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**Strategic Personnel Management**

MGMT5690-3726

Assignment Two

Maintaining and Attracting Competitive Personnel

New HR Policy Response by PIVoD Technologies Pty Ltd

Due: Thursday 14 April 2005

Facilitator: Bill Morrissey

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## 1 Introduction

In response to trends, workplace management across most organisations is undergoing significant change. A new policy response at PIVoD is needed to maintain and attract personnel.

### 1.1 Background

PIVoD is an audiovisual (AV) systems integrator engaged in large projects to control AV systems over Internet Protocol (IP).

PIVoD's major business objective is to engage in international market development in order to expand and survive, whilst on a price-focused differentiated strategy.

A document has been produced analysing external forces and identifying internal cultural dimensions to highlight effect of major external trends on the organisation (Wee 2005).

## 2 Current Management

### 2.1 Cultural Dimensions

The table below shows PIVoD's management approach from its organisational characteristics across seven dimensions (Wee 2005 p18-19).

No	Dimensions	Organisational Characteristics
1	Innovation and risk taking	Not encouraged or incentivised to take risks.
2	Attention to detail	Employees not managed to ensure attention to detail; this essentially happens during the design phase only.
3	Outcomes orientation	There is a high management focus on results.
4	People orientation	Moderate to low regard for the effect of outcomes on employees.
5	Team orientation	Low team orientation. Work revolves around transactions between individuals.
6	Aggressiveness	Employees are mostly easygoing and cooperative.

7	Stability	There is a high tendency to maintain the status quo.
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The following section on organisational impact includes commentary of trends in relation to the above table.

### 3 Organisational Impact

This section introduces the four trends being studied, and explores the effect each has on dimensions previously described.

#### 3.1 Trend One: Flexible Work Forms

Organisations aim to develop flexible work forms "in a bid to sustain competitive advantage" (Hampson et al 2005 u4/5 p22).

PIVoD is a small business dealing with highly customised deliverables. Flexible work forms is an attractive addition.

A workable objective is to have "functional flexibility" (Hampson et al 2005 u4/5 p23), creating resource and skill sharing opportunities (p26).

No	Dimensions	Impact of Trend
1	Innovation and risk taking	Resource sharing allows PIVoD to deal with fluctuations in demand (Hampson et al 2005 u4/5 p27), and will improve the risk-taking necessary for international business.
2	Attention to detail	Flexible work forms may create a "harder to manage" (Hampson et al 2005 u4/5 p27) organisation, perpetuating PIVoD's low attention to detail.
3	Outcomes orientation	A flexible firm comprises "'core' and 'periphery' workers" (Hampson et al 2005 u4/5 p24), and this system may balances the organisation's current over emphasis on outcomes orientation.
4	People orientation	The flexible system may exacerbate the low regard for employees as it potentially categorises some employees negatively (Hampson et al 2005 u4/5 p24).

5	Team orientation	Flexibility requires 'core' and 'periphery' workers to work cohesively. If so, this should improve low team orientation.
6	Aggressiveness	If flexibility causes confusion (Hampson et al 2005 u4/5 p27), this exacerbates the lack of aggressiveness as employees may be 'disconnected' from strategic direction.
7	Stability	Functional flexibility may balance out the "tendency to maintain the status quo" (Wee 2005 p12) by coercing staff to their limits.

### 3.2 Trend Two: Changing Nature of Work

Awareness to manage conflict is the product of the changing nature of work, and has resulted in the "challenge ... of differentiating functional .. from dysfunctional" type conflicts (Hampson et al 2005 u10 p5).

Specific factors analysis (Wee 2005 p8), shows PIVoD spared from external conflict. However, SWOT (Wee 2005 p9) shows that quality, cash, and coordination may result in conflicts from "issues of substance or interpretation" (Hampson et al 2005 u10p7) necessary for competitive advantage.

Observable indices of conflicts are 'distrust/disrespect,' 'information distortion,' and 'avoid interaction' (Hatch 1997 p308; Hampson et al 2005 u10p13); all seen in PIVoD.

No	Dimensions	Organisational Characteristics
1	Innovation and risk taking	This prompts employees to see conflict as a "process rather than a situation" (Hampson et al 2005 u10 p7), reducing PIVoD's risk-averse nature. Done properly, conflict management may "be a source of creativity" (Hampson et al 2005 u10 p8) helping market development.

2	Attention to detail	This trend is about finding "integrative solution[s]" (Dunford 1992 p1997; Hampson et al 2005 u10 p15) during conflict handling, improving the current low attention to detail.
3	Outcomes orientation	The trend may prompt "redesign work and workflow to reduce task interdependence, clarify rules and procedures and reduce goal incompatibility" (Hampson et al 2005 u10p16). All these are aligned with proper controls balancing the current dysfunctional outcomes orientation (Wee 2005 p11).
4	People orientation	Managing the political approaches will improve the moderate to low people orientation. These "may involve the development of pressure groups and coalitions" (Hampson et al 2005 u10 p17) which are recognised as important to strategic value.
5	Team orientation	If PIVoD's employees have a high desire to satisfy own concerns and concerns of other party, this should result in a collaborative situation according to Dunford's table (1997 p226; Hampson et al 2005 u10 p14). This will be an improvement to low team orientation.
6	Aggressiveness	Managing conflict through negotiations theory may allow staff to "create something new that neither could do on his or her own" (Lewicki et al 2003 p3; Hampson et al 2005 u10 p19). This brings value to PIVoD's strategic direction as it helps counter employee's "easy-going nature" (Wee 2005 p12).
7	Stability	With this trend, PIVoD may engage in integrative negotiations, where "both sides ... focus on clarifying, understanding and explaining ... real interests" (Hampson et al 2005 u10 p21). This shakes out inertia, reducing desires to maintain status quo (Wee 2005 p15).

### 3.3 Trend Three: Diversity at Work

Diversity stems from current “social and cultural differences” (Hampson et al 2005 u11 p5) complicated by an international market.

Diversity management “is said to ‘increase creativity and innovation, improve decision-making and gain insights into marketplaces characterised by diversity” (Robbins et al 1998 p59; Hampson et al 2005 u11 p21).

No	Dimensions	Organisational Characteristics
1	Innovation and risk taking	The trend puts focus on the individual. It is said that ‘valuing individual differences” (Hampson et al 2005 u11 p22) promotes innovation, reducing apathy.
2	Attention to detail	Diversity management may allow for the “enhancing of organisational processes and practices” (Hampson et al 2005 u11 p24), improving lack of attention to detail.
3	Outcomes orientation	Awareness of diversity management allows for “enhancing of organisational processes and practices” (Hampson et al 2005 u11 p24). This balances PIVoD’s over emphasis on outcomes.
4	People orientation	Valuing diversity allows PIVoD to “tap into culturally diverse markets” (Hampson et al 2005 u11 p22) with the connections provided by employees and alliance partners. Linking revenue generation and people orientation will raise current regard for employees.
5	Team orientation	A “commitment to diversity management calls for organisation-wide cultural change” (Hampson et al 2005 u11 p23) increasing PIVoD’s Team Orientation. Encouraging team-oriented work (Hampson et al 2005 u11 p25) is required for the complex AV solutions demanded by clients.
6	Aggressiveness	Increasing diversity may mean “hierarchical issues” (Hampson et al 2005 u11 p22). This may increase



		aggressiveness to a level better aligned with international market development strategy.
7	Stability	If the trend encouraged "Attracting and retaining the 'best' staff" (Hampson et al 2005 u11 p26), this may jolt organisational inertia. This boosts PIVoD's global market development efforts.

### 3.4 Trend Four: Leadership

An organisation naturally creates "leader/follower interdependencies" (Hampson et al 2005 u9 p8). This trend is well-suited for as PIVoD attempts to resolve weakness in staff coordination (Wee 2005 p9).

Historically, PIVoD is more likely to hire a "smart" rather than "less smart but more experienced" leader (Hughes 2002 p78) to lead international efforts. If this is true, we may see more "transactional leadership" (Hampson et al 2005 u9 p26) occurring. This leadership aims to improve current practices incrementally rather than causing any upheaval.

No	Dimensions	Organisational Characteristics
1	Innovation and risk taking	Leaders influence (Hampson et al 2005 no. 2 u9 p8) and motivate, supporting competitive advantage. Employees are expected to get involved in greater risk taking.
2	Attention to detail	Responding to the trend will increase attention to detail; irrespective of the type of leadership employed (Hughes 2005 no.2 p78).
3	Outcomes orientation	If leadership was "a relationship of influence" (Hampson et al 2005 u9 p13) applied in a top down manner, it may exacerbate the organisation's outcomes orientation.
4	People orientation	Leaders "derive their power from perceptions among their followers" (Hampson et al 2005 u9 p14). To gain power, leaders would have to have staff empathy. This

		trend would improve people orientation.
5	Team orientation	Leadership involves interaction between leaders, followers and situations (Hughes et al 2002 p24; Hampson et al 2005 u9 u9). This would inevitably increase team-oriented communication, balancing out ad-hoc communications between individuals.
6	Aggressiveness	Leadership has “no universally effective style” (Hampson et al 2005 u9 p17), so affecting the easygoing employees depends on the type of leader. Unfortunately, from track record, PIVoD will hire someone who will not challenge the current culture of the company.
7	Stability	If ‘transactional leadership’ does not force a reevaluation of organisational processes (Hampson et al 2005 u9 p26), then status quo will not be significantly affected.

#### **4 Recommended HR Policy Response**

Below are the State of Current Practice in PIVoD, and explanation of how this can be improved. Justification is provided in relation to SWOT analysis appearing in Assignment One (Wee 2005).

##### **4.1 Recruitment & Selection (u6)**

###### **4.1.1 State of Current Practice**

There are no human resource managers in PIVoD. Line managers are tasked to craft or modify the job description (JD) template. This is then used to coordinate the recruitment and selection process.

Interviewing, shortlisting and selection process is by a group consisting of line managers and CEO.

The CEO will decide on a pay scale, make the offer, and will pass the successful candidate over to Accounts Clerk for administrative processing.

#### 4.1.2 How Current State should be Changed

	Attracting and Maintaining Staffing Mix	Justification
Flexible Work Forms	<p>The challenge is to secure specific talent for either 'core' or 'periphery' workers (Hampson et al 2005 u6 p18).</p> <p>Line managers can accomplish this by introducing a process to ascertain top-level objectives, and craft the JD in line with that.</p>	Supporting brand strength.
Changing Nature of Work	<p>To reduce conflicts, it is prudent to have transparent processes, opening vacancies to internal and external candidates (Hampson et al 2005 u6 p20).</p> <p>This can be done through the corporate noticeboard. PIVoD can also train internal staff to build skills that may meet projected needs.</p>	Improves coordination between staff whilst increasing Human Resource numbers on the ground.
Diversity at Work	<p>Maintaining diversity at work can be supported by proper interview questions formed in alignment with JD (Hampson et al 2005 u6 p28).</p> <p>A process to craft questions would allow interviewers to have a standardised approach. This can be initiated after formation of JD, and before approval by CEO.</p>	Improves coordination between staff while supporting strengths from cross-disciplinary skill set.
Leadership	The leader is essential to PIVoD's organisation.	Better strategic controls.

	Persons Specifications (Hampson et al 2005 u6 p16) need to be aligned with JD and categorised as either “‘essential’ or ‘desireable’” (p16). These are authorised by the CEO and used during the selection.	Reduce threats from variable quality. Improve coordination between staff.
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## **4.2 Training & Development (u7)**

### **4.2.1 State of Current Practice**

PIVoD does not have any formal orientation, training, or development system in place. Orientation and training are done informally, on-the-job, and focuses on task-oriented activities.

Recent formal training suggestions for new skills have been rejected.

Management instead have mentioned the likelihood of having one-to-one tutoring done by internal staff.



#### 4.2.2 How this should be Changed

	Attracting and Maintaining Staffing Mix	Justification
Flexible Work Forms	<p>PIVoD should establish a "training needs analysis" (Hampson et al 2005 u7 p12) linking training, and staff-mix to strategic direction.</p> <p>The output goes into a document which is available to all line managers and updated by CEO for strategic alignment.</p>	Improve weakness in staff coordination. Search informal networks for other candidates.
Changing Nature of Work	<p>To manage potential conflict from staff, training can allow feedback and responses to be recorded and discussed.</p> <p>This is done during evaluation stage (Hampson et al 2005 u7 p13). An audit overviews the entire training approach, and solicits for employee feedback.</p>	Align training to organisation. Resolve threats of variable quality, weakness of staff coordination, and improve strengths of technology innovation.
Diversity at Work	<p>Diversity management is about acknowledging differences and to use such in benefit of the company. This encompasses training design and the need to ensure that the learning environment supports diversity at work.</p> <p>A decision should be made before training occurs ascertaining whether "formal" or "social" learning is most appropriate for participants (Hampson et al 2005 u7 p24).</p>	<p>Helps PIVoD's strengths in its cross-disciplinary skill set and technology innovation.</p> <p>Considers threats arising from time pressures during planning.</p>

Leadership	<p>Leadership is about relationships between leaders and followers. To first establish that relationship, leaders should engage in “organisational analysis” (Hampson et al 2005 u7 p16) in order to decide what training is required.</p> <p>This analysis is done at the senior management level and occurs before the training and development process.</p>	<p>Helps increase controls.</p> <p>Creates opportunities to improve other areas in the value chain.</p>
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## **4.3 Motivation & Rewards (u8)**

### **4.3.1 State of Current Practice**

PIVoD does not have a personnel plan nor a system of motivation and rewards. Most “extrinsic rewards” (Hampson et al 2005 u8 p7) are tied to one’s salary package. There is the infrequent monetary spot bonus for personnel linked with successful and completed projects. Project completion is typically announced by the Chairman once every few months.

The expected norm is for employees to be satisfied with the “intrinsic rewards” (Hampson et al 2005 u8 p7) from working in a relaxed and informal organisation.



#### 4.3.2 How this should be Changed

	Attracting and Maintaining Staffing Mix	Justification
Flexible Work Forms	<p>Flexible work forms is about establishing 'core' and 'periphery' workers. Thus "extrinsic rewards ... are really preconditions that must be met" (Hampson et al 2005 u8 p10).</p> <p>PIVoD has have a framework to manage different levels of pay, benefits, and working conditions (Hampson et al 2005 u8 p10) prior to dealing with reward and motivation issues.</p>	Solves weakness of staff numbers. Highlights threat of critical cash flow.
Changing Nature of Work	<p>"Extrinsic motivators" (Hampson et al 2005 u8 p25) can make conflict part of the functional way in which PIVoD is set up.</p> <p>PIVoD can set up variable pay or flexible indirect pay components tied to strategic direction. These are measured by mid-managers based on performance indices in the JD. These motivators can be highlighted at announcements reiterating the performance desired.</p>	Resolve the threat of variable project quality. More control for mid managers. More awareness to weakness in financial support
Diversity at Work	<p>Diversity management is about differences. To improve, PIVoD can adopt a "gainsharing" approach (Hampson et al 2005 u8 p33). This allows groups to enjoy rewards from cost savings or revenue generation achieved by the group (Hampson et al 2005 u8 p33).</p>	Improves the weakness of staff coordination. Reduces the threat arising from variable project quality.

	To do this, Financial Comptroller can track cost savings or revenue generation, using a percentage figure to reward compliant behaviour.	
Leadership	<p>Leaders need to manage the leader/follower interdependency. They need to track employees "organisational identification" (Hampson et al 2005 u8 p6) and align it to strategic needs.</p> <p>Leaders can do this through a process of social indoctrination. This is done throughout the reward and motivation cycle. Such talks make sense of employee attitude and behaviour (Long 2002 p68; Hampson et al 2005 u8 p7), and guide employees along strategic direction.</p>	Increase organisational control and firm up brand strength.

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