

# EXAM NOTES

## Week 1: The Process of SHRM

Key learning objective 1: Discuss key HRM terminology, concepts and definitions;

What is Human Resources Management?

A strategic and coherent approach to the management of employees working individually or collectively to achieve organisational objectives. It involves the activities needed to monitor, innovate, plan and evaluate people e.g., selection, appraisal, rewards, development etc.

Why is HRM important?

The purpose of HRM is to ensure that organisation is able to achieve success through people. Ulrich (2005) says “HRM systems can be the source of organisational capabilities that allow firms to learn and capitalise on new opportunities. **Effective SHRM** involves understanding both internal and external operational requirements of a business and integrate social and behavioural requirements to develop human capital in the long-run.

Effective SHRM focusses on:

<p>Leadership</p> <ul style="list-style-type: none"> <li>▪ Mission and vision</li> <li>▪ Managing for results</li> <li>▪ Values and ethics</li> <li>▪ Effective relationships</li> </ul>	<p>A Productive Workforce</p> <ul style="list-style-type: none"> <li>▪ Service delivery</li> <li>▪ Clarity of responsibilities</li> <li>▪ Organization of work</li> <li>▪ Employment strategies</li> </ul>
<p>An Enabling Work Environment</p> <ul style="list-style-type: none"> <li>▪ Supportive culture</li> <li>▪ Respect for the individuals</li> <li>▪ Communication</li> <li>▪ Well-being and safety</li> </ul>	<p>A Sustainable Workforce</p> <ul style="list-style-type: none"> <li>▪ Human resources planning and analysis</li> <li>▪ Learning and development</li> <li>▪ Workload management</li> <li>▪ Compensation</li> </ul>

What is the CHRM framework?

Step 1: Analyse environmental factors.

- Monitor and analyse past/present/future data.
- Internal/organisational factors: Size, ownership(public/private sector), organisational strategy, organisational structure (bureaucratic, centralised, professional), organisational culture,

organisational history, resources.

- External environment:
  - environmental factors (earthquake)
  - technology (communication, electricity, roads),
  - economic factors (interest rates, employment, inflation rates),
  - labour market (attractiveness of vacancies),
  - industrial relations (wages, training, union),
  - politics (government law on wages/environmental protection),
  
  - social factors (community attitudes),
  - demographics (age, gender, education),
  - industry trends (privatisation, service),
  - cultural factors (employee rights, religion, respectable behaviour),
  - international factors (competitive and entrepreneurial cultures).

Step 2: Detect potential problem or opportunity.

- Gap analysis involves looking at what the organisation is currently doing and what it needs to be doing.

- Human resources specific gaps:
  - reciprocal gaps between HRM and business strategies (realistic objectives, correct implementation?)
  - affective and behavioural gaps (negative thoughts, low motivation, absenteeism)
  - cognitive gaps (skill shortage, creativity, innovation)
- Business gaps; individual, group, whole organisation. SWOT analysis is the scan of internal and external environments to match internal Strength, Weakness, Opportunities, Threats.

Step 3: Verify/reject potential HR problems or opportunities.

Identification and evaluation of possible problem/opportunity alternatives, through employee involvement. Does the potential problem or opportunity fit with all the available evidence in terms of both what is and is not happening? Are our people ready to execute the strategically relevant skills, attitudes and behaviours required and in the time frame required?

THE CHRM framework diagram: pg. 27

## **Week 2: Motivation and Organisational Change**

What are the Limitations of HRM theories of motivation?

1. People override their feelings when important beliefs/values are brought into play.
2. Mistakes are not undesirable, mistakes are good if they lead to new knowledge and process improvements.
3. The work we do influences our identity, these work behaviours influences the desire to protect and secure our identity.
4. Employee perception of psychological contract differs between individuals.
  - a. Transactional contract – exchange of effort for reward 'effort bargain'.
  - b. Relational contract – exchange of socio-emotional currency, eg respect, trust, exchange for security and career development.
  - c. Ideology infused contract – exchange of effort in hope it gives value to principles. Employee advocacy outside of work is exchanged to support particular goal.

What are the HRM strategies for change?

1. Communication – Ability to share information and understand.

2. Voice – Encourage feedback, opinions, expression, creativity, to allow change to occur.
3. Justice – fair procedures which are consistent and encourage positive relationships.
4. Cultivating a culture of emotional awareness. Emotional intelligence is to understand emotional responses and guide them in promoting intellectual growth. Emotion management skills is the ability of managers to recognise ones' own and employees' emotions to direct them into the right direction for themselves and organisation.

## **Week 5: Diversity Management and Quality of Work Life**

How have the dimensions of workforce diversity come about?

Through Hofstede's framework of national culture (1980, 2008):

- Power distance – degree to which people accept an equal or unequal distribution of power in the organisation
- Uncertainty avoidance – degree to which a society takes risks or tolerates uncertain situations
- Individualism / collectivism – independent self vs independent self-societies

- Masculinity / femininity – degree of masculine characteristics as opposed to feminine characteristics
- Time orientation – degree to which long-or short term consequences are considered.

What types of cases are there for diversity?

1. Legal case of diversity – organisations must adopt legal policies to ensure a fair workplace
2. Moral case of diversity – diversity is embraced for the purpose of equity creation
3. Business case for diversity – the case argues that simply going beyond legal requirements, ensuring people are embraced for their individual characteristics ensures high productivity and low turnover

How and why do people respond to diversity?

There are three theories:

1. Similarity attraction paradigm – humans are inclined to be attracted to others they perceive to be similar. Discrimination can be an implication.
2. Social identity theory – group members attempt to achieve or

maintain a positive self-image as a result of favourable comparison between their social category and other groups.

3. Social categorisation theory – people categorise themselves and others into various social categories namely 'in-group' 'out-group' membership.

Kossek (2005) identifies the key policy attributes to establish effective work-life policies and practices:

1. Universalism – are the rules available to everyone?
2. Cultural integration – are organisational rules of organisation from different levels or management?
3. Negotiability – achieving work-life balance for employees

THE CHRM decision making framework in action – opportunity / diversity. (pg. 140)

## **Week 8: HR Planning, Job design, Recruitment and Selection**

What is human resources planning (HRP)?

A dynamic planning process which involves:

- On-going environmental scanning



- An analysis of organisational objectives, strategies and policies in order to ascertain the right quantity and quality of employees when and where necessary

What is job analysis?

Job analysis: the systematic analysis of the tasks, duties, and responsibilities of a job, and the cognitive, affective, or behavioural qualities a person needs to perform the job adequately. A job analysis identifies job-related criteria.

There are three related components of a Job analysis:

- Job description – nature of job, list of key tasks needed to perform, duties/obligations/qualifications or prerequisites required to perform the job.
- Person specification – knowledge/skills and abilities a person requires to perform the job adequately. Attention to the cognitive, affective and behavioural qualities required to job future requirements. Important in adaptive performance – The need to adapt to future and vision or organisation.
- Job context – The space/situation/environment of the organisation's context. For example, a call centre will be associated with verbal abuse, time pressure, serious complaints.

Recruitment is a crucial function of SHRM:

- It determines the quantity and quality of future employees
- It determines the type of organisational capability to achieve success
- It should align with business objectives and culture
- Applications may be sourced both internally and externally.  
Agencies, online, promotion

How are candidates selected?

By asking questions:

1. What is the candidates can do ability? Cognitive, affective and behavioural qualities.
2. What are the candidates will do ability? Discretionary cognitive, affective and behavioural qualities.
3. How well will this applicant's cognitive, affective and behavioural qualities fit into the organisation?

Selection methods include:

- Agencies, head-hunters, referees
- RJP – accurate job related information to candidates
- Interviews – structured, panel, group
- Application forms and resumes

- Employment tests
- Psychological tests
- Assessment centres
- BIB – biographical information blanks, information about personal history, experience, education

Why are selection criteria important?

The factors that contribute to making the decision to hire or not hire an applicant. The criteria are based upon:

- Task performance – individual ability to perform job-related tasks
- Contextual performance – behaviour at work which desirably promotes a positive work environment

What are the implications of selection methods and criteria?

- Reliability
- Validity
- Legality

Figure 8.4 CHRM decision making (pg. 227)