

SECTION A

Answer two questions from this section.

Question 1

- (a) Discuss why a business is a *social system*. Give examples to support your answer.

[40%]

This argument is directly linked to Hawthorne studies. This study provide evidences for business as a social system. The **basic** answer needs to be able to describe the following points:

Background of studies:

- Hawthorne Works (29,000 workers)
- Elton Mayo, early business professor
- Highly influential research
- Funded by General Electric

Objectives

- Increase efficiency
- Discover optimum conditions for workers
- Within rational paradigm
- Increase productivity
- Physical changes on worker productivity

Taylorist assumptions (These are the underlying assumptions that inform rational design, and that the Hawthorne Studies (claim) to have started from)

- Physical conditions: lighting
- Physical conditions: fatigue
- Self-interest: pay
- Group = problem

Outcomes

- Discovered Human Relations theory
- Worker as social being
- Human cooperative systems
- Informal organization
- Hawthorne Effect
- Impact of observation on worker

Implications

- Discovery of the social person
- Management can harness the power of the group
- There is harmony of interests between worker and managers
- The nature of leadership needs to change
- An alternative view of human nature

Average answer will build arguments from above points provided evidences from experiments.

Strong answer will build on the average answer and provides evidences from current practices and studies (such as refereed studies on Chinese workers)

(b) Discuss the role of leadership in managing organisational change with the following organisational descriptions:

- Organisation as set of building blocks;

- Organisation as Iceberg;
- Organisation as river.

[60%]

The **basic answer** needs to be able to describe the following points:

Organisation as set of building blocks

- Simplistic, surface view of the organization
- Sees only technostructural side of the organization – e.g. technology, bureaucracy
- Neglects messy, human elements
- Underestimates resistance

Organisation as Ice berg

- Lewin's three-step model of change
 - Unfreezing
 - Movement
 - Freezing
- Link with force-field analysis
- Lewin – history in group dynamics and social/attitude change
- Organization development
- E.g. – police force and institutional racism

Organisation as river

- Processual approach
 - Change as 'untidy cocktail' (Burnes, 2004: 989)
 - Political struggles

- Human elements become basis for individual and group political battles in response to change
- Systemic approach
 - Organization as ‘a set of different parts which work together as a whole’ (Evered, 1980)
 - Interdependency of parts: knock-on effects of change

Organisation change management

- Triggers – forces towards change taking place
- Resistance – reactions against the change
- External Triggers for change: Political, Economic social and technological
- Internal triggers:
 - Senior and Swailes (2012: 22)
 - New senior staff – ‘new broom sweeps clean’
 - Managerial aspirations, whims, decisions
 - Union pressure and action
 - Politics and power of groups and individuals
 - Pressures for increased capacity
 - Redesign, e.g. technology, physical layout
- Resistance to change:
 - Inertia
 - Groups and cultures (organization as an iceberg)
 - Systemic nature of the organization – knock-on effects (organization as a river)
 - Contractual obligations
 - Fixed investments
 - Lack of capability to change – e.g. finance, resources, space, equipment, skills
 - Redesign, e.g. technology, physical layout

Average answer will build on the following points and discuss where leader has to focus on each type of organisational characteristics.

Strong answer will build on the average answer and provide examples on the focus areas while describing the context.

Question 2

- (a) Describe four categories of organisational change, for example, those outlined by Cummings and Worley.

[10%]

Students will briefly describe the four types of organisational change:

- Strategic interventions: These changes include transformational change, restructuring, and uniting two or more organizations together during a merger. These changes take relatively longer time and involve huge cost.
- Technostructural interventions: These changes associated with structural and technological issues such as organizational design, work redesign, and employee engagement.
- Human process interventions: These changes related to interpersonal relations, group, and organisational dynamics. These are often aimed at improving communication within the workplace.
- Human resource issues: These changes aims at improving performance management, talent development, and wellbeing in the workplace.

- (b) How would an organisation embarking on a change programme make use of the categories described in (a)? Give examples to support your answer.

[40%]

The **basic answer** needs to be able to describe the following points:

Strategic interventions

- Overall corporate strategy, e.g. products and services offered, corporate values, competitive advantage, response to corporate environment
- Culture change programmes
- Change in corporate strategy

- Systems planning
- Organizational learning
- Rebranding

Technostructural interventions

- Technological and structural issues, including division of labour, coordination of departments, production and the design of work.
- Downsizing/delaying
- Redesign of organizational structure and bureaucracy
- New IT system
- Overall organizational interventions e.g. BPR, TQM

Human process interventions

- Interpersonal and social issues such as communication, interaction, decision-making and leadership.
- Group-based and team building activities aimed at strengthening group dynamics and the functioning of teams.
- T-Groups

Human resource issues

- Human issues at a more individual level, e.g. performance management, recruitment and selection.
- Appraisal
- Reward management (e.g. bonus systems),
- Managing diversity
- Employee wellness

Average answer will select an examples from framework to describe how to manage triggers and resistances.

Strong answer will select multiple examples across framework to describe how to manage triggers and resistances. Answer will give emphasis on linkages between difference types of trigger/resistance with types of change.

- (c) Explain the linkages between organisational design and organisational performance.

[25%]

The **basic** answer will include explanation of key features of organisational design within the context of organisational performance. These features includes structure, organisational activities, people and technology. Organisational structures deals with levels of management in a organisation demonstrating manageable span of control at each level of the hierarchy. Organisational design can bring standardisation or ununiform behaviour (in some cases) across an organisation. **Average answer** will explain how rules, policies and procedures aligned with organisational mission delivers specific performance. Examples includes Amazon, Microsoft, Apple and Microsoft. The **strong answer** will demonstrate the linkages between organisational design and organisational performance with examples.

- (d) Discuss the pros and cons of a bureaucratic organisation, giving examples to support your answer.

[50%]

The basic answer will present discussion on the following points:

Pros:

- Efficient means of keeping order and control
- Creates clear roles and responsibilities
- Information easily stored and retrieved
- Rules and policies create 'impersonal fairness'

Cons:

- Technical efficiency may not be ethically desirable
- Negative human effects – dehumanisation and disenchantment
- Inflexibility
- Impersonal, iron cage – the ‘invisible enemy’ (Bell, 2008)

Average answer will discuss dysfunctionality and inflexibility of bureaucracy such as red tape, bureaucratic personality, bending rules etc.

The **best answer** will build on the average answer and provide specific examples.

Question 3

- (a) If *Taylorism* helps managers to increase efficiency and control, discuss why management would be reluctant to implement *Taylorist* techniques? Give examples to support your answers. [50%]

The **basic answer** would present the following points:

Taylorism

- Standardization
- Individualization
- Facilitates surveillance
- Knowledge resides with management
- Removal of craft skill

Implementation challenges:

- Labour is non-standard and unpredictable
- Craft knowledge and expert power
- Labour organized in gangs
- Labour ‘inherently lazy and unmotivated’
- Soldiering

- These meant that people did not behave like, nor could they be controlled like, machines
- Resistance from
- Workers
- Factory owners
- Government: 1912 US Congress Inquiry

Average answer will build on the above points and discussed how it leads to decrease in productive and organisational performance.

Strong answer will build on the average answer and discusses key examples.

(b) Explain the dangers of following authority unquestioningly, using examples of the Milgram experiment and Zimbardo's prison experiment.

[50%]

The **basic answer** needs to be able to explain the following points

Milgram Experiment

- Obedience and authority: An experimental view
- Teacher gives electric shocks when wrong answer given
- Scientist (in white coat) overlooks experiment
- 65% gave 450 volts (fatal shock)
- Ordinary people, simply doing their jobs, and without any particular hostility on their part, can become agents in a terrible destructive process. Moreover, even when the destructive effects of their work become patently clear, and they are asked to carry out actions incompatible with fundamental standards of morality, relatively few people have the resources needed to resist authority.' (Milgram, 1974)

Zimbardo's prison experiment

- Created a mock jail

- Randomly assigned roles
 - Prisoner
 - Warden
- Acted out roles
 - guards became sadistic
 - prisoners depressed and stressed
 - experimenters became prison officials
- Willingness to accept authority
- Ordinary people follow authority even when going against their moral beliefs
- Subservient attitude
- Role rather than personality critical

Average answer may include examples such as Nazi Holocaust.

Strong answer will provide linkages with current business practices ethics and sustainability.

Question 4

(a) Discuss why organisations need to respond to the *sustainability, business ethics* and *social responsibility* issues using the following examples:

- Child labour on Nestlé farms;
- UK retailers and Rana Plaza disaster.

The **basic answer** will demonstrate awareness of these concepts. It will include a brief case description and describe the following points of the sustainability, business ethics and social responsibility aspects:

- **Business ethics:** It is directly linked to ethical dilemmas and it involved practices adopted by companies to help build trust with customers. It is influenced by management behaviours. how firms should act and underlying principles philosophies behind ethical actions of firms. Ignoring the linkages between procurement and environmental damages.
- **Corporate social responsibility:** Company has wider responsibility than just making money for shareholders. It involves stakeholder perspective to integrate social and environmental concerns in operations. If companies doesn't consider this responsibility then management may overlook suppliers actions and not considering suppliers as a part of their business.

- Sustainability: Maintenance of the environment and prospects of the firm. It ensures the balance between economic growth, environmental care and social wellbeing.

The **average answer** will demonstrate the working knowledge of these concepts. This types of answer will build on the basic answer by incorporating ethical dilemma theories (teleological ethics, deontological ethics, virtue ethics and ethical learning and growth).

The **strong answer** will demonstrates a high level expertise on this subject. It would present the cases in details linking theoretical arguments and negative consequences involving the following points:

- Corporate reputation damage
- Brand image damage

[60%]

(b) Discuss key differences between being a manager and a leader. Give theoretical and industrial examples to support your answer.

[40%]

The **basic answer** will demonstrate awareness of these topics. The basic answer needs to be able to describe role of Leader and manager and highlights the differences in the following suggestive categories:

- Types of problem
- Response
- Outlook
- Examples

The **average answer** will demonstrate the working knowledge of these concepts. This answer will incorporate theoretical linkages with practice.

The **strong answer** will demonstrates a high level expertise on this subject. It will include definitions, leadership theories, Fayol's five functions of management, Mintzberg's work on manager's job; .

SECTION B

Answer one question from this section.

Question 5

(a) Discuss how some disruptive start-ups have managed to exploit new market opportunities that larger, longer established firms have failed to address. Give examples to support your answer.

Basic answer

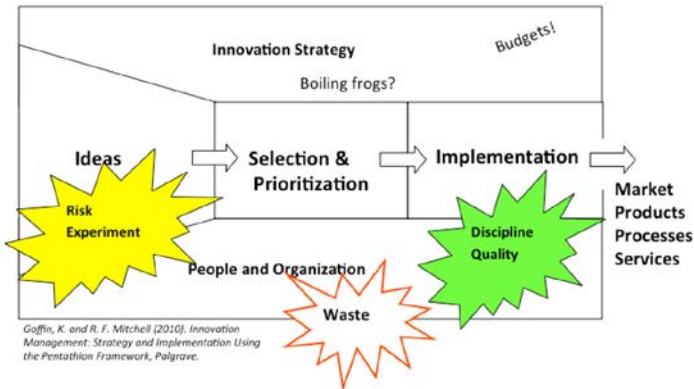
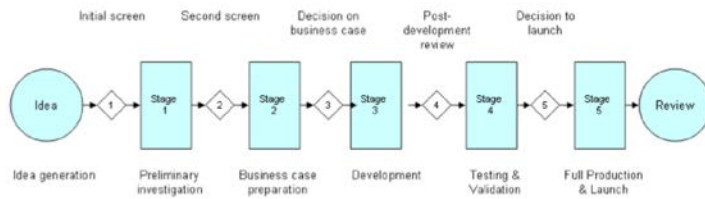
The basic answers will cover issues of resources and opportunities, with reference to the concept that new firms tend to be opportunity focused whereas established firms are resource focused – and the implications this has on their strategies. The basic answer should demonstrate how the differences in the characteristics of each type of firm as shown in table below affect how firms respond to opportunities, i.e. how the things that provide competitive advantage for large firms may make them inflexible when it comes to addressing completely new opportunities. Their ‘path dependencies’ make hard to change what they do.

| | Start-up company | Established company |
|---------------------------------|--|---|
| Processes | Informal; ad hoc; rapid | Formal processes; slow paced (e.g., design review; document control) |
| Systems | Few | Many systems, tried and tested (e.g., technical database, financial systems) |
| Activities | Heroic individual efforts; chaotic; initiative based | Cross-functional teams; managed tasks; delegated authority; coherence |
| People | Many creator / innovator types; role flexibility | Managed balance between types; clear job descriptions |
| Management style | Hands-on, informal; bold decisions taken on incomplete information | Delegated, professional style; risk assessment; staff development |
| Communication and documentation | High dependence on verbal communication and memory; ‘everyone knows everything’ | Greater use of written communication; controlled dissemination; ‘need to know’ |
| Market information | From intuition, insights and belief; reliance on feedback from small sample of (potential) customers | From experience and market research; statistical sampling of customer needs and price sensitivity |
| Competitors and IPR | Limited competitor awareness; limited IPR protection | Very aware of competitors; careful and strategic use of IPR. |

Better answer

Building on part (a), better answers will be able to explain how large firms innovate

(going through the stage-gate process / innovation management process shown below) which typically relies on them seeking to make best use of their existing resources (e.g. production / marketing /support) and doesn’t emphasise the focus on opportunities. The consequence of having to go through such processes is that large firms may be slower at responding to ‘windows of opportunity’ than the more nimble start-ups.



The better answers will be able to describe the impact of the ‘innovator’s dilemma’ - by listening to their existing customers and considering their existing resources, large firms are often unable to respond to emerging opportunities.

Best answer

The best answers will be able to add consideration of broader factors that constrain large firms. This could include factors such as ownership of the company, with the related issue of the need to generate return on investment for shareholders, and challenge of doing anything radically new that might make investors nervous) compared to the benefits of a new firm, whose investors are expecting and encouraging the firm to do something new, as novelty is the very reason why they have invested their money. Best answers will include reference to the fact that start-ups also face challenges in responding to these opportunities – some start-ups are exceptions. Most start-ups fail to get traction as they fail to overcome issues such as the liability of newness, Penrose constraint, et al.

Post-exam comments: The better answers provided a clearly structured answer that tightly coupled specific issues (e.g. large firm complexity of structure leading to slowness to respond, plus path dependencies, shareholder risk aversion, etc) to particular aspects of relevant examples.

- (b) Compare and contrast the main activities of a marketing manager and a sales manager, and discuss the interaction between them.

[50%]

Basic answer:

Marketing manager:

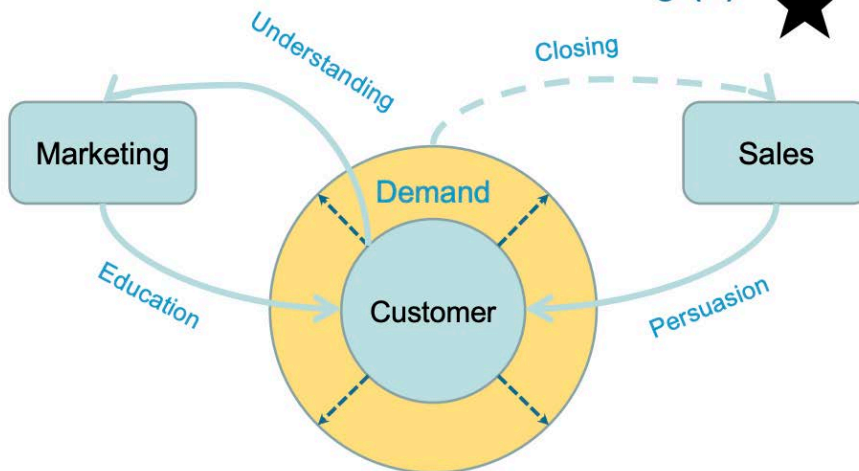
- Works to increase profitability through appropriate volumes, products and customer mixes.
- Is focused on developing strategies for the optimum mix of product and markets.
- Is concerned with long-term issues that shape the business 5-10 years down the road - the dreaming of what could be.
- Has a strategic focus, using planning and direction for the big picture.
- Consists of office work, research, and developing plans and methods of implementation
- Work is divided into two broad groups: (1) maintaining/optimising the performance of existing brands / products and (2) identifying new opportunities / unmet needs.

Sales manager:

- Works to increase current volume and meet current sales quotas.
- Interacts with the individual customer to focus on factors relating to current events
- Is focused on short-term concerns relating to today's products, today's customers and today's strategies.
- Has a tactical function, using skill and methods to gain immediate results as called for by a plan.
- Works 'in the field', calling on customers
- Manages the selling process, i.e. Identify prospects; Pre-approach; Approach; re-close; Presentation; Objection handling; Negotiation; Close; Follow-up (maintaining relationships).

The interaction between the two could be summed up in the following diagram:

The basics: Sales versus Marketing (2) ★



The sales strategy depends upon the sales objective, which is linked to the marketing objective, as shown in the table below:

| Marketing Objective | Sales Objective | Sales Strategy |
|---------------------|--|---|
| Build | Build Sales Volume | High call rate on existing accounts |
| | Increase Distribution Provide high service levels | High focus during call Call on new accounts |
| Hold | Maintain Sales Volume | Continue present call rates on current accounts |
| | Maintain Distribution Maintain Service Levels | Medium focus during calls Call on new outlets when they appear |
| Harvest | Reduce Selling Costs Target profitable accounts | Call only on profitable accounts Consider telemarketing or dropping the rest |
| | Reduce service costs and inventories | No prospecting |
| Divest | Clear inventory quickly | Quantity discounts to targeted accounts |

Better answers

Will present a **broad** discussion of the differences in these managers' functions, and the details of how these roles interact – particularly in terms of operational and strategic issues.

Best answer

Will build on the better answer and drill down into issues such as how these two roles can be considered in the context of transactional and relational approaches to sales and marketing, possibly even discussing the impact of servitisation.

Post-exam comments:

Most students were able to address this question satisfactorily. Some students added additional commentary on the role of data and social media, and the impact this has on these two roles. Some also added contextual factors such as firm size, commenting that in smaller / early-stage firms, these functions might be merged into one role.

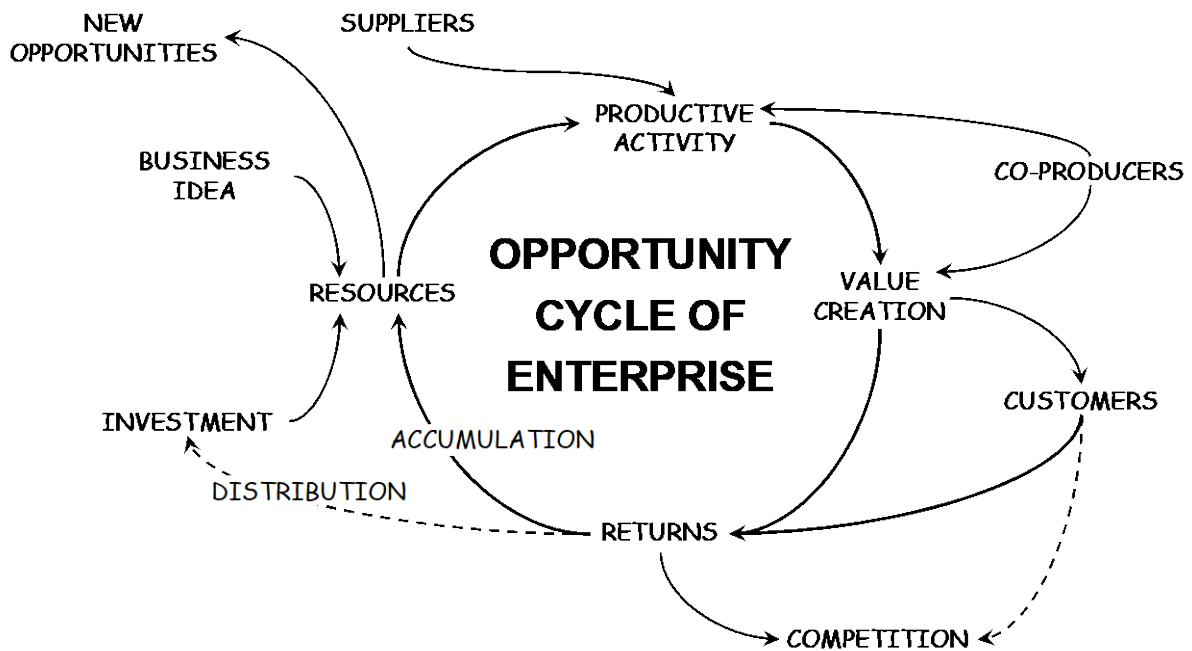
Question 6

Discuss the challenges faced by a technology-intensive company such as Tesla in growing from:
 Tesla in growing from:

- (a) start-up through to initial resource generation.
- (b) initial resource generation to long-term sustainability.

Basic answer

For parts (a) and (b), the model below provides a useful framing of the issues.



Basic answers

For (a) students should be able to present a discussion that covers the following material from the lectures:

- Identifying and selecting a real opportunity
- Selecting and committing to a viable project
 - Minimal Viable Product (MVP) / Lean Start-up methods could help
- Hitting the ‘window of opportunity’
 - Right time, right market, right solution, etc
- Minimising the risks of ‘lock-in’
 - Avoid being constrained by choices you make about a particular technology, channel to market, etc
- Obtaining input resources
 - Funding, technology, people
- Setting up production
 - Make/do it yourself or buy it in
 - Establishing routines and procedures - SOPs
- Overcoming the “liability of newness”
 - Suppliers will be nervous about working with you; people might be cautious about coming to work for you, etc
 - Customers will be nervous about buying from you (they have no idea if your business will survive), etc

Better answers

Need to explore the contextual issues arising from this being a ‘*technology intensive*’ company. This could include factors such as:

- Level of novelty of the technology adding additional uncertainties
- Given that Tesla is a product-based business, the issues of starting and scaling up manufacturing operations, and all the associated issues of supply chain development, QA, etc.

Best answers

Put all these issues in the context of planning for a changing external context from the outset. E.g. companies like Tesla face the advantage of being one of the ‘first movers’, but then are likely to face the emerging challenge of responding to competition who have spotted the potential of the first mover’s market. At the early stages of building the business, such issues need to be planned for.

Post-exam comments:

While many students picked a small number of the challenges and described these in appropriate detail, the stronger responses were those that were able to position the selected challenges within the broader range of issues covered in the lectures, and highlight the specific points that relate to ‘*technology-intensive*’ firms as specified in the question.

Basic answers

For (b) students should be able to present a discussion that covers the following material from the lectures:

- Establishing a viable market position
- Achieving steady resource generation
- Finding customers and getting orders – and repeat orders
- Getting the right people in place
- Developing capabilities within the organisation
- Retaining or replacing key people
- Integrating new members into the team
- Learning how to call a halt to development work
 - Acknowledging when ‘good enough’ has been reached.
- Changing demands on management and staff
- Increased complexity, synchronisation needs, bottlenecks and backlogs
- “Penrose constraint” - limits on managers’ time and competence
- Accessing resources to sustain growth
- Maintaining competitiveness in evolving market
 - Finding new customers, maintaining existing customers
 - Generating new product stream
 - New competitors; Saturation; Erosion of margins
- Growth may peter out and plateau, or reverse

Reference should also be made to the ways in which firms can ensure long-term sustainability through, e.g., the strategies outlined in Ansoff’s matrix.

Better answers

Should show awareness of the specific nuances of the factors listed above in the context of a technology intensive, rapidly-growing, product-based business. They should also demonstrate awareness of the challenges of ‘becoming / being big/complex’, the challenges of managing ambidexterity, and managing innovation.

Best answers

Would be able to demonstrate the challenges of managing the interdependencies of these issues, business likely to face very strong competition from incumbents, and how the firm’s strategy needs to include a response for ‘repeating the cycle’ (shown at the start of the crib).

Post-exam comments:

Most students were able to build upon their answers to part (a) and use the concepts given in the lectures on the opportunity cycle of enterprise to highlight the challenges of moving to long-term sustainability. Fewer students drew in material on the broader issues from the lectures on strategies for maintaining competitiveness, e.g. those given in the Ansoff matrix, managing across ‘Moore’s Chasm’, and associated challenges of managing organisational ambidexterity.

SECTION C

Answer one question from this section.

Question 7

- (a) Describe hard and soft approaches to Human Resource Management and comment on the appropriateness of applying each in manufacturing firms. Give examples to support your answer.

[50%]

Basic answer

The basic answer will demonstrate understanding of these core concepts and provide at least one example for each.

The "hard" approach, introduced the concept of strategic HRM in which HRM policies are tightly linked to the formulation and implementation of strategic corporate and business objectives. Here the emphasis is on the tight fit between HR strategy and business strategy and the goals of the organisation.

The basic answer should present these points summarised in this slide:

“Hard” HRM: the matching model



Figure adapted from p.9, Beardwell, J. & Claydon, T. (2007) Human Resource Management: A Contemporary Approach. Harlow: Pearson

Focus on **business priorities**:

- HRM activities *must match* explicitly the business strategy
- Tight “fit” between HR and business strategy; HR “partnering” with business discourse

Enabled by **rational deployment of strategic resources to meet business objectives**:

- People within the organisation equivalent to any other resource
- Typically informed by quantitative appraisal (resource planning, psychometric tests etc.)

According to the "hard" approach, the following are key:

- selection of the most suitable people to meet business needs
- performance in the pursuit of business objectives

- appraisal, monitoring performance and providing feedback to the organisation and its employees
- rewards for appropriate performance
- development of skills and knowledge required to meet business objectives

Two key assumptions underpin this model: the first is that the most effective means of managing people will vary from organisation to organisation and is dependent on organisational context. The second assumption is that of unitarism, that is the assumption that conflict or differing views cannot exist in the workplace because everyone (managers and employees) are working to achieve the same goal.

The "soft" approach to HRM recognises that there are a variety of stakeholders in the organisation, which include shareholders, various groups of employees, the government and the community.

The basic answer should present these points summarised in this slide:

“Soft” HRM: the Harvard model

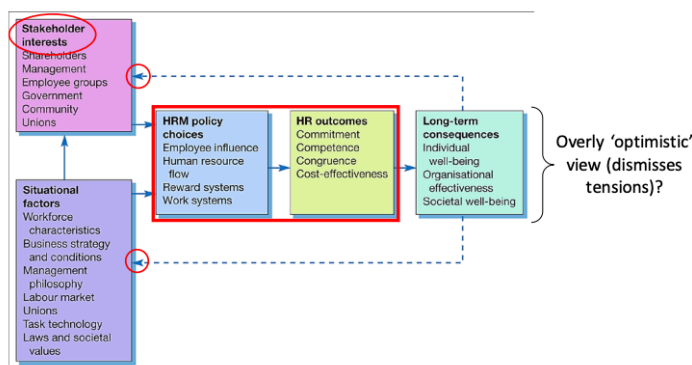


Figure adapted from p.10, Beardwell, J. & Claydon, T. (2007) Human Resource Management: A Contemporary Approach. Harlow: Pearson

Focus on long-term **employees commitment and motivation**:

- HRM deals with issues of fairness, communication, training, development, security, well-being
- Employee-centred HR discourse: HR director must have a place on the board to exert influence

Enabled by **stakeholder involvement - human relations and agency**:

- People within the organisation regarded as active, competent agents rather than passive resources
- Typically informed by *corporate culture management* to build consensus, flexibility and engagement

The model recognises the legitimate interests of various groups, and assumes that the creation of HRM strategies will have to reflect these interests and fuse them as much as possible into the HR strategy and ultimately the business strategy. The set of propositions that combine to create more effective organisations according to the "soft" approach are:

- Strategic Integration -Ability to integrate HRM issues into strategic plans
- High Commitment -Both behavioural and attitudinal commitment to pursue agreed goals
- High Quality -Of managerial behaviour and recruitment of employees to bear on products and services.
- Flexibility -In functions, and in adaptability of organisational structure

Hard and soft frequently portrayed as incompatible. If Hard HRM is used to describe a cost minimisation approach, then soft and hard HRM may be diametrically opposite. However, if hard HRM is used to describe a strategic approach to people management, then soft and hard HRM can be seen as compatible.

Better answers

These will demonstrate a greater depth of understanding of these concepts, emphasising issues of context (types of firm, nature of business model, et al.). The better answers will also be able to demonstrate understanding of the module material that compared and contrasted the details of these two approaches.

Best answers

The strongest answers will present an integrated view of these two approaches, reflecting in detail on each of the aspects of the basic answer, with relevant examples, unpacking the details of how these issues vary within different types of manufacturing firms, discussing issues of risk, and balancing use of both approaches over different timescales. The best answers will also look at how these two approaches link to organisational strategies.

Post-exam comments:

This question was generally reasonably well done. The differentiator between the basic and stronger answers was the greater level of detail given to commentary, as opposed to just basic description of the two approaches. Stronger answers made good use of manufacturing-related examples, the more strategic issues that underpin the choice of approach.

- (b) Describe the *Lancaster Cycle of Learning*, and compare and contrast different methods used for employee training within the context of *talent management*. Give examples to support your answer.

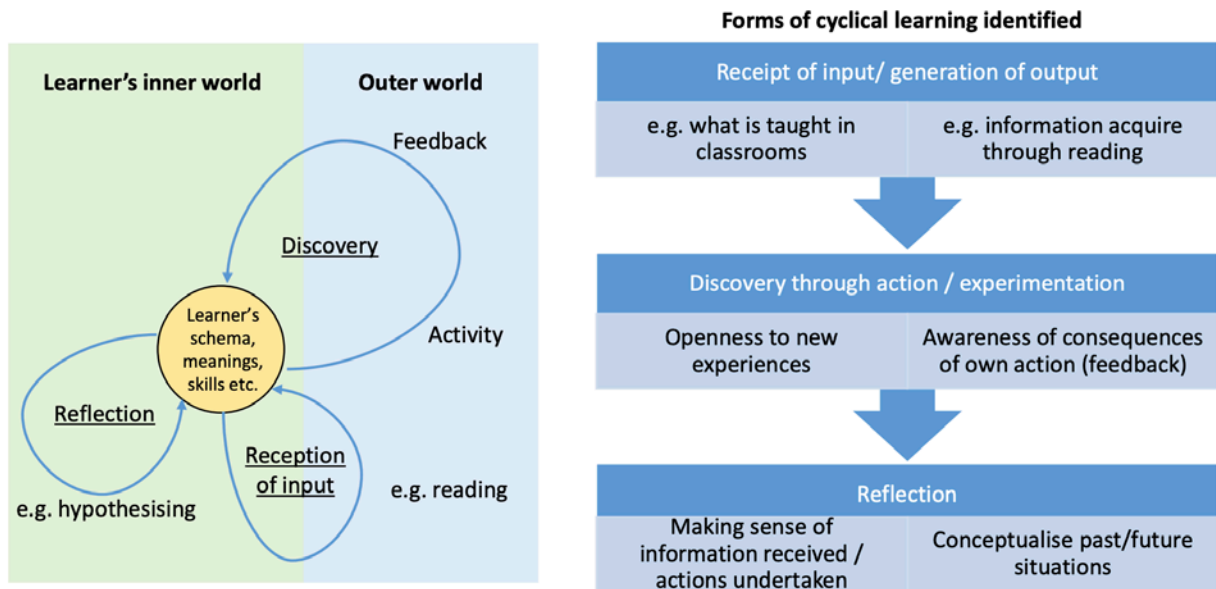
[50%]

Basic answer

The Lancaster model illustrates the way in which multiple modes of learning combine. Each is regarded as a cycle involving engagement and assimilation, but although not shown here, they also interact (in the sense that something we have read influences our reflection and/or our discovery activities). The basic answer should be able to describe what is shown in this slide:

Learning cycle – Lancaster model

- Based on the analysis of manager's learning
- Represents wide range of learning types including cognitive, skill development and affective



The basic answer should then contrast this with other methods, including those summarised in this slide:

Training and development in organisations

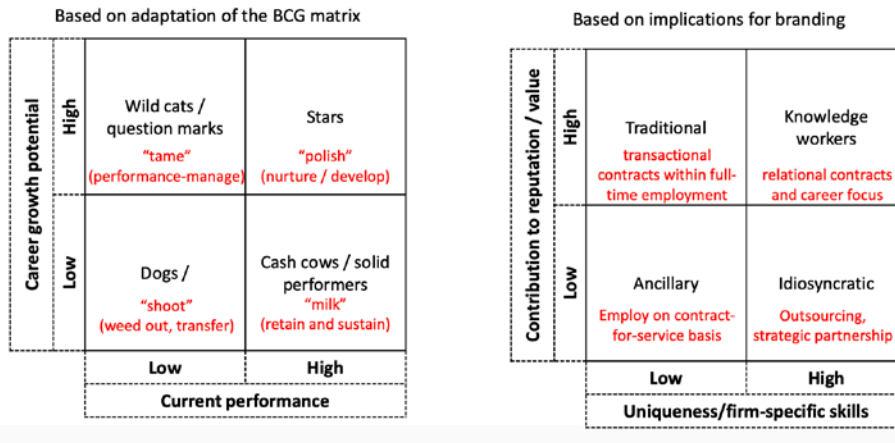
- Practical reality of how learning takes place within organisations
- Investment must be informed by analysis and identification of training needs i.e.
 - Shortfalls in knowledge, skills, abilities ("deficit view" of performance); or
 - Excellence goals and unique talents / competencies required (strength-based development)

| On-the-job (at the individual's immediate work position) | Off-the-job (away from place of work) |
|---|--|
| <input type="checkbox"/> Learning through observation / discussion (most obvious) | <input type="checkbox"/> Formal education courses |
| <input type="checkbox"/> 'Role model' relationships e.g. supervision or coaching /mentoring | <input type="checkbox"/> Instructor-led training (e.g. demonstrations, case study scenarios) |
| <input type="checkbox"/> Job rotation, secondment | <input type="checkbox"/> Simulations / role play |
| <input type="checkbox"/> E-learning (most flexible and cost effective) | <input type="checkbox"/> Group discussions |

Better answers will place this in the context of the material covered in the lectures on talent management, i.e., aligning methods with the needs identified through segmentation, as shown in this slide:

Talent management - segmenting

- Talent Management: develop and deploy high-potential/high performing people for strategic benefit
- Managing talent often requires ways of differentiating (partitioning) employees



Best answer will build on better answer and presents the relevant contexts of these practices and discuss the trade-offs involving cost and efficiency involving segmentation of employees.

Post-exam comments:

All students were able to describe the basic features of the Lancaster Model in reasonable detail, and to provide examples of methods of employee training. Most also added commentary on issues of alignment between learning and talent management, with reference to how this could be done based on the standard approaches to talent segmentation.

Question 8

A start-up company based in Cambridge employs 12 manufacturing engineers. The engineers are divided in three teams, and report directly to the CEO. The CEO of the company has decided to develop a performance appraisal process to measure and manage employee performance, and has come to you for advice.

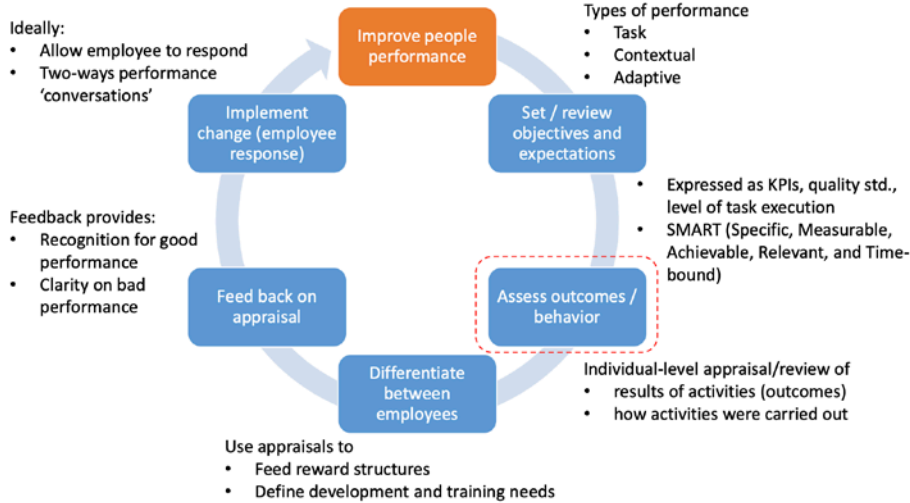
- (a) Develop a suitable approach for employee performance measurement for the company. Give examples to support your answer.

[50%]

Basic answer

Students should demonstrate understanding of the steps shown in the figure below:

Performance Management (PM) - cycle



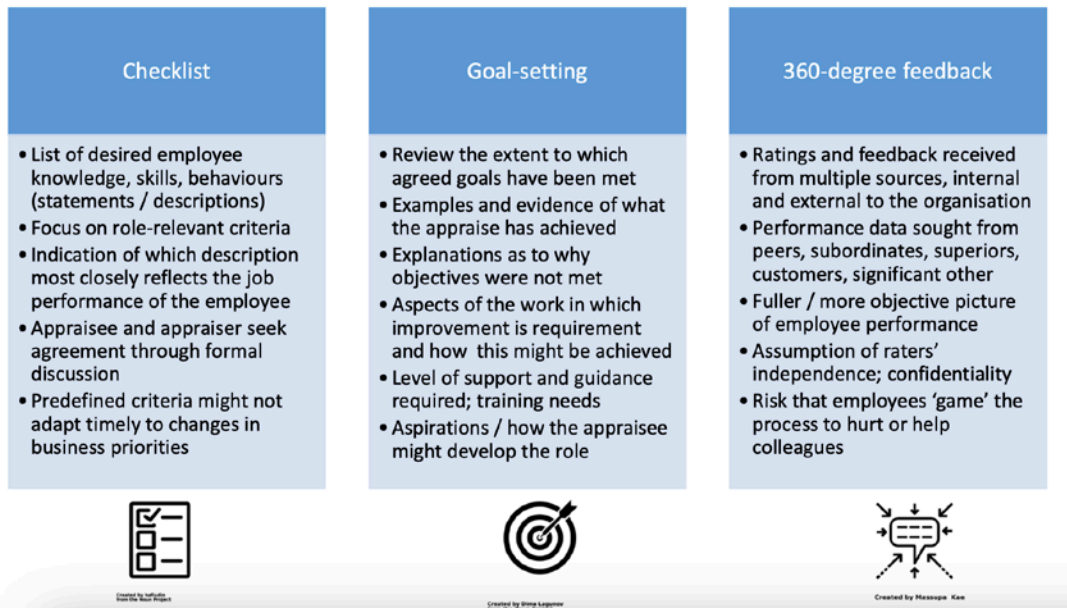
Based on: CIPD (2022) Performance management: an introduction. Available at <https://www.cipd.co.uk/knowledge/fundamentals/people/performance/factsheet>

The basic answers would need to show awareness of the links between **organisational** and **individual** aspects of any consideration of PM, and also of the specific context (start-up company, implication that there is no current PM system in place). Students should be able to then describe the basic elements of a system as discussed in the lectures.

There are a number of different approaches to measure employee performance:

- Self-appraisal
 - Not useful on its own, but the norm as a starting point
- Verbal or 'Free text'
 - Subjective and difficult to measure
- Checklist of knowledge, skills, competencies, and behaviours
- Ranking of performance against pre-defined criteria or traits
 - Need to tailor the criteria according to job roles and responsibilities, and hence can be very complex and makes it difficult to compare different employees.

Performance appraisals – types



In the case of the start-up company, a combination of checklist and ranking can be used. This will ensure employees have the right skills, traits and personalities; and also ensure that their performance can be measured quantitatively. Note that the checklist might provide better results than quantitative measurement in the case of small companies where often the “right personality” is highly important.

Better answer will build upon basic answer and it will description the process of performance appraisal in details and provide an elementary guidance on the appropriate approach to be taken in the case of the company in question. Such responses will at least discuss the need for setting SMART objectives, provision of effective feedback, and the need to ensure the appraisal process is mutually beneficial. This could be extended by providing examples of objectives, skills/traits/personalities needed in employees of startup companies.

Best answers will build on the issues above and present more detail on innovative responses, (e.g., suggesting the use of social media tools for continuous performance measurement and management) that could be particularly useful within the resource-constrained context of a start-up company.

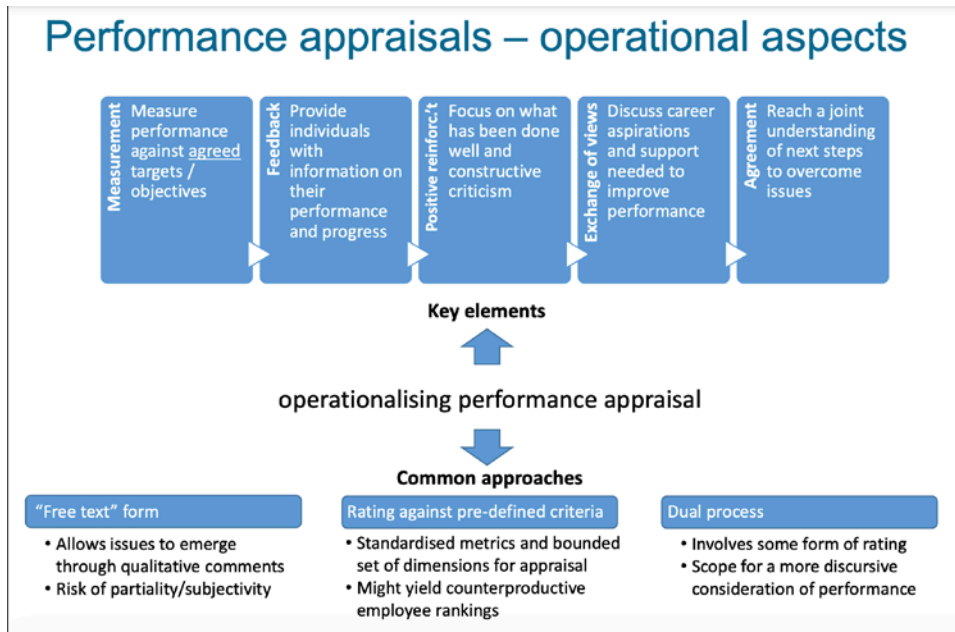
Post-exam comments:

All students could describe at least the basic aspects of a suitable performance measurement system. Weaker answers (i) did not frame their description within the broader performance measurement issues – linking individual and company performance – and/or (ii) did not link this to this specific organisational context (start-up, manufacturing, small).

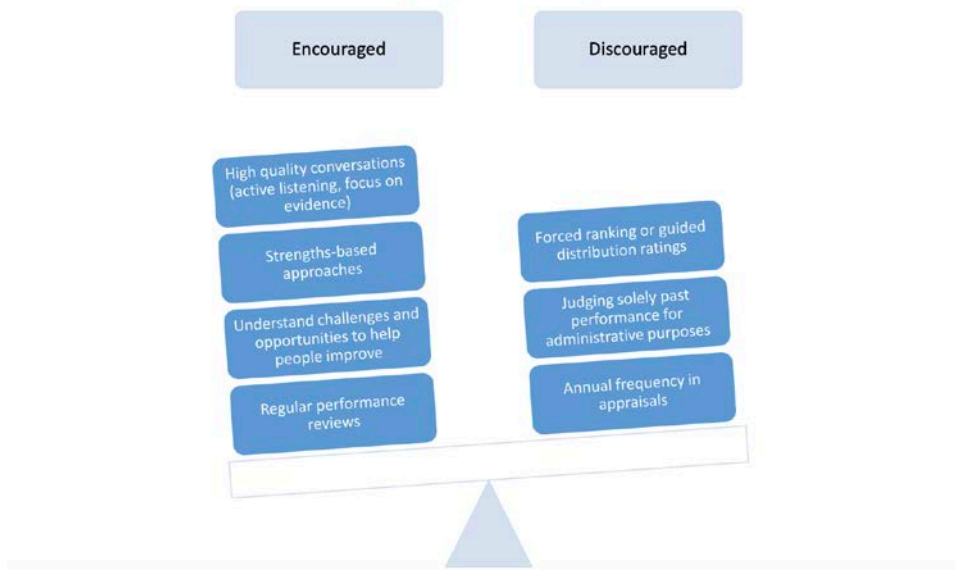
(b) Highlight potential problems the CEO might encounter during performance appraisals, and provide advice on how to avoid such problems. Give examples to support your answer.

[50%]

Basic answer should show an awareness of the operational process of individual appraisal (if not already covered in part (a)), and both good and bad approaches to appraisals, as shown below:



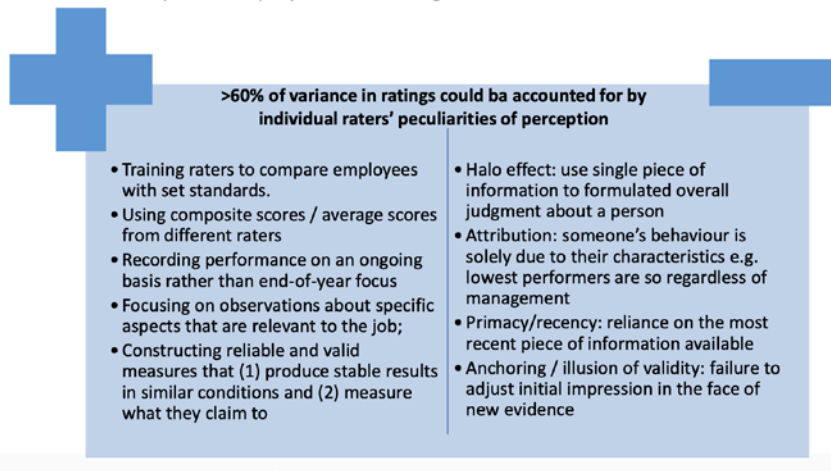
Attitudes towards appraisal practices



A key issue to address in use of appraisals is that of biases:

Potential biases in appraisals

- Performance ratings may be subject to cognitive biases^[1,2], much like recruiting (**Lecture 8**)^[3]
- Each rater's judgment can be consistent yet differences between raters may be substantial^[3]
- Issue of reliability and validity in performance ratings^[4]



In order to avoid the above problems, the appraisals should be done such that:

- performance is analysed, not personality
- the whole period is reviewed and not just recent or isolated events
- achievement is recognised and reinforced
- the meeting ends positively with agreed action plans to improve and sustain performance in the future.

It is also advised to set up performance logs to:

- Record performance on an ongoing basis
- Include positive and negative behaviours
- Write observations, not assumptions (or rumours)
- Keep out biased language
- Be as specific as possible
- Track trends, look out for patterns and abnormalities
- Measure only those traits/behaviours that are relevant to the job and company values

Better answer will build upon basic answer and reflect on the design of the operational appraisal process in the context of broader organisational performance.

Best answer will make reference to the trends that the CEO should be aware of, e.g. the shift from individual accountability to more developmental approaches, and the ways in which the impact of biases can be minimised.

Post-exam comments:

Most students could provide a structured reflection on likely problems facing a CEO when implementing an appraisal scheme. Weaker answers only talked in generic terms of, e.g. biases,

quantitative vs. qualitative-based approaches, whereas better answers were able to draw out the specific issues likely to impact this firm given its size, age and sector.