

FACULTY OF MANAGEMENT STUDIES, UNIVERSITY OF DELHI
MBA (FT) (1ST YEAR; 1ST SEMESTER) EXAMINATION
NOVEMBER 2015

PAPER: MBAFT-6106: HUMAN RESOURCE MANAGEMENT

Time: 3 hours

Max. Marks: 50

Answer FIVE Questions in all, with a MINIMUM OF TWO Questions from each Section.
ALL QUESTIONS CARRY EQUAL MARKS (10 Marks)

SECTION A

1. During the past two decades, Indian companies are increasingly paying greater attention to managing employees in a more professional manner. Several reasons are attributed to this dramatic shift. Some of the notable ones are: a) rapid growth of service sector, especially IT, ITES, Consulting, Banking, Retail, Hospitality, etc; b) workforce that are younger, educationally more qualified, geographically diverse, and increased number of women; c) aggressive market for talent thus increasing disparity in compensation not only within the same industry sector but also between manufacturing and service industries; and d) changing work ethic and values forcing organisations to pay greater attention to individual centric strategies. However, sceptics argue that these attributes are typical to service sector, while most manufacturing and closely held companies are still old fashioned in their approach to managing human resources. Sceptics also argue that the service sector has made India's manufacturing sector unsustainable due to the disparities in compensation, working conditions, and perceived prestige of working in these companies that manufacturing companies cannot match.

Read the above paragraph carefully. Analyse possible consequences of growth of service sector on wage disparity, demographic diversity, talent management, and work values and other human resource management practices? Illustrate the implications on specific HR practices as well as behavioural outcomes such as work-life balance, compensation, talent acquisition, training, organisational culture, gender equality, etc.

2. "Columbus" is a rapidly growing search engine start-up company, which claims to include features such as social networking, travel and hospitality, drop-box facility, media sharing, etc, under one account. It also helps customers to customise their search through voice – mail interface. It has been rated among the fastest growing and most innovative company by several industry magazines. Many investors have been vying to buy-in to the company. Most of the employees are college graduates

(10)

from different subject disciplines, with a flair for creativity, sense of adventure, and idea generation. Since it is a start-up company, an informal culture prevailed. The company thrives on experimenting with ideas; failures are often documented and shared without recrimination. Work stations are organised in clusters (circles) with a meeting table in the middle as if to suggest a social club at work. There are no formal hierarchies. Team leads are chosen on the basis of whoever generates the ideas and those who like the idea to work further. Thus the idea generator is called "Darwin" and his team is called "Watson", named after famous biologists. The founder, Mr. Raavi is fond of using biological phenomenon as examples of dynamic organizations. The company has been hiring its staff through employee referrals. However, recently the company splashed an advertisement in select trade magazines, looking for '*People with oodles of creativity, flair for experimentation, and enthusiasm to listen to the heart and minds of the customers and reach out with solutions*'. In the advertisement the company gave details of its business and customers, and future plans but made no mention of the job profile or qualifications.

Given the organisational culture in Columbus, how would you be able to predict that an applicant is worth hiring? What would be the indicators that will determine your decision to hire or reject a candidate? Illustrate any TEN such indicators (e.g. flair for experimentation) and explain how you would be able to judge such quality in the job applicant.

3. Mr. Ajay was recently hired as the Director (HR) in an automobile component manufacturing company. Prior to this appointment, Ajay was working as a General Manager (HRD) in a precision equipment manufacturer. Few weeks in to his job, Ajay was taken aback at some of the old fashioned HR systems in the company and was determined to change them. When he made a presentation on some of the changes he envisioned, the CMD liked his thoughts and encouraged Ajay to make changes without creating major ripples in the company. One of Ajay's priorities was to improve the performance evaluation system (PES) that was being implemented in the company since mid-90s. Managers were evaluated annually on (quantitative) targets achieved using percentage scale. They were also assessed using some behavioural traits such as leadership, communication, etc, using graphic rating scale. The evaluation was neither shared with the managers nor was any verbal feedback given to the job holders. There was no clarity on what the objective of the PES or how the PES information was being used. Some managers with better performance outputs (targets) were not promoted, but others were. Managers have become cynical about the existing system.

Ajay wants to introduce a more encompassing Performance Management System (PMS) using clearly defined KRAs and KPAs; setting performance targets though consultation; replacing the graphic ratings with Behavioural Anchors (BARS) and making the system more transparent. If you were Mr. Ajay, what steps you would take to introduce the PMS

system? Illustrate a KPA "Customer Relations" in a Behaviourally Anchored Rating scale format.

SECTION B

4. XYZ is a recently established joint venture between an Indian and a German firm for manufacturing automobile components. Management from both the sides agreed on several HR policies and systems, but could not reach any agreement on the compensation system. The Indian partner wanted a grade based pay and a year-end performance linked bonus. But the German partner was keen to introduce a performance based pay with 70% as fixed component and 30% as variable component. German managers believed that the only way young, talented employees could be attracted, retained and motivated to perform is by being more focused on performance linked compensation system. Whereas the Indian managers felt that the grade pay system is simpler to manage, culturally compatible, reduces employee grievances, does not induce aggressive competitive behaviour and is more transparent. They also argued that since there are several hierarchical levels in the company, a grade based pay would be more acceptable. The managers also argued about the number of allowances. Indian managers sought a wider range of allowances to enable employees to reduce tax burden, whereas the Germans wanted a more comprehensive package with less diverse types of allowances.

Based on your understanding of the compensation system, what should be the approach for a compensation system in this joint venture? What are the merits and demerits of grade based pay versus performance linked pay. What kind of perks, benefits and allowances that would evoke employee motivation as well as qualify for tax benefits?

5. Industrial Relations in India is often characterised by lack of mutual trust between employees and the management sometimes leading to violent consequences. Role of the state, in the past, could be at best described as ambivalent sometimes siding with employers and other times with the employees, for reasons other than maintaining industrial harmony. However, in recent years the state seem to have become conscious of the economic consequences of strident union activism and have shown little tolerance for any obstinate unionism. Few years ago, in a protest demonstration by employees of an automobile company near Delhi, police were shown to be mercilessly beating up the workers and several dozens were imprisoned with alleged false complaints. Two years back in another automobile company, workers vandalised the company premises and in the ensuing violence, one of the senior HR executive was killed. In both the cases, the state government was accused of being in collusion with the employer in cracking down the workers. Opposition

political parties sympathised with the workers; industry federations expressed concern on possible repercussion on investment climate in the region.

What exactly the above paragraph is trying to highlight? How do you define a Harmonious Industrial Relations? What is the role of the state in maintaining Industrial Harmony, Peace and high productivity? Illustrate your answer with relevant theoretical framework.

6. Ankit recently joined HEAL a health promotion products company as Head of Sales (North) in Delhi. He resigned from a medical equipment MNC in Chennai, as he wanted to relocate to Delhi for family reasons. Ankit is a highly competent professional and demanded professionalism from his subordinates. He accepted counter views, but took his own decisions. He would not tolerate any unreasonable dissent. Three weeks in to his new company, Ankit convened an emergency meeting of regional managers, at a short notice. One of the regional managers (RM), a highly competent and known for his disciplined approach to work, did not turn up for the meeting. He neither called Ankit nor sent any communication about his absence. Ankit asked his PA to call the RM and enquire about his availability for the meeting. After the call, the PA informed Ankit that the RM was sounding angry and made a remark, "How come this company is being run by PAs now?" Furious with this incident, Ankit sent an email demanding the RM to explain. Ankit preferred to send an email rather than a telephone call as he wanted to keep a record of the matter. The RM replied by stating that he already had an appointment with one of the key distributors and could not postpone that meeting at such short notice; secondly he met Ankit only few days back to welcome him, and if there was any matter, it could have been discussed then; thirdly as Head of Sales Ankit could have called the RM himself rather than asking the PA to call. Ankit was more infuriated with this reply as he felt that the tone and tenor of explanation from the RM was not to his liking, and therefore issued him a memo. The RM wrote to HR department demanding how appropriate the Memo was. The RM also mentioned that since he did not meet Ankit on the first few days of joining the company to welcome him, he held a grudge against him.

How appropriate is the decision of Ankit to issue memo to the RM? Should this incident be considered as a matter of indiscipline or a matter of grievance? What would be your advice to the HR department to resolve this situation?