

(8)•

MB-403(H2)

incremental process. However, overall, people started to understand how this process was intended to make their life a lot more meaningful in the workplace. The Chairman says, 'People think business is hard and tough. They've forgotten that the world is a bunch of communities.'

Questions :

- (a) Discuss the unique features of organizational design at Harley-Davidson.
- (b) Identify the problems faced by the company and suggest precautionary measures for such an organizational form.

MB-403(H2)

330

H

Roll No.

MB-403(H2)

M. B. A. (FOURTH SEMESTER)

MID SEMESTER

EXAMINATION, May, 2023

**STRATEGIC HUMAN RESOURCE
MANAGEMENT**

Time : 1½ Hours

Maximum Marks : 50

Note : (i) This question paper consists of two sections—Section A and Section B.

(ii) Both sections are compulsory.

(iii) Answer any *two* sub-questions among (a), (b) and (c) in each main question of section A. Each question carries 5 marks.

(iv) Section B consisting case study is compulsory. It carries 20 marks.

P. T. O.

(2)

MB-403(H2)

Section—A

1. (a) How competencies are useful in HR strategies. (CO3)
(b) Explain the concept of SHRM and its needs in today world. (CO1)
(c) What do you mean by 'best fit' and 'best practice' approach? (CO2)
2. (a) "High-quality workforce enables organization to compete on the basis of market responsiveness, product and service quality, differentiated products and technological innovation, instead of reliance on low cost." Critically evaluate this statement. (CO4)
(b) Highlight HR contribution to the strategy of organization. (CO3)
(c) What do you mean by sustainable competitive advantage? (CO1)
3. (a) Why HR is critical to company's performance? (CO2)
(b) "HR is a strategic partner in business strategy". Elucidate the statement. (CO3)
(c) "People leave managers, not companies". Discuss. (CO4)

(3)

MB-403(H2)

Section—B

4. **Case study :** (10×2=20 Marks)

In 1903, Harley-Davidson (H-D) was established at Milwaukee in the United States by William S. Harley (William) and Arthur Davidson (Arthur). They manufactured their first motorcycle in a 10 x 15 feet wooden shed with a hand-written sign on the door that read 'Harley-Davidson Motorcycle Company'. On 17 September 1907, the name 'Harley-Davidson Motor Company' was incorporated. In 1908, H-D sold the first motorcycle for police duty to the Detroit Police Department in Michigan in the United States. In 1917, during the First World War, there was an increased demand for the US motorcycles overseas. This increase in demand made H-D a leader in innovative engineering by the 1920s.

HR Initiatives

H-D implemented the Accenture human capital development framework (HCDF) to encourage

P. T. O.

(4)

MB-403(H2)

greater employee participation and collaboration. This initiative was undertaken in order to bring about improvements in its HR functions, and thereby attain improved performance. One major intervention that H-D adopted to encourage greater employee participation and collaboration was the circle organization. The rationale behind creating such circles was to come out of the chain of control leadership style of management and foster teamwork among the employees. H-D took these initiatives after the company's new management realized that in order to survive in a highly competitive market in the long run, it was essential to make the company a continuous learning and improving organization where there was free and open communication between all levels of the employees. Each and every employee, it felt, should be able to comprehend their roles in the

(5)

MB-403(H2)

company and the consequence of their roles to the company.

The purpose was to move from a triangular organization to a circular arrangement—one that could promote creation of self-directed teams. Creating such a circular organization had two important outcomes—first, it helped build a close-knit flexible team structure that transcended the boundaries of hierarchy and, second, it helped identify future leaders by enabling managers to work with people from different units and departments. The circle organization is depicted as three interlocking circles that define 'the interdependent core processes' of an organization; these are surrounded by a larger circle that represents all stakeholders. In H-D's case, the circle groups depict those who 'create demand', 'produce product', and 'provide support'. In the centre, where all intersect, stands the leadership and strategy council (LSC), a small, innovative

P. T. O.

entity that identifies the business issues affecting the entire organization (for example, strategic plans, HR policies, and operating budgets) and coordinates cross-functional interdependent activities. A circle organization can increase organizational flexibility, become more customer-centric, and deflate internal hierarchies.

The 'musts' for employee involvement at H-D were :

- Management, with the help of its words and actions, must reveal that continuous improvement of quality and efficiency is a way of life, and not merely another programme.
- Management must be firmly committed to people-building philosophy, which implied the belief that employees are thinking, rational human beings and, hence, should be encouraged to develop and grow.
- Management must be strictly committed to the employee involvement programme and

should display that commitment to cultivate mutual trust between the employees and the management.

- Employees should be comprehensively trained in problem-solving and methods of quality control.

Though H-D showed some progress on the human capital infrastructure and human capital strategy front, it still has a long way to go. Even with a sound vision and strong employee buy-in, a circle organization cannot simply power ahead. There are some employees who were slower on adapting to the new form and some who thought it was a lot of interdependency of roles. There was an increase in employee turnover during the transformation period. It was tough to bring about the change from a comfortable system to one that demanded lot of flexibility and discomfort. That is why the important thing to understand is that it is an evolutionary,