

# HUMAN RESOURCE MANAGEMENT AND LEADERSHIP

**6th Exam Date** (Winter Term 2020/21)

Thursday, 14th October 2021

Please write down your **Matriculation Number, Name and Signature** on your work sheet paper.

## Question 1: Ideas about Human Nature

In the following, four different ideas about human nature and work motivation are proposed (a-d). To which **basic idea of human nature** and which **scientific paradigm** do these statements belong? Discuss the **theoretical foundations of each statement** and critically highlight their strengths and weaknesses.

- a) Leadership theories are based on imagery and ambiguous statements with the need for interpretation and with a claim to be true. As managers, we should therefore discuss issues of dominance, power and control with employees.
- b) Successful leadership is based on idealistic behavior, thus it is possible to achieve adequate organization performance by balancing the necessity to get work done (concern for task) with maintaining morale of people at a satisfactory level (concern for people).
- c) Leadership is situational, and the effectiveness of the leadership style depends on the maturity (readiness) of the employees. As managers we should therefore adapt our style of leadership to the job maturity and psychological maturity of our employees.
- d) Symbolic leaders use storytelling to create and change reality. Leadership is embedded in routines, techniques, methods, systems, artefacts, etc. As managers we therefore should surround ourselves by symbolized leadership (artifacts, language, gestures and actions), while we should also symbolize (meaning).

## Question 2: HR Development

In the following, there are four statements about **HR development**, but only one of the statements is correct. Please discuss each statement, whether it is correct or not and substantiate your answer with theoretical and empirical arguments **for each statement (a-d)**.

- a) The participation effort in a career ladder system correlates with the salary. The higher the salary, the higher the effort. Thus, if transparent, such systems increase motivation of employees, while reducing the risk of collusion.
- b) Different generations differ in their career aspirations and loyalty to their employers. Therefore, the core task of HR is to recruit and develop employees with highest career aspirations and loyalty.
- c) 360 degree feedback is a multisource feedback, which means it includes the evaluation of the employee's performance and competencies by their peers, the supervisor and the subordinates. Their evaluation is then compared to the self-evaluation of the employee.
- d) The employee training methods can be categorized along the following dimensions: into-the-job, along-the-job, near-the-job, on-the-job and off-the-job. Training and development of employees should be conducted on a regular basis, irrespective of the employee's competence profile.

### Question 3: Appraisal and Incentive Systems

In the following, there are four statements about **appraisal and incentive systems**, but only one of the statements is correct. Please discuss each statement, whether it is correct or not and substantiate your answer with theoretical and empirical arguments **for each statement (a-d)**.

- a) Employers design compensation systems for employees so that their profits are maximized. The employees want to maximize their utility, which is constant along the indifference curves. The equilibrium between the work effort and leisure time can be found when the lowest indifference curve is tangent to the compensation function.
- b) People have certain expectations of a job, but only monetary rewards can motivate them to do complex tasks which they would not do otherwise.
- c) Variable compensation (depending on performance or success) can motivate employees to put in more effort than if they would get fixed salaries. Nevertheless, research has shown that variable salaries show little effect on market success.
- d) The gender pay gap between men and women can be explained by education, experience, industry and profession, work hours (part time), and other individual factors. In 2021 there is no justifiable reason why women would earn less for the same work as men.

## Question 4: Leadership

In the following, there are four statements about **leadership**, but only one of the statements is correct. Please discuss each statement, whether it is correct or not and substantiate your answer with theoretical and empirical arguments **for each statement (a-d)**.

- a) Charismatic leadership is associated with specific personal characteristics and traits. While ambition, charm, brilliance etc. can be the sources of initial success, they might cause problems at a later point in a leader's career.
- b) Directing, selecting, coaching and supporting are the four leadership behaviors identified by Hersey & Blanchard. Effective leaders choose the leadership style which works best for them early on in their careers, and stick with it regardless of other factors.
- c) Leaders have assumptions about employees, some are positive, such as that the employee wants to contribute to the organization's success, some are negative such as that the employee needs to be enticed to produce results, as otherwise they would have no ambition or incentive to work. Irrespective of whether those assumptions are correct or wrong, they cannot change the actual behavior of the subordinates.
- d) „We are all in the same boat“, is a statement made by leaders that suggests the concern about the well-being of all employees including the management level and the owners. In essence this metaphor is correct and reflects reality comprehensively.

## Question 5: Future Challenges

In the following, there are four statements about **AI related challenges**, but only one of the statements is correct. Please discuss each statement, whether it is correct or not and substantiate your answer with theoretical and empirical arguments **for each statement (a-d)**.

- a) In AI systems the degree of human oversight taken depends on the application and the potential risk. The different levels are human-in-command, human-on-the-loop and human-in-the-loop, and the capability for human intervention increases in this order.
- b) Independent gig workers (on-location platform-determined work) have strong dependencies regarding their working hours, workplace and work organization, despite their self-employed status.
- c) Replacing human operators from systems can reduce operating errors, as they are unreliable and inefficient compared to the automated system. The human operator's job profile requirements can therefore be limited to sophisticated monitoring skills only.
- d) Current research found that about 60 percent of occupations have activities that are 95 percent automatable. Thus, new jobs will be created through technological innovation and a substantial transformation in the labor markets is to be expected.