



**Unit:
Human Resources in Business**

**Assignment title:
How Cordial**

June 2016

Marking Scheme

Markers are advised that, unless a task specifies that an answer be provided in a particular form, then an answer that is correct (factually or in practical terms) **must** be given the available marks. If there is doubt as to the correctness of an answer, the relevant NCC Education materials should be the first authority.

This marking scheme has been prepared as a **guide only** to markers and there will frequently be many alternative responses which will provide a valid answer.

Each candidate's script must be fully annotated with the marker's comments (where applicable) and the marks allocated for each part of the tasks.

Throughout the marking, please credit any valid alternative point.

Where markers award half marks in any part of a task, they should ensure that the total mark recorded for the task is rounded up to a whole mark.

Marker's comments:

Moderator's comments:

Mark:

Moderated mark:

Final mark:

Penalties applied for academic malpractice:

Task	Guide	Maximum Marks
1	<p><u>Roger Curley has little understanding of human resource management (HRM) or how it might help his business. Using an appropriate definition and framework, explain what is meant by HRM and how it might help a business such as <i>How Cordial</i> to achieve its strategic objectives.</u></p> <p>There are options for candidates here about the detail, but the overall approach should include: a clear definition from the literature; one of the main frameworks that gives an insight into the nature of HRM; and finally a discussion that links their chosen framework to the business and context in the case.</p> <p>The working definition used in the lecture might be used...</p> <p><i>The approach which an organisation takes to recruiting and selecting people it needs to fulfil its objectives, ensuring that these people have the knowledge and skills which the organisation requires, managing their performance and, when necessary, exiting them from the organisation.</i></p> <p>...or that of Price (2007:32) or any other theorist.</p> <p>For the second part of the question, candidates might use any one of:</p> <p>Storey's framework – benefits and assumptions, strategic qualities, critical role of managers, key levers</p> <ul style="list-style-type: none"> • The Warwick Model - Hendry and Pettigrew (1990) • The Harvard Model - Beer et al (1984) • Tichy and Devanna (1984) <p>They should outline and explain the framework, using examples from the case and/or other organisations to achieve the objective.</p> <p>In the discussion, candidates should stress the link between the component parts of the definition and framework and business strategy (clearly contextualising this to <i>How Cordial</i>). For example, with the Warwick model the notion of the link between HR content and context and business strategy.</p> <p>Credit should be given for appropriate alternative definitions or frameworks.</p>	<p style="text-align: right;">2</p> <p style="text-align: right;">6</p> <p style="text-align: right;">6</p> <hr/> <p style="text-align: right;">14</p>

Task	Guide	Maximum Marks
2	<p>The case study suggests that some of <i>How Cordial's</i> problems may have arisen due to rather unstructured resourcing practices and, in particular, recruiting inappropriate people. You need to advise Roger on how How Cordial might ensure appropriate decisions when selecting new employees. Your report should include:</p> <ul style="list-style-type: none"> • A description of selection • An explanation of the importance of having a systematic approach to the whole process of recruitment and selection • A description and evaluation of the most appropriate selection methods for Roger to adopt. <p>Once again, the approach may vary between candidates, but good answers will focus on the importance of a structured approach and will determine the most appropriate methods:</p> <p>a) There should be a definition of selection: choosing or picking from among an available pool, the most suitable candidate (Leopold), making clear that it involves prediction.</p> <p>b) Outline the importance of a systematic approach to the whole process of recruitment and selection – including linking to HR planning, analysing the requirements of the job, defining the selection criteria, sourcing candidates, deciding selection methods, selecting the right candidate, and (in the best answers) inducting the new starter and evaluating the process.</p> <p>c) Candidates should also describe appropriate selection methods...</p> <p>...and might evaluate them against a range of criteria such as predictive validity and reliability, fairness, economy, and convenience when deciding which methods to use in the context of the case. For example, an assessment centre might provide the highest level of predictive validity for How Cordial in selecting a new manager but would also be expensive and perhaps inconvenient.</p> <p>Whichever methods are proposed, it is important that candidates justify their inclusion in the process.</p>	<p>4</p> <p>4</p> <p>5</p> <p>5</p> <hr/> <p>18</p>

<p>3</p>	<p><u>Whilst Roger Curley believes that he involves the employees at <i>How Cordial</i> in the business; some have reported that they feel rather excluded. Using appropriate theories of motivation, explain why that might be the case and clarify to Roger the implications for the way jobs are designed.</u></p> <p>This answer should be structured as follows:</p> <ul style="list-style-type: none"> • Definition/understanding of motivation (4 marks) • Discussion of relevant theory (6 marks) • A discussion of the ideal work place state that will arise as a result (4 marks) • A judgement on the implications on job design (4 marks) <p>Good answers will start with a definition of motivation. For example, it might be described as that which energises, directs, and sustains human behaviour. (Steers, 1984)</p> <p>In HRM terms, this may be seen as a person’s desire to do the best possible job or to exert the maximum effort to perform assigned tasks. Managers cannot motivate others but can create the climate in which individuals might motivate themselves.</p> <p>There are several theories that candidates might choose. For example, Hackman and Oldham’s model suggests five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) have an impact on three critical psychological states (meaningfulness, responsibility for outcomes, and knowledge of the actual results). These, in turn, influence work outcomes (job satisfaction, absenteeism, work motivation, etc.).</p> <p>The theory proposes that, if we are to achieve preferred work outcomes, we must experience three psychological states working:</p> <ul style="list-style-type: none"> - Meaningfulness of work - It has meaning and is motivating in itself not only a means to an end. This arises when using an appropriate variety of skills and talents; being able to identify with the work; and being able to identify the task as contributing to something wider such as the whole firm’s performance. - Responsibility – Opportunity to succeed because there is sufficient freedom to make changes and incorporate learning. It derives from autonomy: freedom, independence and discretion in scheduling and carrying out work. - Knowledge of outcomes – enables people to learn from mistakes, and connect with customers giving further purpose to the work. This comes from feedback. <p>Knowing these critical job characteristics, the theory suggests, it is</p>	<p>4</p> <p>6</p> <p>4</p>
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	<p>then possible to design jobs appropriately:</p> <ul style="list-style-type: none"> - Varying work to enable skill variety - Assigning work to groups to increase the wholeness of the product produced and gives a group to enhance significance - Delegate tasks to their lowest possible level to create autonomy and responsibility. - Connect people to the outcomes of their work and the customers that receive them so as to provide feedback for learning. 	<hr style="width: 50px; margin-left: auto; margin-right: 0;"/> 4 18
4	<p><u>Given the problem he experienced this year, Roger Curley is thinking about taking a more structured approach to managing employee performance. Advise Roger on the key elements in an appropriate performance management system using an appropriate framework.</u></p> <p>This answer should be structured as follows:</p> <ul style="list-style-type: none"> • Definition/understanding of performance management systems (2 marks) • Demonstrating an understanding of the workings of a performance management system (PMS) (4 marks) • Candidates provide a framework that identifies the stages in a PMS (x marks) (5 marks) • A conclusion that links effective performance management to HR strategies, practices and processes and links individual and team objectives with the mission, values and aims of the firm (3 marks) <p>Candidates might usefully start with a definition. A performance management system (PMS) provides a range of HRM activities that enable, encourage, coordinate and support employees to achieve their objectives, monitor, measure and reward their achievements and, fundamentally, to contribute to the long-term success of the organisation</p> <p>Wilton (2013) argues that to be effective, the strategic management of performance should address equally those factors that constitute the performance equation: ability, motivation and opportunity. This represents a combination of worker-side and organisational factors that determine individual job performance.</p> <p>Taking all these elements together, CIPD (2008) suggest that performance management is about:</p> <ul style="list-style-type: none"> • Establishing a culture in which individuals and groups take responsibility for improving business processes and their own skills, behaviour and contributions. 	2

	<ul style="list-style-type: none"> • Creating shared expectations by which managers can clarify what they expect individuals and teams to do; likewise, individuals and teams can communicate their expectations of how they should be managed and improving the quality of relationships between managers and individuals, between managers and teams, between members of teams and so on • Defining performance expectations expressed as objectives and in business plans • Measurement of performance of all employees - teams and individuals. <p>Candidates might usefully provide a framework such as Figure 7.1 in Wilton (2013) that sets out the typical stages in a PMS – observe, plan, monitor, review</p> <p>Finally, a summary that points out that effective performance management requires HR strategies, practices and processes that help to integrate individual and team objectives with the mission, values and aims of the firm.</p>	<p>4</p> <p>5</p> <p>3</p> <hr/> <p>14</p>
5	<p><u>How Cordial’s managers are paid a basic salary. Roger Curley has heard about <i>variable pay</i> and asked you to look at the option of paying managers according to their performance as part of the firm’s reward system. Evaluate that proposal and make a recommendation.</u></p> <p>This answer should be structured as follows:</p> <ul style="list-style-type: none"> • Demonstrate a clear understanding of <i>variable pay</i> (5 marks) • Discuss the advantages of performance related pay (4 marks) • Discuss the disadvantages of performance related pay (4 marks) • Make a recommendation (3 marks) <p><i>Variable pay</i> is a term used for remuneration that is conditional upon the achievement of pre-determined objectives, mostly related to individual, group or organisational performance. Common ‘conditions’ include individual targets or performance standards, organisational profit or acquiring new skills or qualifications. McKenna and Beech (2008) distinguish between incentives – forms of pay to encourage future performance through the explicit promise of reward in return for the achievement of agreed targets – and bonuses that recognise past performance and achievement. <i>(Marks for the definition and elaboration.)</i></p> <p>An increasingly popular form of incentivised pay is performance-related pay. Candidates are asked for an evaluation and should look at the advantages and disadvantages in the How Cordial context.</p> <p>Advantages may include: <i>(Credit other relevant contributions)</i></p>	5

	<ul style="list-style-type: none"> • Reward becomes contingent on achieving the firm’s strategic objectives. • Linking reward to specific goals can improve individual motivation and, potentially, job satisfaction. • The process may help communication about strategy in the business and help clarify the managerial role. • Offering a fair distribution of the finite resources available for rewarding managers by ensuring those that add the most value to How Cordial receive the highest proportion. • This, in turn, will attract and help to retain good performers. <p>Disadvantages may include: (<i>Credit other relevant contributions</i>)</p> <ul style="list-style-type: none"> • The individual nature of such schemes may undermine team-working. In a small team, competition between managers engendered by such a system may be unhelpful. • Focusing on a narrow set of objectives may be to the detriment of others. For example, focus on sales volume may reduce that on advice and guidance for managers. • Overcoming the tendency towards short-termism generated by particular rewards tied closely to short-term performance ‘cycles’ (e.g. quarterly.) <p>In making the recommendation, candidates are likely to opt for an incentive based scheme, but credit should be given who come to the opposite view with reasoning. Either way, it is important to point out that one major problem is that the subjective assessment of performance that can form the basis of such schemes can lead to the <i>unfair</i> distribution of reward. The key thing is to combine this with an appropriate system for performance management.</p>	<p>4</p> <p>4</p> <p>3</p> <hr/> <p>16</p>
6	<p><u>Roger wants to put together a development plan for his managers. Discuss the key stages in a systematic approach to training and evaluate its usefulness. Explain why investing in the development of employees can be beneficial to <i>How Cordial</i>.</u></p> <p>This answer should be structured as follows:</p> <ul style="list-style-type: none"> • Candidates outline the key stages in a systematic approach to training (3 marks) • Candidates critique this model (6 marks) • An explanation as to the benefits to How Cordial using appropriate theory (6 marks) <p>Candidates might describe a systematic approach to training in terms of the following stages (Wilton, 2013):</p> <ul style="list-style-type: none"> • Identify training needs at individual, team and organisational level • Design learning and development activities and establish objectives 	

Learning Outcomes matrix

Task	Learning Outcomes assessed	Marker can differentiate between varying levels of achievement
1	1	Yes
2	1, 2	Yes
3	1, 3	Yes
4	1, 3, 4	Yes
5	1, 3	Yes
6	1, 4	Yes

Grade descriptors

Learning Outcome	Pass	Merit	Distinction
Understand the importance of HRM in optimising the performance and commitment of an organisation's employees	Demonstrate adequate level of understanding	Demonstrate robust level of understanding	Demonstrate highly comprehensive level of understanding
Understand the role of effective and efficient resourcing of people in securing a workforce to contribute to organisational goals	Demonstrate adequate level of understanding	Demonstrate robust level of understanding	Demonstrate highly comprehensive level of understanding
Understand the general theory and practice related to a range of HRM practices and processes	Demonstrate adequate level of understanding	Demonstrate robust level of understanding	Demonstrate highly comprehensive level of understanding
Understand the content and significance of key developments in the HRM arena	Demonstrate adequate level of understanding	Demonstrate robust level of understanding	Demonstrate highly comprehensive level of understanding