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DBA 5211: Advanced Human Resource Management

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Answer question One and any 2 other questions

Section A (Answer all Questions)

Over time, both the attitude towards the people engaged in the organization and the concepts, which are used to describe these people, have changed. Originally, organizations considered the people employed a labor resource, with a focus on the human ability to perform certain functions and tasks. With regard to the implementation of the scientific advances and new technologies, the nature of labor has changed: workers needed a higher level of education, different skills and abilities. Willingness of employees to participate in decision-making increased. In the eighties of the 20th century, a new concept – Human Resources Management was introduced in USA by adopting the total quality management principles from Japan, recognizing that the organization's employees, namely, human resources, are a significant resource and by combining the scientific management approach, the human relations school and the principles of strategic management.

From an organizational perspective, HR encompasses the people in an organization – its employees and the human potential available to a business (Price, 2011). In literature, various perceptions of HRM are found, leading to a wide variety of HRM definitions. Some authors support the unitary approach to HRM, when employers and employees are viewed as having common interests and the key function of HRM is how people can best be managed in the interests of the organization.

HRM is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people (or human talent) working there who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006; Mathis & Jackson, 2008; Snell & Bohlander, 2011).

Other authors use the more realistic pluralist view, which says that all organizations contain a number of interest groups and the interests of employers and employees do not necessarily coincide. HRM is the attraction, selection, retention, development and use of human resources in order to achieve both individual and organizational objectives. The yardstick of human resource outcomes is not just economic rationality – a stakeholder perspective is required, i.e., develop and maintain sustainable relationships with all the relevant stakeholders, not just customers and shareholders (Paauwe, 2004; Price, 2007).

Investigating the issue of the impact of HRM on organizational performance, HRM has developed a number of models that show the relationship between HRM practices, the factors influencing the choice, and the organization outcomes.

We can identify two broad approaches of HRM: “hard” and “soft” approach. Under the “hard” approach, employees are considered one of the organization’s resources and thus be managed in the same way as any other resource in the organization. This approach measures the HRM effectiveness by monetary criteria: cost accounting, utility analysis, economic value added, and return on investment of HR activities (Kane, Crawford, & Grant, 1999). Some companies develop sophisticated models, of how HR practices affect satisfaction of customers, or identify investors as the most important stakeholders, without whose capital it would be impossible to continue business and reach satisfaction (Schuler & Jackson, 2005).

The “soft” approach acknowledges the importance of taking into consideration multiple stakeholder interests. According to this approach, employees are an important group of stakeholders and a distinct resource that cannot be managed as any other resource and whose interests and needs have to be considered (Price, 2007). A more complete evaluation of the effectiveness of HRM involves the satisfaction of the concerns of multiple stakeholder groups. Therefore, soft indicators are also used, such as commitment, satisfaction, engagement, knowledge development, etc. (Schuler & Jackson 2005). “Soft” approach is in tune with the concept of CSR, which provides satisfaction of all stakeholders of the organization, not just the owner/investor interests.

Question One

1. The above write up discusses the changing role of human resource management and its strategic significance for organizations. Analyze and discuss the evolution of HRM in the 21st Century. **(10 Marks)**

2. “Other authors use the more realistic pluralist view, which says that all organizations contain a number of interest groups and the interests of employers and employees do not necessarily coincide”. Discuss this view. **(10 Marks)**
3. For some time, HRM was a controversial topic, especially in academic circles. The main reservations have been that HRM promises more than it delivers and that its morality is suspect. Discuss this statement. **(10 Marks)**

Section B (Answer any 2 Questions)

Question Two

Mabey *et al* (1998) asserts that ‘the heralded outcomes (of HRM) are almost without exception unrealistically high’. To put the concept of HRM into practice involves strategic integration, developing a coherent and consistent set of employment policies, and gaining commitment. This requires high levels of determination and competence at all levels of management and a strong and effective HR function staffed by business-orientated people. It may be difficult to meet these criteria, especially when the proposed HRM culture conflicts with the established corporate culture and traditional managerial attitudes and behaviour.

- 1) Managing Human resource “involves strategic integration, developing a coherent and consistent set of employment policies, and gaining commitment” Critically examine current HRM issues facing human resource managers in organizations. **(5 Marks)**
- 2) How can these issues be resolved? **(5 Marks)**

Question Three

The morality of HRM

HRM is accused by many academics of being manipulative if not positively immoral. Willmott (1993) remarks that HRM operates as a form of insidious ‘control by compliance’ when it emphasizes the need for employees to be committed to do what the organization wants them to do. It preaches mutuality but the reality is that behind the rhetoric it exploits workers. It is, they say, a wolf in sheep’s clothing (Keenoy, 1990a). As Legge (1998) pointed out:

Sadly, in a world of intensified competition and scarce resources, it seems inevitable that, as employees are used as means to an end, there will be some who will lose out.

They may even be in the majority. For these people, the soft version of HRM may be an irrelevancy, while the hard version is likely to be an uncomfortable experience.

In view of the statements above, one might expect workers to welcome changes in organizations. Yet most workers resist change. Why is this?

Question Four

The bottom line for most organizations if not all is profit: which usually results from employee performance. Employee performance is closely associated with motivation. Giving a theoretical perspective, discuss the relationship between performance and motivation. **(10 Marks)**