National University of Computer and Emerging Sciences, Lahore Campus
FAST School of Management
<u>Final Exam</u>

Course:	Human Resource Management	**Course Code:**	MG 560
Program:	MS(SPM)	**Semester:**	Spring 2018
Duration:	3 hours	**Total Marks:**	50
Section:	A/ B	**Weight**	50%
Name:		**Pages:**	1
Roll:		**Instructor:**	Arslan Shoaib

Instruction/Notes:	• **Give headings with 1 Page Answers in Neat Hand Writing Only**

<u>Case Study</u>

Previously, As its board of directors began reviewing possible candidates to be IBMs next CEO, their thoughts turned to the sort of company IBM would be in the next few years. Some trends were clear. IBM had already sold off several commodity businesses such as personal computers and disk drives, replacing them with new software and service/consulting businesses. The new CEO would have to address new trends such as cloud computing. More sales would come from emerging markets in Asia and Africa. Strategic changes like these meant that IBMs employees would need new skills, and that the firm needed new personnel and succession plans for how to staff its new businesses

Subsequently, Technological change is occurring so fast that IBM will soon need a workforce with dramatically different skills than its workforce has now, one capable of reacting to customers changing needs on demand. IBM could, of course, merely size up its employees periodically and let go those who don t measure up. Instead, IBM chose to put in place an on-demand staffing strategy. This aims to ensure that its current employees get the training and coaching they need to play roles in IBMs future. To do this, IBM budgeted $700 million per year to identify needed skills, spot gaps for skills that are in short supply, and to train and assess its executives, managers, and rank-and-file employees. IBMs on-demand staffing effort is having at least two big effects. It is supporting IBMs strategy, which depends on being able to offer the fast-evolving technological services its customers need, at once, on demand. The staffing program is also improving employee retention, by minimizing the layoffs and resignations that might occur if employees skill sets were inconsistent with IBMs needs.

1) **Identify** Correct Job Analysis Step that IBM needs to conduct in order to find what new skills its employees need (Provide reason how that step helps in providing relevant information) [B.T 3, L.O 1]
   STEP 4
   Actually analyze the job by collecting data on job activities, necessary employee behaviors and actions, working conditions, and human traits and abilities required to perform the job. For this step, one or more than one methods of job analysis may be needed

2) **Analyze,** How did IBM "Make Learning Meaningful" When in the passage IBM "identify needed skills, spot gaps for skills that are in short supply, and to train and assess its executives, managers, and rank-and-file employees" In which step does "Make Learning Meaningful" fall in

STEP 2 DESIGN TRAINING PROGRAM

MAKING THE LEARNING MEANINGFUL
- At the start of training, provide a bird s-eye view of the material that you are going to present. For example, show why it s important, and provide an overview.
- Use a variety of familiar examples.
- Organize the information so you can present it logically, and in meaningful units.
- Use terms and concepts that are already familiar to trainees.
- Again, create a perceived training need in trainees minds. In one study, pilots who experienced pretraining, accident-related events subsequently learned more from an accident-reduction training program than did those experiencing fewer such events. Similarly, before the training,managers need to sit down and talk with the trainee about why they are enrolled in the class, what they are expected to learn, and how they can use it on the job

<u>**Case Study**</u>

When Honda built a new plant in Alabama, it had to hire thousands of new employees. Honda s recruiting ad sought applicants for a free training program Honda was offering as a precondition for applying for jobs at the new plant. Applicants needed at least a high school diploma or GED, employment for the past 2 years with no unexplainable gaps, and Alabama residency. Eighteen thousand people applied.

First Honda and the Alabama state employment agency screened the applicants by eliminating those who lacked the education or experience. They then gave preference to applicants near the plant. About 340 applicants per 6-week session received special training at a new facility, two evenings a week. This included classroom instruction, videos of Honda employees in action, and actually practicing particular jobs. Some candidates who watched the videos dropped out after seeing the work space.

During training, Alabama state agency assessors scrutinized and rated the trainees. They then invited those who graduated to apply for plant jobs. Honda employees (from HR and departmental representatives) then interviewed the candidates, reviewed their training records, and decided who to hire. New employees take a one-time drug test, but no other paper-and-pencil tests or credentials are required. New hires receive a 3-day orientation. Then, assistant managers in each department

3) **Analyze**, how content validity was ensured by Honda when, "About 340 applicants per 6-week session received special training at a new facility, two evenings a week. This included classroom instruction, videos of Honda employees in action, and actually practicing particular – Then, During training, Alabama state agency assessors scrutinized and rated the trainees jobs" [B.T 3, L.O 3]
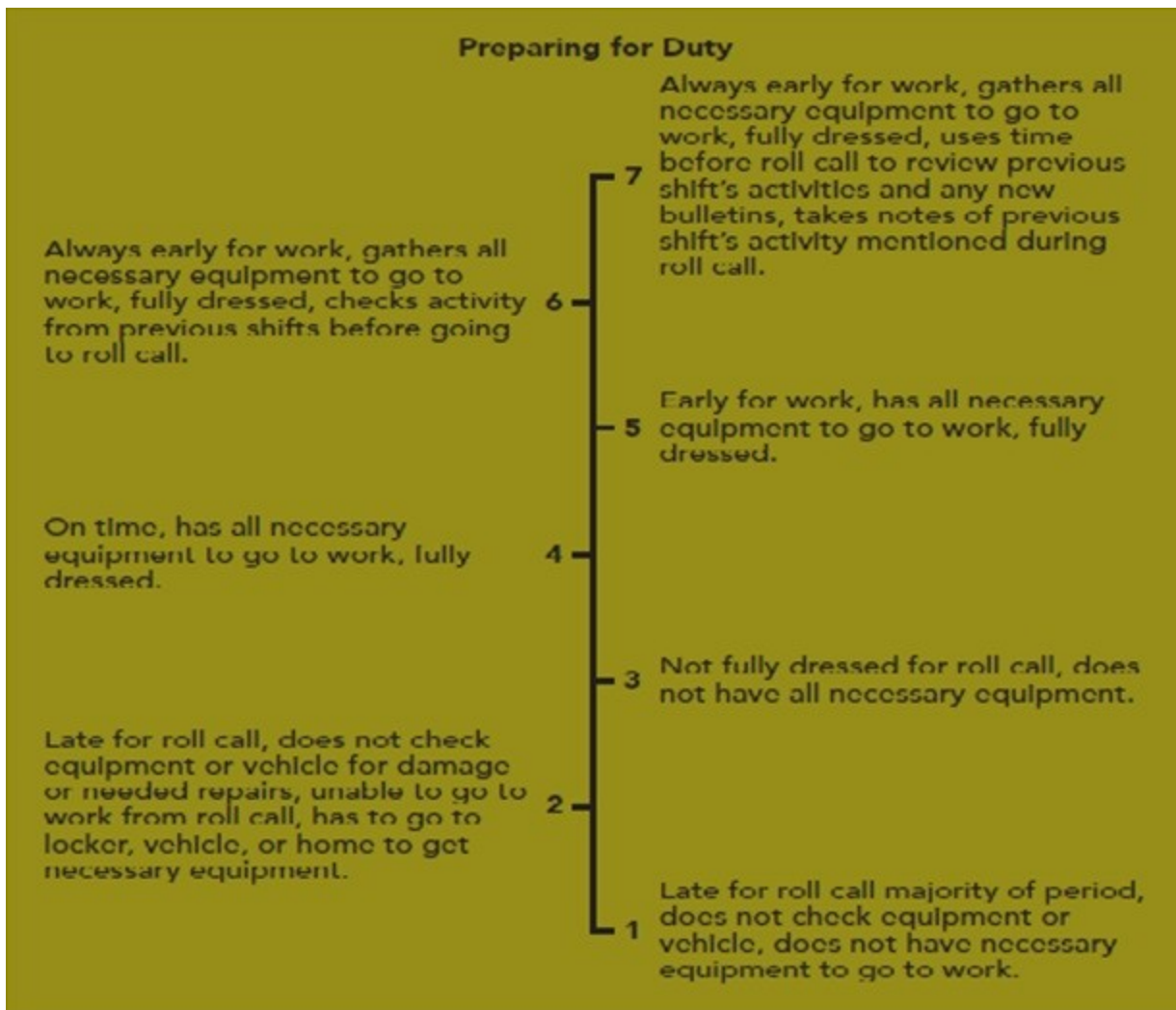
Content Validity

Test includes fair sample of job's content.
Identify job tasks critical to performance
Then select a sample of those tasks for tests
Content you choose for the test is representative sample of what the person needs to know to do the job

Honda gave classroom instruction, videos of Honda employees in action, and actually practicing particular – Then, During training, Alabama state agency assessors scrutinized and rated the trainees which shows they were tested on aforementioned material

Preparing for Duty

Always early for work, gathers all necessary equipment to go to work, fully dressed, uses time before roll call to review previous shift's activities and any new bulletins, takes notes of previous shift's activity mentioned during roll call. — 7

Always early for work, gathers all necessary equipment to go to work, fully dressed, checks activity from previous shifts before going to roll call. — 6

Early for work, has all necessary equipment to go to work, fully dressed. — 5

On time, has all necessary equipment to go to work, fully dressed. — 4

Not fully dressed for roll call, does not have all necessary equipment. — 3

Late for roll call, does not check equipment or vehicle for damage or needed repairs, unable to go to work from roll call, has to go to locker, vehicle, or home to get necessary equipment. — 2

Late for roll call majority of period, does not check equipment or vehicle, does not have necessary equipment to go to work. — 1

Descriptive Questions:

4) **Identify,** the appraising tool above. Explain why this tool can help eliminate rating error as compared to graphic rating scale [B.T 3, L.O 1]

BARS.

Examples illustrated in BARS prevents rated from suffering from any bias or rating error such as Halo effect. On the contrary, such biases can easily take place in other rating scales such as Graphic Rating Scale

The Impact of Financial and Nonfinancial Incentives

Two researchers studied the impact of financial and nonfinancial incentives on business performance in 21 stores of a fast-food franchise in the Midwest.109 The researchers carefully compared performance over time in stores that did and did not use financial and nonfinancial incentives. Each store had about 25 workers and two managers. The researchers trained the managers to identify observable, measurable employee behaviors that were currently deficient but that could influence store performance. Example behaviors included keeping both hands moving at the drive-through window, working during idle time, and repeating the customer s order back to him or her. Then they instituted the incentive plans. The researchers measured store performance in terms of gross profitability (revenue minus expenses), drive-through time, and employee turnover.

Financial Incentives

Some employees in some of the stores received financial incentives for exhibiting the desired behaviors. The financial incentives consisted of lump-sum bonuses in the workers paychecks. For example, if the manager observed a work team exhibiting up to 50 behaviors during the observation period, he or she added $25 to the paychecks of all store employees that period; 50 to 100 behaviors added $50 per paycheck, and more than 100 behaviors added $75 per paycheck. Payouts rose over time as the employees learned more about the behaviors they were to exhibit.

Nonfinancial Incentives

The researchers also trained the managers in some stores to deliver nonfinancial incentives in the form of feedback and recognition. For example, for performance feedback managers maintained charts showing the drive-through times at the end of each day. They placed the charts by the time clocks, so all the store employees could keep track of their store s performance on things like drive-through times. The researchers also trained managers to administer recognition to employees, such as, I noticed that today the drive-through times were really good. That is great since that is what we re really focusing on these days.

Results

Both the financial and nonfinancial incentives improved employee and store performance. For example, store profits rose 30% for those units where managers used financial rewards. Store profits rose 36% for those units where managers used nonfinancial rewards. During the same 9-month period, drive-through times decreased 19% for the financial incentives group, and 25% for the nonfinancial incentives groups. Turnover improved 13% for the financial incentives group, and

10% for the nonfinancial incentives group.

5) **Analyze,** why companies should not waste money on incentives that seem logical according to Five Building Blocks of Effective Incentive Plans (Use Results for your Answer)[B.T 3, L.O 1]

As per The Five Building Blocks of Effective Incentive Plans Be scientific. Don t waste money on incentives that seem logical but that may not be contributing to performance. Gather evidence and analyze the effects of the incentive plan over time, to ascertain whether it is indeed influencing the measures (such as employee turnover, and so on) that you intended to improve through your plan.