

MBA-FT (October/November 2017)

Examination : MBA (FT) 1st year, 1st Semester, October/November 2017
Paper No. : MBAFT-6106
Paper Title : Human Resource Management

Total Marks : 50

Time: 3 Hours

Instructions: All questions are compulsory. All questions carry equal marks.

- Q1. In 2016, Alpha-Q, an IT firm, was rated the 'second-best company to work for'. It should not come as a surprise since it had been among the top three since 2014, the top 10 since 2011, and the top 10 since 2008. The average employee turnover rate for the industry is 47.4% (13.3% for full-time employees and 58% for part-time employees). At Alpha-Q, turnover is much lower- 6-7% for full-time employees and 38% for part-time employees. In an industry that has historically not generated intense employee loyalty, Alpha-Q has broken new ground. But what is it about Alpha-Q that generates employee loyalty, productivity and commitment from its workforce?

As noted by Krish Grover, Vice-President of people, "If we take care of employees, they will take care of our customers. If employees can't take care of their families, they cannot do their jobs. The focus is on freeing up people so that they can be more productive." Grover adds, "Our pay and benefits are at or above our competition's. It helps us attract a higher caliber of employees." Indeed its outstanding reputation has allowed Alpha-Q to be very selective in its hiring process. In 2013, the company had more than 145,000 applications but only a 6% turnover rate and hired 435 new positions.

Once employees are hired, Alpha-Q does a lot to enable employees to be successful both personally and professionally. On average, salary of a design engineer is at market rate and receives 50 hours of training. Alpha-Q provides its employees with a generous work-life balance programme that includes telecommuting and flexitime. Both full-time and part-time employees can participate in medical insurance, social security schemes, dependent care reimbursement programmes, adoption assistance, and an employee assistance programme. In addition full-time employees enjoy access to life insurance and personal days.

What is it about Alpha-Q that helps it continually retain its status as one of the best companies to work for? Discuss with respect to primary HR activities of Alpha-Q. Based on the above caselet, discuss three trends/challenges that you believe have impacted Human Resource Management in the recent past. (10)

- Q2. First Apparel, a company headquartered in Ahmedabad, Gujarat has been evolving its business for the past few years. Instead of only making cloth for designer apparel, First Apparel has begun to produce and offer for sale many types of fabric products including fabric for upholstery. The company has grown from 150 employees working at one plant in Ahmedabad to 700 employees working in three plants in India and one

in China. Some of the corporate jobs at First Apparel are marketing analyst, executive assistant, designer, sales representative, customer service manager, purchasing manager, and accountant. The company values integrity, relationship innovation and change. Its mission statement emphasizes the importance of putting the customer first:

"At First Apparel, we strive to be the number one provider of high-quality, high-performance designer fabrics. We believe in always putting the customer first, valuing our employees, and maintaining the highest ethical standards."

As the firm has grown, it has begun to experience the problem of turnover. Last year the turnover rate was 45% while it was less than 20% for comparable firms in its industry and location. The selection process followed by First Apparel for hiring 'Customer Service Manager' is: the HR department prepares and posts an advertisement for the job, collects the applications and resumes, calls applicants of interest, and has them come in for a one-hour interview, followed by an interview with the manager of the position, regardless of the job.

- a) Do you think the turnover problem could be related to selection? Examine focusing on the relative merits of person-job fit and person-organization fit.
- b) Prepare two *situational interview* questions you would ask when interviewing applicants for the job of 'customer service manager'. Focus of the questions should be to assess *Ethical Standards* (as per the mission statement) Also include a rating scale with each question that may be used by the interviewers to score applicants.

[OR]

Providing the highest-quality products and the highest level of customer service are two of the core values of Michael's Coffee and Desserts. This chain of gourmet coffee and pastry shops was started in Green Park, New Delhi, by a mother-and-son team. The vision for the concept came after the son despaired of finding cakes 'just like mom makes' when he had to travel on business. Now the company has shops in 10 upscale markets of Delhi and is considering opening shops in other states of the country. The company plans to continue expanding by adding at least two new shops each quarter for the next three years. Each shop has one manager and 6 to 10 associates.

The company recognizes the need to ensure that training on quality and service is delivered consistently across all operations. The owners see this training as a key ingredient in achieving their vision of "being the favourite place to meet for dessert and coffee". Further, in addition to training shop managers and associates, Michael's wants to put together a programme to ensure that current shop managers will mentor and develop future shop managers. Associates are typically high school and college students and retirees. The current goal of the management team is to develop a training and development programme for Michael's shop managers and shop associates that will be the best in the industry and that will be offered across the country.

- a) *You are the training manager of Michael's Coffee and Desserts who has been assigned to design and impart training on 'quality and service' to shop managers.*

Prepare a TWO day (four session, two sessions per day) off-the-job training programme schedule specifying;

- (i) Training Goal
- (ii) Session topics
- (iii) Session Objectives
- (iv) Training Methods

b) How should the owners evaluate training effectiveness? (5+5)

Q3. A manager has available a number of tactics to choose from to cope with labour shortage or surplus. Following are two tactics each for managing labour shortage and labour surplus;

Tactics for managing Labour shortage

- 1. Hiring contingent labour force
- 2. Hiring new full-time employees

Tactics for managing Labour surplus

- 3. Layoffs
- 4. Early retirement programmes

- a) List two advantages of each of these tactics.
- b) List two disadvantages of each of these tactics.
- c) Identify when each of these tactics should be used and should not be used.
- d) Which organizational/ environmental considerations are important in your decision to use/not use the tactic?

The answer to this question should be in tabular form (as per specimen tables below). Do not give essay type answer.

Specimen Table1

S.No	Tactic (Shortage/ Surplus)	Advantages	Disadvantages
1	Layoffs		

Specimen Table2

S.No	Tactic (Shortage/ Surplus)	When to use	When not to use
1	Layoffs		

Specimen Table3

S.No	Tactic (Shortage/ Surplus)	Organizational/Environmental considerations
1	Layoffs	

(10)

Q4. Beginning 2017 a number of IT majors have shed thousands of workers. Faced with shrinking options a section of IT workers are forming unions to fight 'forceful resignations' and 'unfair terminations'. Until a few years ago, not many could have believed that IT workers in India's Silicon Valley would ever need to visit the Labour Commissioner's office in Central Bengaluru.

Discuss the factors that serve to increase the power and influence of unions in a sector/industry. Describe the role management can play in ensuring that employees do not feel the need to form a Trade Unions. Cite examples.

[OR]

EGL is a professionally managed firm with a fair record of labour-management relations. It is headquartered in New Delhi and houses about 500 employees in a three storey building. One day a senior manager in the human resource department observed that a few employees were using the water cooler to wash hands after lunch on the third floor. The manager immediately reported the matter to the supervisor who got a notice put up and circulated it to all employees. It read as follows:

'It was observed that some employees are washing their hands at the water cooler. Water coolers are for dispensing drinking water. They are not meant for cleaning hands and utensils. Appropriate action will be taken against anyone seen washing their hands/utensils at the water coolers.'

The same evening a few employees barged into the concerned officer's room and told him, 'with no wash rooms and washing basins in the third floor and no lift in the building what else do you expect us to do?' Over the next two days, more and more people started making liberal use of water cooler for the purpose of washing their hands and even utensils. The subject was a matter of discussion among employees – animated and with animosity- over the next few days.

Is the case above one of grievance or indiscipline? What was the root cause of the problem? Suggest what management should do to prevent the situation from escalating into a dispute.

(10)

Q5. Nair is the HR manager of Swansea -a white goods firm. The firm is a leader in all product segments with respect to market share, sales volume and net profits. Swansea follows the 'at par' compensation strategy that is, managers' compensation was fixed at market rate. Recently, however, Anirudh, brand manager of the firm, had told Nair that he thought that he was underpaid compared to his counterparts in other firms.

a) What type of 'inequity' is Anirudh experiencing?

b) What arguments can Nair put forth to defend Swansea's compensation strategy? Discuss with respect to external and internal factors that determine compensation decisions of a firm.

[OR]

Several firms globally have abandoned the bell-curve based performance appraisal system. Further, they have dissolved their Annual Employee Ranking and Evaluation

system. The focus has now shifted from performance rating to performance development. Frequent feedback and conversations are at the heart of the new performance review process. As Ellyn Shook, CHRO, Accenture, put it "Rather than taking a retrospective view, our people will engage in future-focused conversations about their aspirations, leading to actions to help them grow and progress their careers."

By shifting their focus to performance development, Accenture is working towards creating a highly engaged workforce that is driven and more focused towards organizational goals. Policies such as regular feedback and conversation with the leaders have been defined to abolish invisible walls and develop a more open, engaged work culture within the firm.

Examine the reasons for the above shift in performance management system highlighting the relative merits and demerits of evaluative and developmental perspectives of performance management.

(10)