

HRM

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28/04/15

RECRUITMENT AND SELECTION

Special aptitudes or abilities. The second broad grouping is personality tests which are based on trait or type theories. The big five personality factors are agreed as applicable across all contexts. Many tests available, points to consider when choosing and using tests are: Tests need to be reliable and valid and provide evidence that they do not unfairly disadvantage certain groups, should only be sold to qualified users, carried out under standard conditions and only released after adequate research, candidates need to understand the place of tests in the selection process, see their relevance to the job and be convinced of its accuracy, test administrators must be qualified to use tests and be able to interpret the inferences drawn from them and the candidates need to be reassured about this, candidates should not be coached for tests and the results should be confidential and results should be fed back to candidates.

Conclusion often recruitment and HR planning are downplayed to focus on selection and more recently talent management. Because of greater sophistication in selection it is forgotten that without effective recruitment practices the numbers of applicants from which to choose from will be limited and can therefore impact on subsequent performance. Best practice showing a gradual shift towards holistic assessment encompassing a mix of measures of cognitive, non cognitive and performance qualities. Within HRM selection has been viewed as a core function essential for achieving key organisational outcomes. From the psychometric perspective, HRM should serve as a monitoring function, ensuring that assessment methods are designed appropriately with a view to current legislation and practice development.

Fernandez 7-step Recruitment Plan

1. Anticipate the need - deep analysis of hiring pipeline - talent forecast 90% of its needs
2. Specify the job
3. Develop the pool
4. Assess the candidates - high calibre, well bonded properly motivated interview
5. Close the deal
6. Integrate the new hire
7. Audit and Review

Google

- Adversity
- Initial screening phase
- Phone interview to short list again
- Onsite interview
- Ideal candidate chose on: leadership, interpersonal knowledge, how you think and "googleyness"
- Independent committee reviews feedback on interview

10/11/15.

STRATEGY AND HRM - THEME 2

Strategic management implies a concern with the ways in which HRM is critical to organisational effectiveness. HR strategies of firms are heavily shaped by contextual contingencies, including national, sector and organisational factors (Boxall, Purcell).

What is Strategy? Most definitions of strategy stem from the work of Chandler who argued that the structure of an organisation flowed from its growth strategy. A firm's strategy is the set of strategic choices that is revealed in the characteristic way it behaves. Strategy is best discerned in behaviour, not in formal planning documents (B.P.) Strategy should be understood as a framework of critical ends and means and not simply equated with the firm's current competitive choice (Boxall). For a chosen strategy to be successful, it has to be supported by particular patterns of employee behaviour, which can be shaped by the organisation's HR strategies, policies and practices (Gunnigle). The core of strategy is always the same; discovering the critical factor in a situation and designing a way of coordinating and focusing actions to deal with that factor (M.W.) Grant - "Strategy is about winning... it is not a detailed plan or programme of instruments; it is a unifying theme that gives coherence and direction to the actions and decisions of an organisation". The reality for most organisations is that strategic choices are shaped by forces beyond their immediate control even if they have room for manoeuvre (M.W.)

HRM includes anything and everything associated with the management of employment relations in the firm. Adding strategic to the word implies a concern with the ways in which HRM is critical to organisational effectiveness. In adopting this understanding, it is convenient to refer to a firm's pattern of strategic choices in labour management (including critical ends and means) as its HR strategy. We understand strategic HRM

as concerned with the strategic choices associated with the use of labor in firms and explain why some firms manage them more effectively than others (Barney).

Viability: Often the major emphasis in strategic planning has been on strategy formulation, with very little thought being given to strategy implementation, sometimes resulting in the failure of strategic planning at operational level (Cunningham). Strategy is best defined by making a distinction between the strategic problem firms face and the strategies they adopt to address them. Most critical challenge that firms face is that of survival, problem of becoming and remaining viable in its chosen market. Decisions are strategic, they are make or break factors. Get the system right and the firm will be viable. Four critical elements in a viable business model: marketing, funding, production system and HR. There is no solution to the problem of viability without capable people. A suitable way of managing work and people is necessary. All 4 elements interact with each other. A viable business model is one which puts these pieces together in a productive and sustainable way.

In order to remain viable in a chosen market Hamel and Prahalad propose that firms require 'table stakes': a set of goals, resources and capable people that are appropriate to the industry concerned. If one of these 'stake' are left out, the firm may not survive within the table stake 'stake'. It is important to note that each table stake interacts with the others and affects each other. Decisions and choices in these areas must be taken wisely in such a way that they complement each other and produce a positive result.

Sustained advantage: Firms that survive are engaged in a struggle to build and defend competitive advantage. A firm which builds a relatively consistent pattern of superior returns for its shareholders has developed some form of sustained competitive advantage or achieved what the economic theory of the firm has called rent, profit above that that can normally be earned in conditions of perfect

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competition. Good is to engineer imperfect competition favouring the firm. Many advantages are temporary, hard to defend your position. Firms must meet certain baseline conditions that make them similar to other firms while also having the opportunity to make gains from being positively different.

Example: Management consultancy firm aiming to join elite club of firms. It must have highly selective recruitment and strong development of staff to ensure it can offer high quality service on complex business problems. Band of critical prerequisites - proactive recruitment, high entry standards, high pay, employee ownership and extensive professional education. Critics think firm's leader put together and apply the system of broad based HR policies that will help the firm join the elite group, unlike to think that this will happen quickly or be achieved solely through HR strategies.

Where does HR come in? Porter argued that human resource management can help a firm obtain competitive advantage by lowering costs, by increasing sources of product and service differentiation or both. Many of the traditional sources of competitive advantage such as barriers to entry, technology and access to capital have become less important, with the result that HR and HR practices can emerge as key sources of competitive advantage (Güngör). Competitive advantage today stems primarily from the internal resources and capabilities of individual organisations - including a firm's ability to develop and retain a capable and committed workforce (Ulrich). People are a crucial source of competitive advantage rather than an expensive luxury that should be minimised (Ulrich). HR's problem - that its impact on firm strategy is difficult to see - is the very quality that also makes it a prime source of sustainable source of sustained competitive advantage. HR managers must adopt a dramatically different perspective, one that focuses on how human resources can play a central role in implementing the firm's strategy (Ulrich). HR's emerging strategy

potential hinge on the increasingly central role of intangible assets and intellectual capital in today's economy (Ulrich).
~~their particular attempt to deal with the strategic~~ The strategic of firm or
their particular attempt to deal with the strategic problems they
face. The best strategies reach beyond viability to major problem of
sustained advantage. Mintzberg argues strategy is emergent, that it is
an inevitable feature of strategy, strategies which emerge in a stream
of action. Quinn regards the most effective strategies of those who
tend to emerge step by step from an iterative process in which the
organization probes the future, experiments and learns from a series of
partial commitments rather than through a global formulation of
total strategies.

Whittington's typology of strategy based upon distinction between
the degree to which cultures are perceived purely in the profit
maximizing or pluralistic terms and the extent to which strategy
is seen either as deliberate or emergent. 4 Types: 1- Classical,
(profit maximizing, deliberate) - process of deliberate calculation and analysis
undertaken by senior managers. Simple, make the right decision and then
cascading this to lower managers and workers who then snap into
action. 2- Evolutionary (profit maximizing, emergent) - survival of fittest, winners
and losers picked by natural selection. Complicated situation, puts a premium
upon market force and the perceived need for organization to
respond quickly and effectively to customer demands. 3- Processual (Pluralistic,
emergent) - evolve through process of discussion and disagreement. Demanded
the barriers to fully fledged vertical integration due to tensions with
managements or workers. 4- Systematic (pluralistic, deliberate)
Strategies shaped by social system. - employees are generally not free to
determine their own strategies. Problems arise if critical social
norms or cultural traditions are ignored and it is assumed that the
practices that exist in one country will work in another.

Strategic management and human cognition Human cognition is a

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psychological term for the thinking process, for our ability to process information and make decisions. Work of strategic management is finding a desirable path for the firm and managing its resources accordingly. The management process tends to repeat yesterday's formula for success. Railway example 1980's, two competing firms, both blame external factors. One of them focused on internal factors such as costs and productivity and it worked. They changed their mental model. Cognition counts for change in company success.

Strategic management and organizational politics. Any major initiative involves political management, particularly where interests must be persuaded to support, or where employee groups are being asked to make changes that threaten their interests. Most of political difficulty of strategic management occurs within management itself. Managers fight change and lose after their own interests. Kaplan and Norton suggest there should be a balance between perspective on business performance: How to appear to shareholders to achieve financial success (financial), how to satisfy our shareholders and customers through the choice of excellent business practices (internal business process), how to appear to our customers to achieve our vision (customers), how to sustain our ability to change and improve in order to achieve the vision (learning and growth).

Importance of executive recruitment and development. The greater the uncertainty and disruption involved in work, the more important it is to hire or develop people of high ability with a well rounded intellectual and emotional profile. Failure to recruit and retain suitable managers will hamstring company performance. A lot of money spent recruiting better managers. Evidence that senior HR specialists orient their jobs to focus on critical activities associated with managing managers (strong emphasis in their work profile) on developing executive capabilities and performance.

Role of team building. We should not think that strategic management process will improve solely as a result of selecting or developing higher performing individuals. Team processes or vital to performance. Need a person job fit and person team fit. According to Belbin's model it is a mistake to construct teams simply based on the functional expertise of individuals. Most effective teams enjoy a healthy mix of complementary teamwork styles.

Summary