

# **PSY2407 - Introduction to Personnel Psychology**

**Autumn 2015**

Home exam

Tuesday 3. – 17. November, 14:00

The maximum length of your exam assignment is **3000 words**. Report the word count on the front page of the assignment. Write your candidate number that you find in StudentWeb (do not use your name) and course code on the front page of your assignment.

Please use the APA-style for citing:

<http://www.sv.uio.no/english/studies/resources/sources-and-references/APA-guide-summary>

If you have **formal** questions during the exam period, you can post these questions in the blog in the Fronter room of this course. I will answer them once a day during the exam period.

**Good luck!**

## CASE INCIDENT 1

### Innovative HRM at Virgin Mobile UK

Innovative HR policies and practices have helped Virgin Mobile UK to become one of the major players on the UK scene.

#### Recruitment and selection

When asked what she was most proud of in terms of personnel activities, director of HR Lily Lu had no doubt: recruitment. 'I am utterly proud of our recruitment, of how

unusual, innovative, eye-catching and fun our campaigns are,' she says. 'They reflect our values of fun, openness and innovation.'

This openness is carried through beyond advertising. Customer service adviser (CSA) selection takes place at an assessment centre and assessors deliberately leave the room so that candidates have carte blanche to ask an existing CSA whatever they wish. The company does not

run a conventional management trainee scheme and relies on word-of-mouth and work experience people for its intake. 'We avoid the run-of-the-mill "milk round", with express training, at the end of which people may not be interested,' explains Lu. In the first year, graduate recruits do three or four months in different business areas, making a final choice at the end of the year.

#### Retention

While Virgin Mobile refuses to disclose staff turnover rate, Lu claims it is low – although higher than she'd like in the customer centres. 'But it is coming down thanks to our culture and the flexibility in working style,' she says.

Employee benefits include four times base salary on death in service, private medical cover, pensions, 25 days holiday, enhanced maternity benefits and paid sick leave up to a maximum of 12 weeks full pay. The company also offers a bonus scheme, subsidised staff restaurant and the popular Virgin 'tribe' discount scheme.

The maternity package consists of the first six weeks of leave at full basic pay, regardless of length of service. For staff who have been with the company for at least two years, maternity pay is enhanced in 20 per cent steps to a maximum of 100 per cent base pay for the full 18 weeks. The company is also investigating non-crèche child-friendly work options.

Flexible working is offered informally to non-customer service staff and the company tries to be as accommodating as possible with shift patterns.

#### Training and development

One of Virgin Mobile's most innovative initiatives in the training arena is its Trowbridge-based 'learning zone' for which it sets aside about €10,000 a year. The learning

zone is rather like a library, with a quiet reading area, fish tank and a variety of training and development resources, including an on-site manager. Training delivery is a mixture of classroom, on-the-job, online and in the learning zone. New recruits receive an average 23 days training. For existing staff, they complete three days training each per year on average.

#### Performance management

Virgin Mobile's appraisal and development system, the Employee Development Programme (EDP), is Lily Lu's brainchild. Originally a platform for assessing the staff bonus scheme, the EDP links HR strategy to the bottom line and takes into account skills and personal qualities. In the melting pot are customer base, customer satisfaction, personal performance and company financial performance. And each individual has a formal annual assessment with line managers.

#### Questions

1. Evaluate human resource management (HRM) at Virgin Mobile UK. What is the company doing well? What could be improved?
2. Virgin Mobile has subsidiaries in India, Australia, Canada, South Africa, the United States and France. Do you think these HR practices would work in these countries? Why or why not?
3. Imagine you are working for Virgin Mobile UK. How do you think these HR policies and practices would affect your behaviour at work?

Source: Adapted from L. Hall, 'Innovative recruitment works for Virgin', *Personnel Today*, 16 July 2002.

You can reach up to:

- 20 points in question 1,
- 10 points in question 2 and
- 10 points in question 3.