

<b>YEAR</b>	<b>TRIPOS</b>	<b>PAPER NO. &amp; TITLE</b>	<b>NAME OF AUTHOR</b>
2015	Engineering Tripos Part IIA	3E5 HUMAN RESOURCE MANAGEMENT	Andreas Richter

1 (a) Explain five criteria that can be used to assess the effectiveness of personnel selection tools. Provide one example for each. [20%]

- Reliability, validity, utility, legality/fairness, and acceptability are five criteria that have been introduced and discussed in both course book and lecture. Each of these five criteria needs to be explained here with an example.
- Although not dealt with in class, other criteria exists that can be used to assess the effectiveness of personnel selection tools. If a student addresses one of these, this would also contribute to answering this question.

(b) Describe four different approaches of combining different personnel selection tools in order to arrive at a selection decision. Discuss the suitability of each. How might HR managers combine two or more of these approaches meaningfully? [40%]

- Four approaches introduced and discussed in both course book and lecture are predictor weighting, minimum cut-off approach, multiple hurdle approach, and banding approach. Each of these four approaches (or alternative approaches that students may be aware of) should be described here.
- A discussion of suitability should include that each approach fulfils different functions and purposes. For instance, a banding approach may be used to give equal opportunities to minority groups, whereas a minimum cut-off approach may be used to identify a pool of people who meet at least minimum requirements in a number of areas.
- There are different ways of how HR managers might combine these approaches. For instance, many organizations use minimum cut-offs to identify a pool of people who meet at least minimum requirements in a number of areas. Once this pool of people is identified, then weighted predictors are used to make the final hiring decision.

(c) Due to their low validity, personality tests are of little use to organisations. Discuss. [40%]

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- Personality tests vary in their validity. For instance, the Big5 is more valid than the MBTI. Nonetheless, even better personality tests, such as the Big5, have moderate/limited validity only in predicting job performance.
- Well developed personality tests may nonetheless be used for personnel selection. Not as sole decision making tools, but rather by complementing other selection tools, thereby contributing to a selection decision.
- Better answers will discuss the differential usability of the Big 5 versus the MBTI.
- Better answers will also include a discussion of the differential usefulness of personality tools for organizations following different generic HR strategies.

2 (a) Describe the different components of the general performance factor. Explain their differences. Discuss how important it is for managers to assess their employees on each component. [40%]

- Both course book and lecture introduced the different components of task performance, citizenship behaviour, and counterproductive performance. Students should describe each component.
- Students should then explain the differences between these components.
- Students should then discuss the importance for managers to assess their employees on each component. This may vary from job to job, and could include a more complete assessment of the performance spectrum of employees, as well as a weighting of the different components to assess employee performance.

(b) How should managers give performance feedback, and what should they avoid doing? [30%]

- We conducted a feedback exercise in class. We debriefed this exercise by collecting various “dos and don’ts” of giving performance feedback. Students should integrate these points into their answer. Students might also add additional points on how to give (and not to give) feedback based on their own reflections.
- Better students will stretch beyond repetition and expand their answer with additional suggestions.

(c) Jack Welch introduced differentiation in the form of “the case for 20-70-10” at General Electric. Discuss the pros and cons of this approach to performance measurement. [30%]

- Within class, we listened to a podcast of Jack and Suzy Welch commenting on “the case for 20-70-10”. We then discussed this differentiation strategy in the context of merit-based versus parity-based performance assessment. Students should build on this discussion.
- Various pros and cons of merit-based versus parity-based performance assessment were presented in both course book and class.
- Better students may ground parts of their discussion in the generic HR strategies of a firm.

3 (a) Describe three pay-level strategies that organisations can use to determine compensation levels. Discuss how each of them fits with the four generic HR strategies. [30%]

- The three strategies introduced in class and course book are: (1) Meet-the-market strategy (establishes pay that is in the middle of the pay range for the selected group of organizations); (2) Lag-the-market strategy (establishes pay that is lower than the average in the comparison group); (3) Lead-the-market strategy (establishes pay that is higher than the average in the comparison group)
- Students should discuss that, in theory, each of the three pay-level strategies can be assigned to one or more of the four HR strategies (for instance, a lead-the-market strategy would fit the committed expert strategy).
- Better students may discuss exceptions from theory. For instance, academic institutions of high prestige, which pursue a committed expert strategy, often do not follow a lead-the-market strategy.

(b) Describe three discretionary benefits of your choice. Discuss, based on motivation theories and frameworks, how motivating each of them might be to employees. [40%]

- Various discretionary benefits have been introduced in class, including health-care plans, supplemental insurance, or sabbaticals. Students should choose three and describe them accurately.
- Students would then need to draw on motivation theories and frameworks in order to discuss the motivation potential of these discrete benefits. Various motivation theories had been introduced in class and course readings. Students

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would need to select those that are suitable to explain the motivational dynamics of the benefits of their choice, and inform their discussion by these theories.

- Better students will present a thorough and elaborate discussion of the motivating potential of discretionary benefits that stretches beyond mere repetition of class materials. Of importance is the students' rationale, as well as their integration and elaboration of class materials.

(c) Whereas uniform compensation dampens employee productivity, variable compensation dampens employee morale. Discuss. [30%]

- Variable compensation refers to compensation that is linked to variation in employee performance, whereas uniform compensation refers to equal compensation levels for groups of employees. Students would need to discuss what the likely effects of either would be on employees. Arguments can be raised both in favor and against the statement. Of importance is the students' line of reasoning, as well as their integration and elaboration of class materials.
- Better students will point to the discussion being dependent on the respective HR strategy that an organisation adopts.

**END OF PAPER**

**Comments to Questions:**

**Q1 Personnel Selection**

17 attempts, Average mark 63/100, Maximum 69, Minimum 49.

A popular question that was overall well answered by the candidates who tried. All three parts of the question were answered about equally well. Overall, there was a good understanding of personnel selection tools.

**Q2 Performance Management**

11 attempts, Average mark 61.10/100, Maximum 69, Minimum 53. A less popular question. However, this question has generally been well answered. Part a of the question was not as well answered as parts b and c. This is surprising, because part a was not a transfer question.

**Q3 Compensation**

12 attempts, Average mark 57.68/100, Maximum 67, Minimum 17. A less popular question. Part b of the question was not as well answered as parts a and c. This is due to some students misunderstanding what discretionary benefits were. This is something that needs to be addressed more explicitly in the next course. Another observation is that some students did not know what constituted pay-level strategies in part a of the question. This was a surprise to me, because it is explicitly explained in both the slides and the course book. Similarly, I made a mental note to explicitly clarify this in the next course.

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