

MBAFT– November 2018

Examination: MBA (FT) Ist year, Ist Semester, November 2018

Paper No. : MBAFT-6106

Paper Title: Human Resource Management

Total Marks : 50

Time: 3 Hours

Instructions: Attempt all questions. All questions carry equal marks.

- Q1. During the 2009 recession, several IT firms laid off a number of employees for non-performance and tightened their performance criteria. Some other firms, however, responded to the economic downturn by giving the benched employees the option to stay back with the firm and receive training while taking a pay cut.

Compare the distinct HR philosophies underlying the two sets of organizational responses to economic slowdown. Which HR philosophy, in your opinion, will be more effective? Why? Discuss with respect to the increasing significance of strategic role of HR managers.

(10)

[OR]

Citing suitable examples, discuss any TWO of the following:

- a) Balanced Scorecard as a tool to implement organizational strategy.
- b) Significance of orientation and socialisation for an employee starting out on a career.
- c) Pros and cons of executive variable pay
- d) Grievance- causes and management

(5+5)

- Q2. More than 50,000 jobs in Data Science and Machine Learning (ML) are lying vacant due to shortage of qualified talent, says an industry expert. Such is the situation that the market has twice the number of jobs as jobseekers, indicating an urgent need for professionals to upskill. India lacks massively when it comes to talent in data science, ML and Artificial Intelligence (AI). Primary reason for the demand supply gap is that what people learn in colleges is not in sync with what is being used in industry. Moreover, most of the employees passed out of colleges a while back. Now a lot of things are getting automated; newer opportunities are coming up. That is where there is dearth of talent.

Banking and Financial services are the biggest market for analytics and data science professionals with 44% of all jobs created in this domain in 2017. Ecommerce, Healthcare, Telecom, Media and Retail are among other sectors driving the demand for data science. Further there is growing scope of data science in non-traditional sectors like aviation, cybersecurity, healthcare and driverless transportation as opportunities in these sectors are set to soar by 2020. Staffing companies predict the IT industry to add

nearly 180,000 jobs this year to its current headcount of 3.9 million. However, the requirement of skillsets has changed in the IT market. Whereas traditionally Indian companies provided low-cost but labour-intensive backend and support services, majority of new roles will be in emerging technologies, where companies will have to find talent within their existing workforce. IT services companies are reskilling thousands of employees to take up roles in digital technologies, where ready talent is rare in the market.

Skills in cloud, big data analytics, ML and AI are going to be critical for data science professionals to land the available jobs. According to a research and advisory firm, out of 10 lakh registered companies in India, 75% have invested or are going to invest in machine learning and data science. Data scientists, data architect, data statistician, ML engineer, ML specialist, technical architect and data engineers are some of the most popular roles available. Professionals with these skills command a significant premium in salaries. The average jump one gets for a role like this is 45%, in many cases it goes up much higher because of the demand-supply gap.

- a) In the context of the above information, discuss the role of business and external environmental factors in influencing the demand for human resources. Discuss with respect to factors such as economic and global changes, competition, technological changes, etc.
- b) From the above account and as reported widely, clearly there is a huge demand-supply gap in respect of the new age skills. If you were the Human Resource Director of an IT firm, what strategies would you use to bridge the digital-talent gap? Discuss with respect to actions a firm may take for managing Human resource shortages, that is, for increasing HR supply.
- c) Why should professionals with the new-age skills command a significant premium in salaries? Discuss with respect to relevant internal/external determinants of compensation

(6+6+6)

[OR]

The number of complaints of sexual harassment in the workplace filed by 44 Nifty companies has increased, though marginally, for the first time in three years in 2018. Regulatory compliance with the Prevention of Sexual Harassment (POSH) policy has been on the rise. Under the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013, private and public companies must set up committees for women who have been harassed. The sensitivity towards POSH related issues has increased in large companies. The #MeToo movement has also resulted in a sudden upsurge in the number of organizations rushing to firms providing training solutions for sensitising the workforce and Internal Complaints Committee (ICC) members to be fully compliant with the law on POSH. It is important that firms go beyond legal compliance in handling complaints of sexual harassment.

You are the HR Director of an organization with a large percentage of women workforce. The number of sexual harassment cases formally reported in your firm has increased in the past year. The corporate values of your firm emphasize 'respect for

women'. Corporate values need to be constantly reinforced and reviewed as they are important to the long-term growth and value of your company. You are committed to ensuring that Human Resource (HR) strategy and practices of your organization consistently communicate that promoting a safe workplace, empowerment of women workforce and gender sensitivity are non-negotiable values.

Suggest how you will incorporate 'respect for women' in the following HR practices;

- a) Assessment of a potential candidate's attitude towards women through interview. Design a situational question that may be asked in a selection interview.
- b) Design a one day training schedule (two sessions) to prepare senior managers in handling sexual harassment cases sensitively. The schedule should specify: i) Training goal(s); ii) session topics; iii) session objectives; iv) training method(s); v) evaluation criteria.
- c) Suggest two 'performance dimensions' that you would incorporate in Performance Management of managers to emphasize company values? Would you use these dimensions in making promotion decisions? Justify your viewpoint.

(6+6+6)

- Q3. Performance Management systems across corporate India are in a state of flux, with 67% of companies saying they have reviewed and effected major changes in their performance evaluation systems over the last two to three years. A study revealed that while 4 out of every 10 companies surveyed said that the bell curve did not help in differentiating performance, 58% of those surveyed followed the bell curve-based system of performance management.

The "Bell Curve" system of performance appraisal is 17-18 years old and most big organizations had been using it since the late 1990s. The bell curve based performance appraisals compare employees' performance relative to others. It is nothing but a graphical representation of the fact that everybody's performance is not the same. The use of the "Bell Curve" or "forced ranking" in performance management has always been a topic of debate among HR professionals. The advocates of the bell curve based performance appraisal say "if the market is a relative performance system, companies cannot have an absolute rating for employees. The bell curve is a well accepted form of Performance appraisal". It was believed that bell-curve system reinforced meritocracy, improves talent and differentiates talent for reward purposes.

However, due to an increasing disenchantment with bell-curve and a tendency to look at alternate methods IBM, Infosys, Microsoft, Cisco and Accenture have bid goodbye to bell curve for performance assessment and are moving towards an open ranking system. "In performance evaluation based on bell curve, it became a race to get to the top for employees. We were losing a lot of good people who were not ranked at the top", said a senior Vice President of an IT firm. Another manager commented that bell

curve was destroying teamwork and innovation and fostering a bureaucratic, political culture in firms.

The new performance management system focuses on continuous feedback, assessing what has been achieved as well as how it has been achieved. The key measure now is "impact" where managers need to differentiate and ensure higher rewards to those who have greater impact. The millennials want timely feedback and are looking for coaching and performance solutions rather than being "slotted" in a "curve". The trend in abandoning bell curve is about moving to real time feedback and for firms to talk about development rather than appraisal for rewards.

- a) Is 'Bell Curve' based performance evaluation a 'target based' or 'behaviour based' approach for evaluating performance? Examine the pros and cons of 'bell curve' versus the new performance management system being adopted by firms.
- b) Discuss FIVE measures for overcoming the problems inherent in most performance management systems. (6+6)

[OR]

A leading multinational FMCG firm having operations in almost 20 countries and in several parts of India diversified into pharmaceutical business in the year 2014. The company hired professional managers at various levels to ensure that it succeeds in its new venture. Mr. Kumar had been hired as the head of marketing function of the pharmaceutical business in June 2014. Mr. Kumar was highly intellectual, well read, and had a marketing services background including product promotion and market research in multinational companies. He also had a 'touch of class' about himself that had impressed the selectors. However, within about 6 months of joining, it became apparent that Mr. Kumar was becoming increasingly defensive and uncomfortable in the firm. Moreover, the marketing function did not get the expected impetus, and the top management was of the view that the firm had failed to seize market opportunities. In January 2015, Mr. Kumar resigned.

- a) In your opinion, was Mr. Kumar the right selection decision? Discuss with reference to the errors and biases commonly prevalent in the selection process.
- b) Assume you are the HR manager of this firm and you were involved in hiring for the position of head of marketing function in this firm. What would be the most important factor for you when hiring- person-job fit or person-organization (culture) fit? Enumerate the relative merits of person-job fit and person-organization fit. (6+6)

Q4. The Indian IT industry grappling with the spectre of job losses due to automation and protectionism is being challenged by a new threat: unionisation of employees. In 2015, Tamilnadu- with over 300,000 IT employees working out of Chennai alone- became a hotbed for IT employees seeking to unionize.

Historically, India's IT sector and unions or pressure groups have rarely appeared on the same page. Unionisation of workforce is usually associated with the manufacturing industry, where labour unions have helped factory workers fight for higher wages, job security, and better working conditions. On the contrary IT employees for decades have enjoyed double-digit pay hikes, comfortable work conditions, established redressal mechanisms and lavish perks. Given this, it is a wonder that there has been a transition towards seeking the security of a union to guard against the layoff bogeyman. Experts believe this was bound to happen. During the heyday of the Indian IT outsourcing boom in the post-liberalisation era, the workforce constituted the "cream-of-the-crop" techies who did high-skilled and customised work for clients. In the years following 2005, companies started winning large outsourcing deals resulting in explosive growth. Large deals led to a change in IT requirement from a creative, thought process oriented, cream-of-the-crop sort of employment to factory-type employment post-2005.

The move from differentiated work to a repetitive factory –oriented work was the perfect setting for employees to think about the potential for unionisation. Since 2008, the Indian IT industry has seen multiple attempts at unionisation.

Forum for IT employees (FITE) was launched in Benagluru in 2014 to fight "illegal" lay-offs in the IT sector. In December 2017, the Pune chapter of FITE became the first officially registered trade union for the IT sector in India. Experts are divided on the longevity of the unions and any potential negative impact they might have on the IT sector but they agree that the attempts at unionisation can no longer be ignored. India is the World's largest outsourcing destination for IT industry, accounting for about 67% of the total export market. In the unlikely event that widespread unionisation did occur in a firm, it would be a significant set-back for the firm. Clients would likely react negatively and quickly move their work to non-unionized firms. Unionisation is also viewed as a constraint to implementing automation or other new technologies. Government intervention will be the tipping point in the on-going tussle between alleged 'unfair termination' versus routine 'performance based appraisal' claims by the employees and the employers respectively. Indian government legislation has been friendly towards the IT sector, which proved to be the backbone for employment in India for over two decades now.

- a) When do workers/employees reach out to unions? Are Trade Unions always negative? Justify your view.
- b) Discuss the role that management and the State have in ensuring that employees do not feel the need to unionise. Substantiate with respect to the developments in the IT sector.

(5+5)