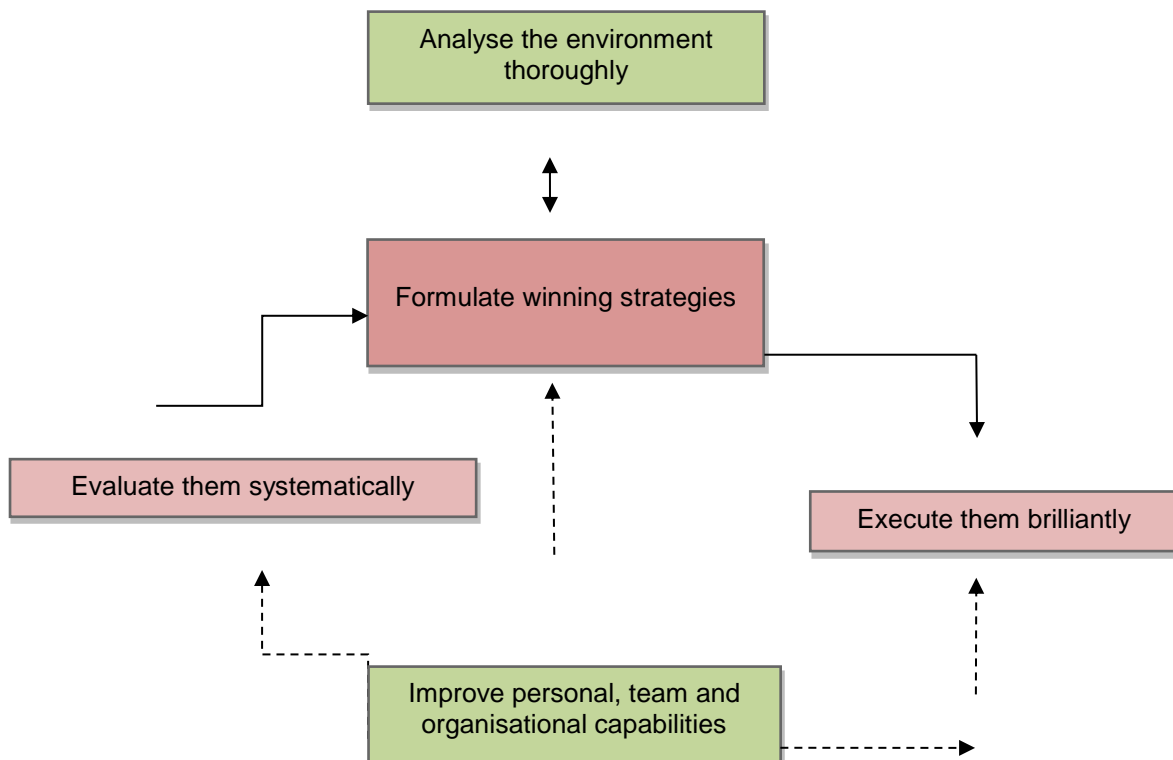
Figure 10.1: Effective leadership capabilities (Gandz 2005**)**

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 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 this table to indicate the differences between leadership and management.

	What are the goals?	How to achieve them	What are the outcomes?
Leadership	• Establish a direction	• - • -	• -
Management	• -	• - • -	• Produce predictability

Feedback

Leadership behaviour focuses on vision, strategic development and initiative. Management behaviour entails formulating detailed plans and schedules and implementing these plans to achieve the vision.

Management is more concerned with short-term and immediate problems in the organisation. Leaders take a more future-oriented perspective. They concern themselves with the environment internal and external to the organisation and how the organisation can adapt to capitalise on these changes (see table 16.2 in the prescribed book for a more detailed comparison of these two concepts).

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 requirements.

Study section 16.2.3 in chapter 16 of the prescribed book.

Activity 10.3

Think about a specific area in your life where you are in a leadership role, be it as a parent, manager or group leader, whatever position you are in where responsibility is in your hands over subordinates.

Answer these questions.

a. Briefly explain the responsibilities of a good leader.
b. How do you successfully accomplish each responsibility on a regular basis?

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

There are three types of teams: functional, cross-functional and self-directed. These depend on your plan of action and how you want to realise your vision. For instance, do you 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)?

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).

10.8   WHAT IS HR LEADERSHIP?

Study section 16.3 in chapter 16 of the prescribed book.

Activity 10.4

a. Think about what you learnt in HRM2601 (see in Additional Resources). Can you remember learning about HR management? Make notes on anything you remember on this topic.
b. Explain the leadership actions that are necessary for HR leadership to maximise its impact in value-added operations to organisations.
c. Briefly discuss the six steps to HR leadership.

Feedback

In HRM2601 you learnt the following about HR management: the HR professionals implement organisational goals through planning, organising, staffing, directing and controlling organisational resources. For HR professionals to become true leaders, they must practise five leadership actions: anticipate change, initiate action, generate confidence, liberate thinking and evaluate the result (see figure 16.3 and section 16.3 of the prescribed book).

Although HR leaders may understand the important role leadership plays in their function, they should not act in a sporadic way. Rather, they must use a more structured approach to maximise their impact and value to the organisation. The following steps can maximise their leadership role in the organisation (see table 16:5 in the prescribed book):

• Set and communicate a strategy.
• Customise best practices in HR processes.
• Align efforts with the strategic goals.
• Communicate and consult with strategic partners.
• Take action.
• Measure results.

HR professionals will be better empowered in dealing with the complexity of transforming the HR function to create the environment needed by the organisation to become fast, flexible and focused in order to compete successfully in a changing world.

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 organisational members to achieve this vision.

10.10 SELF-ASSESSMENT

The self-assessment questions consist of multiple-choice and written questions. To access the multiple-choice questions, visit the self-assessment workbook 10 tab on <u>Additional Resources</u> and begin your assessment.

Question 1

Distinguish between leadership and management.

Question 2

Briefly explain the concept of HR leadership and identify the five leadership actions.

Question 3

Briefly discuss the barriers to HR transformation.

Feedback

Question 1

You will find the answer to this question in "Leadership versus management" in the prescribed book.

In your answer you should explain the difference between the concepts of leadership and management. Management is about managing the limited resources of the organisation to maximise the output of the organisation. The manager uses time, money and people to coordinate the jobs, tasks and processes as the organisation reaches the highest possible efficiency. Emotions, visions or inspiration play no role in management. However, leadership is about emotions, common feelings and getting employees to move in the same direction. It is not about time, money and resources. The leader inspires the employees and managers to **believe**.

Question 2

You can find the answer to this question in "What is HR leadership?" in the prescribed book. In your answer you should explain the concept of HR leadership and identify the five leadership actions which are essential to achieve extraordinary success and for the HR leadership to maximise its impact in value-added operations to the organisation. For HR professionals to become true leaders they must practise the five leadership actions.

Question 3

The answer to this question is in "HR transformation" in the prescribed book. In your answer you should be able to discuss the numerous barriers to HR transformation. HR must add value to the organisation by transforming itself.

There has never been a tougher time to be in an HR leadership role. The old answers are no longer applicable in today's world. The typical HR manager that we described at the beginning of this workbook no longer has a place on the 21st-century leadership team.

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 define the concept of transformation?		
Am I able to explain why transformation is important for the HR function?		
Can I define the concept of leadership?		
Am I able to explain the importance of leadership?		
Can I distinguish between leadership and management?		
Am I able to identify the characteristics of a good leader?		
Can I list the responsibilities of a good leader?		
Can I discuss the process of HR leadership in an organisation?		

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 10 and all the activities, you can go on to Workbook 11.

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