**RATHNAVEL SUBRAMANIAM COLLEGE OF ARTS AND SCIENCE, (AUTONOMOUS), SULUR, COIMBATORE – 641 402 POST GRADUATE AND RESEARCH SCHOOL OF COMMERCE**

**M. Com (CA)**

**SUBJECT: EDC - HRM DATE: 11th August 2022**

**TOPIC: ORGANIZATION OF HR DEPARTMENT**

**SECOND WEEK: Quiz, Activities (Individual, Group) and Assignments QUIZ – Posted in Google Classroom**

**INDIVIDUAL ACTIVITIES**

NIL

**GROUP ACTIVITIES**

1. How do the duties of HR Manager relate to the line managers?

**ASSIGNMENT**

**CASE STUDY**

JACK NELSON’s PROBLEM

As a new member of the board of directors for a local bank, Jack Nelson was being introduced to all the employees in the home office. When he was introduced to Ruth Johnson, he was curious about her work and asked her what the machine she was using did. Johnson replied that she really did not know what the machine was called or what it did. She explained that she had only been working there for 2 months. However, she did know precisely how to operate the machine. According to her supervisor, she was an excellent employee.

At one of the branch offices, the supervisor in charge spoke to Nelson confidentially, telling him that "something was wrong, "but she didn't know what. For one thing, she explained, employee turnover was too high, and no sooner had one employee been put on the job than another one resigned. With customers to see and loans to be made, she continued, she had little time to work with the new employees as they came and went.

All branch supervisors hired their own employees without communication with the home office or other branches. When an opening developed, the supervisor tried to find a suitable employee to replace the worker who had quit.

After touring the 22 branches and finding similar problems in many of them. Nelson wondered what the home office should do or what action he should take. The banking firm generally was regarded as being a well-run institution that had grown from 27 to 191 employees during the past 8 years. The more he thought about the matter, the more puzzled Nelson became. He couldn't quite put his finger on the problem, and he didn't know whether to report his findings to the president.

Questions:

1. What do you think was causing some of the problems in the bank home office and branches?
2. Do you think setting up an HR unit in the main office would help?
3. What specific functions should it carry out? What HR functions would then be carried out by supervisors and other line managers? What role should the technology play in the new HR organization?

What do you think is causing some of the problems in the bank’s home office and branches?

Answer:

There is clearly a problem with communication between the supervisors, branch offices, and other

branches as well and the effects affect in the area of employee commitment. The main issue in this

case is employee turnover was high during past eight years, as a result supervisor tried to find a

suitable employee to replace the worker who had quit the job. This may happens because the bank

does not have a proper recruitment and selection program in place to help select, shortlist, and

interview and recruit the most suitable candidates for the jobs they have available. It can also be

that employees did not receive proper training to prepare and develop them for their job

responsibilities. Another possibility is that employees are dissatisfied with the compensation and

benefits that the company offers them. This brings the morale of the employees down and could be

the reason for the high employee turnover.