

## QUESTION PAPER

Examination : MBA (FT) Ist Year, Ist Semester November 2013

Paper No. : 6106

Paper Title : Human Resource Management

Total Marks : 50

Time : 3 Hours

**Instructions** : Attempt all questions Marks are indicated against each question. Limit the length of the answer according to the marks assigned to the question.

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Q1. The need to have a rounded experience in business is becoming increasingly important for HR managers. HR managers need to understand the business. The output of HR is getting tied to business results particularly in white collar-led sectors like banking, financial services and IT/ITeS. In certain firms, there is a trend towards measuring revenue implications from hiring, attrition, excess manpower and revenue loss if a position remains unfilled. Similarly, operational managers are now required to know about functional areas like HR. Similarly,

Enumerate the socio-economic, business and other factors that have brought about the paradigm shift in HR philosophy and practice. Citing suitable examples discuss how different approaches (schools of management) have been instrumental in the evolution of HRM thought and practice.

[OR]

In the last few years there has been intense debate around the criteria for evaluating executive performance. Several companies now link Key Result Areas (KRAs) to cost management for mid-level executives in their attempt to curb spends. For example, LG Electronics has given 20% weightage to cost management and profitability for middle level executives in the KRAs. On the other hand, some software firms link performance ratings to qualitative parameters such as the ability and willingness to learn, willingness to share knowledge, and quality of their interaction with colleagues.

Discuss the pros and cons of qualitative and quantitative criteria for appraising performance and deciding incentives. Suggest measures for overcoming the problems inherent in target-based and behavior based approaches to evaluate performance.

[5+5]

Q2. India's colleges churn out hundreds of thousands of computer engineers every year, but the software products industry in the country still finds it difficult to recruit the right kind of talent. As the \$100 billion (Rupees 6.2 Lakh crore) information technology industry seeks to chart a new course by fostering software product companies, there is growing realization that the talent available- though competent for the services segment- is not really suitable for product companies. The technical depth and knowledge required for a product company is much higher than in service industry.

According to NASSCOM estimates the software product industry will grow from \$2 billion (Rupees 12,500 crore) to \$10 billion by 2020. There are, at present, nearly 3000 software product firms in the country, a majority of which are small and mid-sized,



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employing on an average 30-50 employees. Hiring new talent for these firms is proving to be a challenge. HR manager of one such firm said that the syllabus taught at most engineering colleges in the country is geared more towards the service industry than the product companies. He goes on to state that "picking a good candidate is proving to be like picking a needle out of a haystack". According to an employability assessment firm, only 2.3% of engineers passing out of colleges are employable in the software product industry. This number hovers around 17% for software services industry. Apart from the technical skills, even the aptitude required for these firms is lacking. Most of the engineers in the country are trained to do only what they are asked to do. They are not thinking innovatively or about business needs. "The holistic skills are lacking", says an HR expert. The attrition level in software product companies is also very high as they risk losing engineers to multinational companies such as Microsoft, Google, Adobe and SAP which are more sought after by new graduates.

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- a) What factors have led to the current demand-supply gap with respect to software engineers? [4]
  - b) Given the projected shortfall of software engineers what strategies would you recommend for product companies to manage the skill deficit to support the growth of the industry as per NASSCOM estimates? [7]
  - c) Discuss the importance of Training in reducing the skill gap. Do you think there are risks associated with using Training as a strategy for achieving Human Resource Planning goals of the product firms? Why and why not? [7]
  - d) Why is hiring new talent proving to be a challenge for software product firms? Design a long-term campus recruitment strategy to hire software engineers for a software product company. Make suitable assumptions. [7]

Q3 Globalization led many MNC firms to set up their manufacturing units in India with a promise of hefty salaries and better life for the workers. According to 2009 data from the Annual Survey of Industries, in the decade between 1998-99 and 2008-09, net value added by workers increased from about Rs 2 lakh per worker to Rs 6 lakh per worker. In the same period, wages as a proportion of net value added declined steeply from about 18% to 11%. In effect, then, the workers are creating more profit than earlier, yet getting paid less.

In terms of strikes and lockouts, there has been a declining trend. In 2005, Indian industry had 227 strikes and 229 lockouts, and suffered 300 lakh man-day losses. The year 2008 saw 109 strikes and 148 lockouts. In 2009, the numbers had gone down to 62 strikes though lockouts stood at 172. The year 2010 was comparatively quieter with 41 strikes and just 15 lockouts. Despite the fall in number of strikes, the bad blood between managements and unions is apparent. The Indian worker seems to be on the warpath against the very firms that promised a better life. The humdrum issue of industrial relations is suddenly centre stage. India Inc. is again talking of labour reforms. There is a surge in trade activism in certain pockets and a whole generation of workers is looking for a better deal.

- a) Discuss the possible reasons of labour unrest in the last few years. Examine the role played by the management, the government and the trade unions in industrial conflict and/or harmony? Support your answer with examples. [6]
- b) Critically examine the current status of Trade Unions in India. In your opinion, how can trade unions impact HRM? [6]
- c) Discuss the importance of grievance redressal mechanism in industrial relations. [3]

[OR]

- a) What are the objectives of a well-designed Compensation system? Outline the factors that influence compensation levels of a firm. [6]
- b) Enumerate the key steps in developing an equitable compensation package. [6]
- c) Differentiate between 'incentives' and 'benefits'. [3]
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