Managing People

NQF

Subject Examiner's Report

Unit Title: **Managing People**

Unit Code: **4.2 Managing People**

Session: June 2016

Question 1

(a) Identify the benefits that organisations gain from behaving ethically.   **(9 marks)**
(b) Describe the practices that organisations need to follow in order to be considered ethical.   **(16 marks)**

1. Comments on learners' performance

"Ethical" is not an easy concept for students and there was a variety of responses. Some students used environmental issues as an example of behaving ethically which was very relevant and acceptable. There is now a greater expectation that companies, especially multi-nationals, do act ethically and there is pressure on them from governments, regulators and consumers.

2. Mark scheme

Award up to 3 marks for each benefit identified, upon on details, up to 9 marks for (a).
Award up to 2 marks for each relevant reason identified. *Additional credit of up to two marks may be given for answers that incorporate references to named organisations – as examples of good practice or the opposite.* Up to 16 marks for (b).
Award up to a maximum of 25 marks.

(a)
- Customer aspirations about ethical conduct.
- Employee concerns – especially younger (and more idealistic) workforce members.
- Pressure from regulatory bodies, governments, international bodies, pressure groups and other stakeholders.
- The growing evidence that ethical conduct is good for business – especially in the long term, through customer acquisition and retention, plus reputational benefits.

(b)
- The broad principles of the ethical code are translated into appropriate behaviours at all levels of organisation.
- Examples of non-compliance and unacceptable behaviour are identified and publicised.
- Individuals found to be guilty of non-compliance must be subject to exemplary action in the Code's early stages.
- Seminars and workshops on the implementation of the ethical code should be organised on a company-wide basis, with visible participation by the organisation's senior executives.
- Public recognition for ethical behaviour should be celebrated, especially involving supplier relationships and customer service.
- Relevant stakeholders should be brought into the process for design of the ethical code and its implementation, e.g., any external regulatory agency, suppliers (especially key suppliers), and so forth.
- If the organisation has suppliers overseas, inspectors should be appointed to monitor compliance and take action against defaulters.
- The principles of the ethical code should be aligned to the principles found in professional codes of conduct.

3. Recommendations

Anything that concerns "ethics" does need to be covered in depth as students do have difficulty with this concept.

> **Examiner's tips**
>
> Ensure you know the key words and how they relate to managing people.

Question 2

(a) Describe the features of an effective performance management feedback process.　　　　**(9 marks)**
(b) Identify the ways in which organisations can use 'recognition' to motivate employees.　　　**(16 marks)**

1. Comments on learners' performance

(a) This was a question where a number of students did not read the question carefully and wrote about performance management generally and not about the feedback process.
(b) "Recognition" can cover a range of activities from a simple "thank you" to gifts and vouchers. Students gave a range of relevant answers and some took the opportunity of displaying their (relevant) knowledge of job enrichment.

2. Mark scheme

Award 1 mark for each benefit feather outlined, up to 9 marks for (a).
Award up to 2 marks for each relevant methods identified and its further explanations, up to 16 marks for (b).
Award up to a maximum of 25 marks.
 (a)
- **Provide feedback about actual events** – reinforced with evidence
- **Describe, don't judge** – judgments delivered in advance simply encourage defensiveness and prevent constructive review
- **Refer to specific behaviours, actions and attitudes** – don't simply talk vaguely about general feelings or impressions
- **Ask questions leading to self-assessment** – such as "On reflection, is there any other way in which you think you could have handled the situation?" and "How do you think you should tackle this sort of situation in the future?"
- **Select key issues** – because there is a limit to how much criticism people can take, and also because the feedback should concentrate on those aspects of performance which influence the total contribution of the employee – so criticisms about appearance and timekeeping may not be crucial
- **Focus** – on the aspects of performance which the individual can improve; it is a waste of time, and counter-productive, to address areas of performance which the individual can do little or nothing about
- **Personal responsibility** – make sure that any performance feedback is targeted towards the activities of the individual, and are not, for example, linked to overall team effort
- **Provide positive feedback as well** – people are more likely to work positively at improving their performance and developing their skills if they feel empowered by the process
- **Supply continued feedback and recognition for progress.**

(b) The ways in which recognition can be applied include:
- Saying 'thank you' and explaining why (preferably face-to-face).
- Listening to people.
- Acting on suggestions.
- Allocation to a high-profile project.
- Enlargement of the job to provide scope for more interesting and rewarding work.
- Recommending promotion or upgrading, or inclusion in a selective development programme.
- Public celebration of an individual's or a group's achievement.
- If budgets allow, dispensation of tangible forms of recognition such as gifts, vouchers, holidays, days or weekends at health spas, meals out, etc.

Other considerations:
- One person's recognition implies an element of non-recognition for others, and the consequences of having 'winners' and 'losers' need to be carefully managed.
- Recognition should only be given for specially-valued behaviours and exceptional effort as well as for exceptional achievements. Recognising someone for doing what they should have been doing all along (e.g., turning up to work on time) is not a good strategy.
- Recognition is about valuing people: it should be personalised so that every recipient appreciates that it applies to them.

- Recognition needs to be applied equitably, fairly and consistently throughout the team.
- Recognition must be genuine, not used as a mechanistic (and manipulative) motivating device.
- Recognition needs to be given as soon as possible after the achievement, effort or behaviour which is being recognised.
- Recognition should be available to all – including, for example, part-time employees and contract workers.
- Recognition should be available for teams as well as individuals to reward collective effort, where appropriate.

3. Recommendations

Performance management is an essential part of managing people and must be covered in all its aspects

Examiner's tips

You must read the question carefully and include only information that is relevant.

Question 3

(a) Outline the qualities of effective leadership. **(12 marks)**
(b) Explain any two approaches to leadership. **(13 marks)**

1. Comments on learners' performance

This was a popular question and generally answered well by the students. A range of relevant qualities were given form enthusiasm, warmth and humility to motivation and empathy. Some students referred to Adair, Armstrong or Goleman
The approaches to leadership caused some students a problem. The two most popular approaches were democratic and autocratic styles – two opposite ends of the continuum.

2. Mark scheme

Award 2 marks for each relevant point made, up to 12 marks for (a).
Award up to 7 marks for each leadership approach described and the difference described, up to 13 marks for (b).
Award up to a maximum of 25 marks.

Suggested answer
(a)
- It is dangerous to view leadership as a bundle of 'qualities' or 'traits'.
- However, it is common to visualise leadership in this way, and some of the models of leadership are derived from the principle that leaders are 'different'.
- Example (Armstrong): leaders are confident, they know where they want to go and what they want to do; they are excellent communicators; they are trustworthy, effective at influencing people; they know their own strengths and weaknesses.
- Example (Adair): enthusiasm, confidence, toughness, integrity, warmth, humility.
- Example (Goleman): leadership and emotional intelligence - self-awareness, self-regulation, motivation, empathy and social skills.
- Note that some notorious leaders haven't always had these positive-sounding qualities.

(b) Qualities or traits approach
- Essentially the 'great person' theory of leadership, which seeks to identify the significant characteristics of acknowledged leaders.
- One problem with this approach is that there is seldom any agreement on the leadership factors among those who have adopted the model – except perhaps for 'self-confidence' and 'intelligence', which have featured in several lists.
- Early studies based on a qualities/traits philosophy take insufficient account of what are possibly the different leadership attributes of female leaders – simply because the early samples more or less excluded women.
- Cultural factors may prevent any generalised list of traits from being valid: thus a 'willingness to take risks' is not valued in some societies.
- Trait theories don't offer much practical help to managers who are aspiring to leadership positions.

Situational (contingency) approach
- Contingency approaches suggest a wide range of different but equally valid ways of leading and managing people.
- Hersey and Blanchard's model of situational leadership focuses, therefore, on groups or followers who are at different stages of 'readiness' or 'maturity' to achieve a task – readiness being defined as a combination of ability and willingness (this is similar to Purcell's AMO acronym: Ability, Motivation, Opportunity).
- It appears that the most widely applicable style is the participative one, perhaps because it is well suited to many national cultures, and especially in the USA and Sweden.
- The directive style is more suited to 'high power distance' cultures where status automatically commands respect (e.g., France, India) and where subordinates generally expect managers to have the answers by virtue of the expertise that has enabled them to achieve their status.

3. Recommendations

There needs to be a range of leadership styles studied and the advantages and disadvantages of each specified.

Examiner's tips

Try and remember various models of leadership and the proponents of each.

Question 4

(a) Define the term 'psychological contract'.   **(9 marks)**
(b) Identify the significance of the psychological contract to employees and employers.   **(16 marks)**

1. Comments on learners' performance

The vast majority of students were able to display their knowledge of what a psychological contract was but some found difficulty in identifying the significance to both employer and employee. The world of work has changed and so has the psychological contract with it now placing more emphasis on the employability of employees and preparing them for the future needs of the organisation. Few students wrote about this.

2. Mark scheme

Award up to 9 marks for (a). Award up to 4 marks for each relevant significance identified and its further explanations, up to 16 marks for (b).
Award up to a maximum of 25 marks.

Suggested answer
(a)
- The psychological contract is the set of unwritten reciprocal expectations which exist between individual employees and their employers.
- These expectations take the form of unarticulated assumptions (Armstrong): disappointments on the part of both managements and employees are therefore inevitable.
- Textbook [Gary Rees and Ray French, Leading, Managing and Developing People, CIPD, 3rd edition, 2010, p. 136]: the psychological contract "describes the employment relationship in terms of mutual expectations or obligations, in order to make sense of the range and degrees of commitment that flow in both directions."

(b)
- The complexity of the relationship between employer and employee can never be satisfactorily described solely in terms of a written, legalistic document.
- The formal employment contract has limitations: it can only deal with the minimal contractual obligations on both sides, but increasingly employers want employees to go beyond the contract and exhibit 'discretionary behaviour' which by definition cannot be explained comprehensively.
- As the world of work has changed, so the previous unspoken and unwritten commitments of the psychological contract – based on lifetime employment – have been removed, to be replaced by notions of making employees 'employable' in order to prepare them for the future needs of the organisation and their future employment elsewhere.
- The employees these days are more demanding and have aspirations about, e.g., involvement in decision-making.
- Changing employer expectations, e.g., about the need for functional flexibility, multi-skilling, acceptance of change, etc.

3. Recommendations

Students must be kept up to date with changes in the world of work and managing people.

Examiner's tips

Ensure you are knowledgeable about all aspects of a topic

Question 5

(a) Explain the difference between Maslow's Hierarchy of Needs and Herzberg's Motivation-Hygiene
Theory.   **(12 marks)**
(b) Identify the disadvantages to organisations of adopting performance-related pay.   **(13 marks)**

1. Comments on learners' performance

The question asked students to "explain the difference" between Maslow's theory and that of Hertzberg.
Too many students merely wrote all they knew about the two theories.
Students did, however, know about the disadvantages of performance related pay, focusing on the
demotivating aspects of it.

2. Mark scheme

Award 6 marks for each motivation theory described, up to 12 marks for (a).
Award up to 3 marks for each relevant methods identified and its further explanations, up to 13 marks for
(b).
Award up to a maximum of 25 marks.

(a)
    (i)   Maslow's hierarchy of needs
It grouped needs into a hierarchy of five stages. It includes physiological needs, safety needs, social needs,
esteem or ego needs, self-actualisation needs. The first two stages is called primary needs, concerned with
our basic physical requirements to sustain life. The last three stages is called secondary needs. These are
psychological needs that come into play only when the primary needs are satisfied. They are more culturally
determined. Once a primary need is satisfied it loses its potency and is no longer a motivator. By contrast,
Maslow argued, secondary needs continue to motivate and we seek more of them even when we have
experienced some satisfaction of this need.
    (ii)   Herzberg's Motivation-Hygiene Theory
Herzberg developed Maslow's model with particular reference to people at work. It described the lower-
order needs as having the potential to dissatisfy if they are not met, but once they are met more of them will
not increase motivation. These he called the hygiene factors. If managers do not get them right there will be
complaints and people will be demotivated; if they are right no one will comment or notice, just like the
effect of hygiene in the kitchen. In contrast to the hygiene factors are the satisfiers. Hygiene factors include:
Company policy and administration, supervision, working conditions, salary, relationship with peers,
personal life, relationship with subordinates, Status, Security. Satisfiers include: Achievement, recognition,
work itself, responsibility, advancement, growth. Herzberg's model has been particularly useful in drawing
attention to the way jobs are designed so that jobs are enriched and the quality of life at work can be
improved.

(b) Disadvantages of Performance Related pay:

- Individual-based schemes may inhibit teamwork.
- Managers may be fearful of the consequences of making pay decisions.
- Employees may focus only on those parts of the job that will lead to achieving a bonus.
- Those receiving small amounts of PRP may become demotivated.
- Sometimes the motivational effects are questionable.
- Performance may be assessed subjectively and only on what is easy to measure.

3. Recommendations

The theories of motivation are a crucial aspect to managing people and need to be covered in depth. Students usually grasp these ideas and can understand them

Examiner's tips

Do read the question and ensure you answer it.

Question 6

(a) Identify the impact on employees when their work is replaced by technology. **(12 marks)**
(b) Outline the reasons why organisations should have a Human Resource Plan (Workforce Plan).
(13 marks)

1. Comments on learners' performance

Part "a" was generally well answered, students able to see both the advantages and the disadvantages of technology. Whilst some would lose their jobs and cause high unemployment, others could find themselves in highly paid jobs with significant advantages for them and their families.
For part "b" too many students clearly had no idea what a Human Resource Plan (Workforce Plan) was and wrote vaguely and generally about anything they thought was remotely relevant.

2. Mark scheme

Award 4 marks for each significance identified and its argument, up to 12 marks for (a).
Award up to 4 marks for each relevant reason identified and its further explanations, up to 13 marks for (b).
Award up to a maximum of 25 marks.

(a) The major debate here is whether technology increases or reduces levels of job satisfaction, and whether technology really does eliminate jobs.
- More job satisfaction: debilitating work routines are handed over to computers, thus leaving people free to engage in more satisfying, more complex, more qualitative activities.
- Less job satisfaction: computers create many low-level, data-entry roles, and also remove the intrinsic challenge from jobs that might otherwise have involved high levels of skills (e.g., airline pilots depend on automated navigation and avionics support).
- Whether technology really does eliminate jobs: in general, the evidence suggests otherwise, though in the short term, undoubtedly, workers can become unemployed as technology replaces them. However, in advanced societies, technology also creates new forms of employment that couldn't have existed unless an appropriately sophisticated technology were available.

(b) Reason to have HRP:
HR planning is concerned with the systematic and continuing process of analysing an organisation's human resource needs, taking account of internal and external changes, and developing plans to meet those needs. In essence, it is about getting 'the right number of the right sorts of people in the right place at right time and at the right cost'.
It includes both 'hard' and 'soft' planning. Without HR planning organisations can be 'caught out' by shortages of staff or particular skill sets. Equally, they can find themselves with a surplus of particular staff. HR planning provides a rational framework for considering a broad range of HR issues.

3. Recommendations

Human resource planning is an important aspect of managing people and must be covered in depth.

Examiner's tips

Ensure you know about workforce planning

Question 7

(a) Identify the benefits of effective teamwork in the organisation. **(10 marks)**
(b) Explain the different methods that organisations can use for performance appraisal. **(15 marks)**

1. Comments on learners' performance

Again students were able to answer part "a" well but too many students were unprepared for writing about methods of performance appraisal in part "b". Whilst students could write about many benefits of team work, most students could only write about line manager appraisal.

2. Mark scheme

Award 2 marks for each benefit identified, up to 10 marks for (a).
Award up to 3 marks for each relevant method identified and its further explanations, up to 15 marks for (b).
Award up to a maximum of 25 marks.

Suggested answer

(a)
- It promotes higher productivity – for the group and for each individual
- It encourages loyalty – to the group and indirectly to the organisation
- It reduces absenteeism and labour turnover – because of commitment to the group
- It encourages multi-skilling – as individuals help each other
- It can facilitate change – if the group develops a learning culture

(b)
- self-assessment: where individuals decide whether they are having difficulty or not with some required behaviour, and this can then be the basis of discussion.
- peer assessment: it is usually used to examine how effective the team is.
- line manager assessment: This may include observation, exercises and collecting evidence. Usually it does not involve such systematic measures, and is much more informal.
- assessment by others who come into contact with the job holder: 360 degree picture of the job holder some assessment by his or her customer/clients or other contacts would be logical. This includes people working for the job holder. Some organisations use upward and 360 degree appraisal to identify managers' training and development needs.
- assessment by outsiders: This is sometimes used to give a certain objectivity, for example in assessment centres. It can be expensive, and there is the question of confidentiality.

Candidates who mention the followings also can be award appropriate marks:
Observation, assessment or development centres, portfolios and record systems.

3. Recommendations

Tutors and students must ensure they cover more than one method of appraisal.

Examiner's tips

Ensure that you know a wide range of appraisal methods.

Question 8

(a) Outline the ways in which an organisation can create a continuous improvement culture.　　**(12 marks)**
(b) Identify the methods, in addition to formal training programmes, that organisations can use to develop their employees.　　　　　　　　　　　　　　　　　　**(13 marks)**

1. Comments on learners' performance

Most students could identify that creating a continuous improvement culture came from senior management and cascaded down.

Too many students did not read the question carefully and wrote about formal training programmes for part "b". This was an opportunity for students to write about their favourite topics of job rotation, job enlargement and job enrichment that were actually relevant here but few did so.

2. Mark scheme

Award 2 marks for each method outlined, up to 12 marks for (a).
Award up to 2 marks for each relevant method identified and its further explanations, up to 13 marks for (b).
Award up to a maximum of 25 marks.

(a)
- Top-down leadership that stresses continuous improvement through the creation of an appropriate vision/mission and values
- Role-modelling from leaders at all levels
- Careful recruitment/selection of people who exhibit characteristics of personal flexibility and who are positively motivated by learning
- Reward and recognition systems which celebrate tangible evidence of continuous improvement processes and outcomes
- Cross-functional project teams dedicated to improvement
- Lots of communication about continuous improvement
- Deliberate encouragement for autonomy in decision-making among individual members of the workforce and also teams – so that people become willing to take risks and 'frighten themselves'
- A learning environment in which mistakes are viewed as opportunities for improvement rather than excuses for recrimination

An additional/alternative 1 or 2 marks may be awarded for answers that incorporate any references to relevant literature and/or named examples of organisations in action.

(b)
- Delegation.
- Acting up.
- Job rotation.
- Secondments – within the organisation or to another organisation, e.g., a charity overseas.
- Participation in a specific development process, e.g., an interactive, project-based management seminar.
- Being required to perform as the Personal Assistant to a senior executive.
- Learning, training and development
- Promote learning organisation

3. Recommendations

A variety of ways of developing employees must be covered in addition to formal training programmes

> **Examiner's tips**
>
> Ensure you know about ways of developing staff other than formal training programmes.