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STRATEGIC HUMAN RESOURCE MANAGEMENT

TOPIC 4 ORGANIZATIONAL DESIGN AND HRM STRATEGY

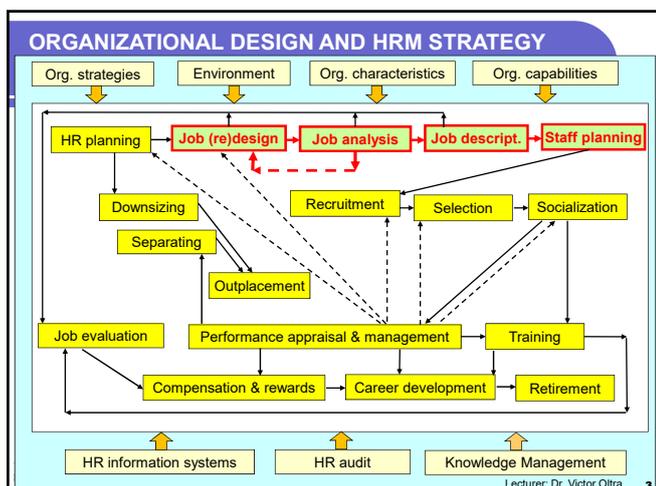
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TOPIC 4. ORGANIZATIONAL DESIGN AND HRM STRATEGY

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References:
 Gómez-Mejía, L. Balkin, D. & Cardy, R. (2007/2012/2016). *Managing Human Resources* (5th/7th/8th International/Global Edition). Chapter 2 (pp. 44-49[2007]/81-85[2012], 55-68[2007]/90-103[2012]) and Chapter 5 (pp. 149-150[2007]/196-199[2012]).
 Herrera Gómez, J. (2001/2009). *Dirección de recursos humanos. Un enfoque de administración de empresas*. ACDE/Ramón Llull. Chapter 3 (section 5.b on 'staff planning').



4.1. ORGANIZATIONAL STRUCTURE AND DESIGN

Organizational structure
 Formal and informal relationships between people in an organization (including units, hierarchy, processes, communication systems, etc.).

Organizational design
 Process through which managers **build, assess and modify the formal organizational structure** in order to develop the tasks necessary to effectively and efficiently achieve organizational goals, thus optimizing the structure's **fit with organizational and HR strategies**.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Bureaucratic (hierarchical) organizational structure

- Traditional, pyramid-shaped structure.
- Top-down approach ('command-and-control') to management.
- Strong hierarchy and high centralization.
- Many management levels.
- Functional division of labour, high work specialization and narrow job descriptions.
- Hierarchical career paths within one function.
- Rigid boundaries separate functional units.
- Key focus on efficiency of operations.
- Works best in predictable and stable environments.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Example of bureaucratic (hierarchical) organization

Source: Gómez-Mejía, Balkin & Cardy (2007/2012), p. 47/p. 83.

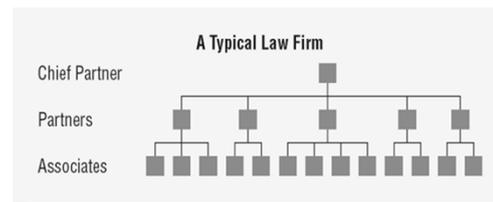
4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Organic (flat) organizational structure

- Few management levels.
- De-centralized approach to management.
- Divided into units or teams focused on different products, services or customers.
- Emphasis on self-managed and cross-functional teams.
- Permeable boundaries between units.
- Cross-functional and horizontal career paths.
- Broad job descriptions and high employee empowerment.
- Key focus on effectiveness and customer responsiveness.
- Works best in rapidly changing environments.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Example of organic (flat) organization



Source: Gómez-Mejía, Balkin & Cardy (2007/2012), p. 47/p. 83.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Boundaryless organizational structure

- Based on relationships with customers, suppliers, and/or competitors, either to pool organizational resources for mutual benefit or to encourage cooperation in an uncertain environment.
- Can include outsourcing, subcontracting, franchising, joint ventures, alliances of different types, etc.
- Boundaries between the organization and its suppliers, customers or competitors are broken down.
- Includes many characteristics of flat organizations.
- Emphasis on cross-organizational teams.
- Key focus on flexibility and change.
- Especially recommended for situations of need to: (i) improve product/service cost or quality, (ii) overcome entry barriers to foreign markets, (iii) share risks of developing new technologies.

4.2. TYPES OF ORGANIZATIONAL STRUCTURES

Example of boundaryless organization

Alliance of three companies that pool their resources to produce a new product, such as a computer chip.



Source: Gómez-Mejía, Balkin & Cardy (2007/2012), p. 47/p. 83.

4.3. JOB DESIGN

Job design

- The process of organizing work into the specific tasks required to perform a broader task.

Job design variables

- Amount and type of **task division and specialization**: low vs. high, unskilled vs. highly skilled.
- Types of job **supervision**: strict, consultative, participative.
- Job **formalization** (normalization): emphasis on using of rules and procedures to standardize tasks' execution and guide behaviour.
- Amount and type of **training** required.
- Amount and type of **indoctrination** (socialization) required.
- **Coordination and control** mechanisms: mutual adaptation, direct supervision, process normalization, skill normalization, output normalization.

4.3. JOB DESIGN

Job characteristics theory

- Employees will be more motivated to work and be satisfied with their jobs, and achieve better work performance (personal and work outcomes), to the extent that **their jobs contain certain core characteristics**, which activate a number of **critical psychological states**.
- Strength of relationships between core job characteristics and personal and work outcomes is determined by intensity of **employee growth need**.

4.3. JOB DESIGN

Job characteristics theory

The diagram illustrates the Job Characteristics Theory. It is organized into three columns: Core Job Characteristics, Critical Psychological States, and Personal and Work Outcomes.

Core Job Characteristics include Skill variety, Task identity, Task significance, Autonomy, and Feedback.

Critical Psychological States include Experienced meaningfulness of the work, Experienced responsibility for work outcomes, and Knowledge of results from work activities.

Personal and Work Outcomes include High internal work motivation, High-quality work performance, High satisfaction with the work, and Low turnover and absenteeism.

Arrows indicate that Core Job Characteristics lead to Critical Psychological States, which in turn lead to Personal and Work Outcomes. A feedback loop at the bottom states that the strength of these relationships is determined by the intensity of the employee's growth need.

Source: Gómez-Mejía, Balkin & Cardy (2007/2012), p. 56(p. 91. Adapted from Hackman, J.R. and Oldham, G.R. (1976). 'Motivation through the design of work: Test of a theory'. *Organizational Behavior and Human Performance*, 16, pp. 250-279.

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4.3. JOB DESIGN

Core job characteristics

- **Skill variety.** Degree to which the job requires the person to do different things and involves the use of different skills and abilities.
- **Task identity.** Degree to which a person can do the job from beginning to end with a visible outcome.
- **Task significance.** Degree to which the job has a significant impact on others – both inside and outside the organization.
- **Autonomy.** Amount of freedom, independence, and discretion the employee has in areas such as the work planning, making decisions, and determining how to do the job.
- **Feedback.** Degree to which the job provides the employee with clear and direct information about job outcomes and performance.

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4.3. JOB DESIGN

Critical psychological states

- **Experienced meaningfulness.** Extent to which the employee experiences the work as important, valuable, and worthwhile.
- **Experienced responsibility.** Degree to which the employee feels personally responsible and accountable for the result of the work.
- **Knowledge of the results.** Degree to which the employee understands on a regular basis how effectively he or she is performing the job.

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4.3. JOB DESIGN

The diagram is a 2x2 matrix with 'LEVEL OF DEMAND FROM THE JOB' on the vertical axis (ranging from - to +) and 'NEED FOR PROFESSIONAL GROWTH' on the horizontal axis (ranging from - to +).

The four quadrants are:

Top-Left (High Demand, Low Growth): NEGATIVE PERFORMANCE ZONE.

Top-Right (High Demand, High Growth): POSITIVE PERFORMANCE ZONE.

Bottom-Left (Low Demand, Low Growth): POSITIVE PERFORMANCE ZONE.

Bottom-Right (Low Demand, High Growth): NEGATIVE PERFORMANCE ZONE.

An arrow points from the top-right quadrant to a box labeled 'STRONG NEED OF JOB (RE)DESIGN INTERVENTIONS'.

A separate box lists interventions: WORK SIMPLIFICATION, JOB ENLARGEMENT, JOB ROTATION, JOB ENRICHMENT, and TEAM-BASED WORK.

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4.3. JOB DESIGN

Job (re)design interventions

- **Work simplification.** Breaking down work into simple, repetitive tasks.
- **Job enlargement** (horizontal loading). Expanding a job's tasks and duties.
- **Job rotation.** Moving workers among different narrowly defined tasks without disrupting the flow of work.
- **Job enrichment** (vertical loading). Putting specialized tasks back together so that one person is responsible for producing a whole product or service. Expands both horizontal and vertical dimensions of a job, makes the job more interesting (and challenging), increases responsibilities and gives more opportunities for autonomy and feedback.
- **Team-based work.** Giving a team, rather than an individual, a whole and meaningful piece of work to do. Team members are empowered to decide among themselves how to accomplish the work.

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4.3. JOB DESIGN

Organizational design, job design and employee motivation

The diagram is a 2x2 matrix comparing 'ROUTINE WORK' and 'ENRICHED WORK' across 'BUREAUCRATIC STRUCTURE' and 'ORGANIC STRUCTURE'.

Top-Left (Routine/Bureaucratic): MAXIMUM INCONSISTENCY - UNDER-OPTIMIZED OVER-CONTROLLED. 'CLASSICAL' CONSISTENCY: EFFECTIVE PERFORMANCE - ADEQUATE SATISFACTION.

Top-Right (Enriched/Bureaucratic): RESPONDS TO DUTIES BUT ANNOYED DUE TO BEING OVER-CONTROLLED. RESPONDS TO DUTIES BUT UNDER-PERFORMING.

Bottom-Left (Routine/Organic): RESPONDS TO DUTIES BUT ANNOYED DUE TO WORK LIMITATIONS.

Bottom-Right (Enriched/Organic): 'FLEXIBLE' CONSISTENCY: QUALITY PERFORMANCE - DEEP SATISFACTION. MAXIMUM INCONSISTENCY: TOO DEMANDING JOB AND ORGANIZATIONAL REQUIREMENTS.

A central box labeled 'GROWTH NEEDS' has arrows pointing to all four quadrants, with 'HIGH' on the left and 'LOW' on the right.

Source: Adapted from Porter, L.W., Lawler, E.E., and Hackman, J.R. (1975). *Behavior in Organizations*. McGraw-Hill.

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4.4. JOB ANALYSIS

Job analysis

- The systematic process of **collecting information that is useful to make decisions about jobs**.
- Identifies the tasks, duties and responsibilities of a particular job.
- Performed by a **job analyst** (HR specialist, manager, or incumbent).

Tasks, duties and responsibilities

- A **task** is a basic element of work that is a logical and necessary step in performing the duty of a job (e.g., completing a travel authorization form).
- A **duty** consists of one or more tasks that constitute a significant activity performed in a job (e.g., keeping track of travel expenses).
- A **responsibility** describes the major purpose or reason for the job's existence, and is usually the result of combining several duties (e.g., managing the departmental budget).

4.4. JOB ANALYSIS

Methods of gathering job analysis information

- Interviews.** The interviewer (usually a member of the HR department) interviews a representative sample of job incumbents using a structured interview.
- Observation.** An individual observes the job incumbent actually performing the job and records the core job characteristics. Especially used in routine jobs where job essentials can be easily observed.
- Diaries.** Several job incumbents are asked to keep diaries or logs of their daily job activities and record the amount of time spent on each activity. The job's essential characteristics are captured by the job analyst by studying the diaries kept over a representative period of time.
- Questionnaires.** The job incumbent fills out a questionnaire that asks some questions about the job's knowledge and skills (K&S) requirements, tasks, duties and responsibilities.

4.4. JOB ANALYSIS

Uses of job analysis

- Compliance with government regulations** (e.g., regarding non-discrimination in the workplace).
- Support for HR activities:**
 - Recruitment.** Helping build a higher-quality pool of job applicants (e.g., by accurately describing the job and thus better screening applicants).
 - Selection.** Improving the evaluation of candidates (e.g., by deciding what kind of tests need to be performed: personality, technical skills, etc.).
 - Performance appraisal.** Helping establish standards to judge employee performance, for purposes of promotion, rewards, layoffs, etc.
 - Training and career development.** Determining training needs (e.g., by comparing required K&S with actual ones and identifying K&S gaps).
 - Compensation.** Helping determine pay structure, by comparing relative worth of jobs' contributions to company performance.

4.4. JOB ANALYSIS

Steps for conducting a job analysis

- Determine the desired uses** of the job analysis.
- Select the jobs** to be analysed (e.g., rapidly changing jobs, entry level jobs, jobs in a particular unit/department).
- Gather the job information** (within budget constraints).
- Verify the accuracy** of the job information (both the incumbent and the immediate supervisor should review the information).
- Document the job analysis by writing a job description.**

Job analysis and organizational flexibility

In **dynamic environments**, it is better to focus on workers rather than on job characteristics (broad worker's K&S vs. specific tasks).

4.5. JOB DESCRIPTION

Job description

- Summary statement of the information collected in the job analysis process.**
- Written document that identifies, describes and defines a job in terms of its tasks, duties, responsibilities, working conditions, specifications, and necessary qualifications.

Specific vs. general job descriptions

- Specific job description.** Detailed summary of a job's tasks, duties and responsibilities. Emphasis on efficiency, control, and detailed work planning. Fits best with bureaucratic structures and stable environments.
- General job description.** Inclusion of only the most generic duties, responsibilities, and skills. Emphasis on innovation, flexibility, and loose work planning. Fits best with flat and boundaryless structures, and dynamic environments.

Example of a specific job description

Job Title: **Service and Safety Supervisor**

DIVISION: Plastics
DEPARTMENT: Manufacturing
SOURCE(S): John Doe
JOB ANALYST: John Smith
DATE ANALYZED: 12/26/06

WAGE CATEGORY: Exempt
VERIFIED BY: Bill Johnson
DATE VERIFIED: 1/5/07

Job Summary

The SERVICE AND SAFETY SUPERVISOR works under the direction of the IMPREGNATING & LAMINATING MANAGER; **schedules** labor pool employees; **supervises** the work of gardeners, cleaners, waste disposal, and plant security personnel; **coordinates** plant safety programs; **maintains** daily records on personnel, equipment, and scrap.

Job Duties and Responsibilities

- Schedules** labor employees to provide relief personnel for all manufacturing departments; **prepares** assignment schedules and **assigns** individuals to departments based on routine as well as special needs in order to maintain adequate labor levels through the plant; **notifies** Industrial Relations Department weekly about vacation and layoff status of labor pool employees, contractual disputes, and other employment-related developments.
- Supervises** the work of gardeners, cleaners, waste disposal, and plant security personnel; **plans** yard, cleanup, and security activities based on weekly determination of needs; **assigns** tasks and responsibilities to employees on a daily basis; **monitors** progress or status of assigned tasks; **disciplines** employees.
- Coordinates** plant safety programs; **teaches** basic first-aid procedures to security, supervisory, and lease personnel in order to maintain necessary coverage of medical emergencies; **trains** employees in fire fighting and hazardous materials handling procedures; **verifies** plant compliance with new or changing OSHA regulations; **represents** division during company-wide safety programs and meetings.
- Maintains** daily records on personnel, equipment, and scrap; **reports** amount of waste and scrap to cost accounting department; **updates** personnel records as necessary; **reviews** maintenance checklists for towmotors.
- Performs** other miscellaneous duties as assigned.

Job Requirements

- Ability to apply basic principles and techniques of supervision.
- Knowledge of principles and techniques of supervision.
- Ability to plan and organize the activities of others.
- Ability to get ideas accepted and to guide a group or individual to accomplish the task.
- Ability to modify leadership style and management approach to reach goal.
- Ability to express ideas clearly both in written and oral communications.
- Knowledge of current first-aid procedures.
- Knowledge of OSHA regulations as they affect plant operations.
- Knowledge of labor pool jobs, company policies, and labor contracts.

Minimum Qualifications

Twelve years of general education or equivalent; one year supervisory experience; and first-aid instructor's certification.

OR

Substitute 45 hours classroom supervisory training for supervisory experience.

Job Title: Supervisor

DIVISION: Practice
 DEPARTMENT: Manufacturing
 SOURCE(S): John Doe, S. Lee
 JOB ANALYST: John Smith
 DATE ANALYZED: 12/26/06

WAGE CATEGORY: Exempt
 VERIFIED BY: Bill Johnson
 DATE VERIFIED: 1/9/07

Job Summary

The SUPERVISOR works under the direction of the MANAGER; **plans** goals; **supervises** the work of employees; **develops** employees with feedback and coaching; **maintains** accurate records; **coordinates** with others to achieve optimal use of organizational resources.

Job Duties and Responsibilities

- Plans** goals and allocates resources to achieve them; **monitors** progress toward objectives and adjusts plans as necessary to reach them; **allocates** and **schedules** resources to assure their availability according to priority.
- Supervises** the work of employees; **provides** clear instructions and explanations to employees when giving assignments; **schedules** and assigns work among employees for maximum efficiency; **monitors** employees' performance in order to achieve assigned objectives.
- Develops** employees through direct performance feedback and job coaching; **conducts** performance appraisals with each employee on a regular basis; **provides** employees with praise and recognition when performance is excellent; **corrects** employees promptly when their performance falls to meet expected performance levels.
- Maintains** accurate records and documents actions; **processes** paper work on a timely basis, and with close attention to details; **documents** important aspects of decisions and actions.
- Coordinates** with others to achieve the optimal use of organizational resources; **maintains** good working relationships with colleagues in other organizational units; **represents** others in unit during division or corporatowide meetings.

Job Requirements

- Ability to apply basic principles and techniques of supervision.
 - Knowledge of principles and techniques of supervision.
 - Ability to plan and organize the activities of others.
 - Ability to get ideas accepted and to guide a group or individual to accomplish the task.
 - Ability to modify leadership style and management approach to reach goal.
- Ability to express ideas clearly in both written and oral communications.

Minimum Qualifications

Twelve years of general education or equivalent; and one year supervisory experience.

OR

Substitute 45 hours classroom supervisory training for supervisory experience.

Source: Gómez-Mejía, Bakin & Cardy (2007/2012), p. 67, p. 102.
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4.5. JOB DESCRIPTION

Basic elements of a job description

- Identification information.** Job title, location, and source of job analysis information; who wrote the job description; the dates of the job analysis and the verification of the job description.
- Job summary.** Short statement that summarizes the job's duties, responsibilities, and place in the organizational structure.
- Job duties and responsibilities.** Explanation of what is done on the job, how it is done, and why it is done. Usually only the three to five most important duties/responsibilities are mentioned (each statement beginning with an action verb).
- Job specifications.** List of the worker characteristics (K&S) needed to perform the job successfully.
- Minimum qualifications.** Basic standards a job applicant must have achieved to be considered for the job (education and/or experience).

Source: Gómez-Mejía, Bakin & Cardy (2007/2012), p. 67, p. 102.
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4.6. STAFF PLANNING

Staff planning

Set of plans and processes aimed at:

- defining the appropriate **number of employees (and their qualifications) needed** at the different organizational units and job categories, and consequently
- properly **balancing labour demand and supply**.

Source: Gómez-Mejía, Bakin & Cardy (2007/2012), p. 150p. 196.
 Lecturer: Dr. Victor Oltra

4.6. STAFF PLANNING

Steps of a staff planning process

- Build a detailed **database** of employees' demographic data, K&S data, and performance assessment data.
- Conduct a **forecast** of the most likely future evolution of the above data.
- Assess the **impact of organizational strategy** on different units' evolution and possible changes.
- Assess the impact of different units' evolution and possible changes in **staff needs and job requirements** at these units (e.g., job obsolescence, new job creation, changes in tasks, etc.).
- Develop **different options**, considering (short and long-term) financial, organizational and political consequences (e.g., layoffs, outplacement, early retirements, new hirings, internal transfers, job redesign, etc.).
- Dialogue and negotiation** with the affected employees and other stakeholders (e.g., trade unions).
- Choice and implementation of specific **action plans**.

Source: Gómez-Mejía, Bakin & Cardy (2007/2012), p. 150p. 196.
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Simplified example of predicting labour demand for a hotel chain with 25 hotels, expanding to 32 hotels

	A Number of Employees (2005)	B Ratio of Employees/Hotels (Calculated as Column A ÷ 25)	C Projected 2006 Labor Demand for 32 Hotels (Calculated as Column B × 32)*
Key Positions			
General Manager	25	1.00	32
Resident Manager	9	.36	12
Food/Beverage Director	23	.92	29
Controller	25	1.00	32
Assistant Controller	14	.56	18
Chief Engineer	24	.96	31
Director of Sales	25	1.00	32
Sales Manager	45	1.80	58
Convention Manager	14	.56	18
Catering Director	19	.76	24
Banquet Manager	19	.76	24
Personnel Director	15	.60	19
Restaurant Manager	49	1.96	63
Executive Chef	24	.96	31
Sous Chef	24	.96	31
Executive Housekeeper	25	1.00	32
Total	379		486

Source: Gómez-Mejía, Bakin & Cardy (2007/2012), p. 150p. 196.
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