

D21 Human resource management – Solutions

1

Advantages:

- The enterprise is aware of the performance of current employees. This can help to minimize the risk of hiring the wrong person.
- Opportunities to advance within the enterprise can help to motivate employees. These prospects also increase loyalty.
- Vacancies can be filled in a short time and at relatively low cost.
- The employee who steps into the position already knows the enterprise – that means, she needs hardly any time to adapt.
- The vacancy created by such a promotion can be filled by trainees.
- ...

Disadvantages:

- The internal selection of qualified personnel is limited – if the potential group of people is too small or current employees do not have the required qualifications, the necessary additional training measures can be quite expensive for the enterprise.
- When management positions are filled by former subordinates, it may be that the person in question has too little authority over their former colleagues.
- External people bring new ideas and inspiration into the enterprise. This opportunity is not taken with an internal hire.
- ...

2

Individual solutions.

3

a Problems of testing processes in employee selection:

- Tests do not consider that an employee will be entering into an entirely new working environment. This environment can strongly influence employee behavior. A person who does not succeed in the testing may, in fact, demonstrate very strong performance in practice because the supervisor can motivate them particularly well.
- Test situations are not reality. Test anxiety can distort the result.
- Test results could be influenced by the given test situation. For example, the applicant might simply not be able to do the type of test given.

b Features of an assessment center:

- The procedure of this method is systematic
- The use of multiple observers is possible
- A direct comparison of candidates becomes possible

An assessment center is particularly well suited to evaluating the social and personal skills of future managers.

4

Advantages of piecework pay:

- Pay equity by linking payment with performance
- Positive selection: This type of payment attracts high-performing workers
- The enterprise profit can be increased
- Possibly more flexible design of working hours for employees

Disadvantages of piecework pay:

- The delivered performance must be directly observable
- It must be able to be clearly assigned to an individual (risk of free-riding behavior in teamwork, assembly line work)
- Strong emphasis on quantity may sacrifice quality
- Earned income can fluctuate greatly
- High performance pressure: The employee can face increasing expectations and demands of the employer

5

a Incentive pay suppresses so-called "extrinsic motivation" (incentives coming from the environment): Employees are encouraged by financial incentives to work to an extent that, under the circumstances, they would never do on their own initiative ("intrinsic motivation"). When implementing incentive pay, however, it should be noted that many employees have quite a high intrinsic motivation – that is, they are self-motivated. For such highly intrinsically motivated employees, the implementation of incentive wages can lead to at most a small increase in performance.

b Incentive pay would be particularly suitable for tasks in which the performance can be uniquely associated with a particular employee. However, this is only the case for individual, simple, solitary work – incentive pay is a poor way to compensate workers for services provided through division of labor. In addition, complex services are measured on the basis of numerous criteria. If incentive pay is measured by only a single criterion (e.g., output per hour), other performance criteria (e.g., quality or behavior at work) tend to be neglected: The result of this are strong incentive distortions in the performance of tasks.

6

a Individual results based on how the performance reviews go in the groups.

b Individual solutions. Suggestion:

- | | |
|--|---|
| - Good atmosphere | - Discussion structured in phases |
| - Trust | (welcome, problem discussion, etc.) |
| - Active listening (e.g., asking questions, acknowledgement, etc.) | - Search for solutions |
| - Clear formulation of objectives | - Opt for a solution |
| - No judgmental statements | - End of the conversation: formulation of expectations for both parties |

7

a

Criteria	Reference letter for A. Muster
Facts	<ul style="list-style-type: none"> - Period of employment - Area of responsibility
Performance evaluation	<ul style="list-style-type: none"> - Ability to complete the tasks entrusted to her - Above-average commitment - Good suggestions
Behavior/conduct	<ul style="list-style-type: none"> - Trustworthiness - Receptiveness - Reliability - Friendly and natural demeanor - Good manners - Cooperative and behavior beyond reproach

The criteria of facts, performance evaluation and behavior/conduct are met. However, it is worth mentioning that the following sentence could have been formulated in a way that would have been much favorable for her: "Ms. Muster possessed only some of the necessary professional experience and expertise, which meant she was at first overwhelmed."

b

Individual solutions.