

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER (1 / 2 / 3 / 4) – EXAMINATION – WINTER 2017

Subject Code: 2840302**Date: 30/05/2018****Subject Name: Strategic Human Resource Management****Time: 02:30 PM To 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q. No.	Question Text and Option	Attribute	6
Q.1 (a)	One of the most important changes in the business environment of Oil Refineries in India is :		
1.	A. Technological change for oil mining C. Change of labour regulations	B. New regulations on environment protection D. Change in consumer right laws	
2.	The main difference between market driven strategy and resource driven strategy lies in the way one explains the source of :		
	A. Size difference between two firms C. Profitability difference between two firms	B. Product market strategies of two firms D. Manpower strategy difference of two firms	
3.	Temporary employment relations are likely to be more common in companies that		
	A. Operate on a project mode C. Work in a seasonal industry	B. Require a lot of low skilled workers D. All of the above	
4.	If a company would like to have a human resource management based competitive advantage , them it must :		
	A. Take a long term view of its design of various HR services C. Pay above the market wage to all the key players only	B. Pay above the market wage rate to all it's employees D. Design HR services for all its employees at the same time	
5.	A company with very good organization culture will :		
	A. Have higher profits C. Have lower operating costs	B. Have lower profits D. Have no effect on operating costs	
6.	Good managers require diagnostic skills which can be acquired by :		
	A. Going through a good book on general management C. Going through an off-the job training programme conducted by a reputed management school	B. Doing jobs that require identifying problems faced by a division or department D. Doing jobs that require identifying problems affecting the performance of a person	

- Q.1 (b)** Define / explain the following very briefly with a practical example:(any four) **04**
1. Non-transferability of human resources
 2. Exit barrier for employees
 3. Cost leadership strategy
 4. Relational Skills
 5. Team orientation
 6. Off-the-job learning

- Q.1 (c)** Explain what is meant by outsourcing of Human Resource activities. What are the basis on which outsourcing decisions are thus taken ? Explain giving suitable examples. **04**

- Q.2 (a)** Explain the importance of strategic management of Human Resources for any organization to be competitive and profitable. Explain giving suitable situational examples. **07**

- (b)** IT companies are hiring manpower without IT knowledge or qualification. Do you think they are doing the right thing ? justify your answer by giving proper explanation. **07**

OR

- (b)** How the employees are trained to match the culture of the organization and how they are mentored to perform at their best , should be given more importance than the ways of selecting them. Do you agree? Explain with situational examples to justify your answer. **07**

- Q.3 (a)** State the various sources / suppliers of Human Resources . Explain, with suitable examples, why and when one source is better than the other for a given organization. **07**

- (b)** After the Indian sky was liberalized, many of the Indian airline operators faced the crisis of shortage of pilots. They were willing to sign up for the trainee pilots even before they completed their training schools. Some even offered to pay as much as 30% of the training cost. Give your comment, with suitable justification, on the airlines policy of booking budding pilots before they have completed their training. **07**

OR

- Q.3 (a)** State all the activities related to Strategic HR Planning in a logical sequence. Explain in detail, giving suitable examples, any two such activities. **07**

- (b)** Assume that you are appearing for a selection interview for a company that is in a highly competitive environment and is looking for the best and most suitable manpower so that it may outbeat it's competitors in the market. What would be your answers for the following : **07**
1. What should be the selection instrument / s that will help the company evaluate you in context of it's strategic orientation?
 2. What skills, expertise and work styles should the company look out for , in you ? Why ?

- Q.4** (a) How can the long term strategic goal of a company be used to arrive at desired performance and behavior of it's key managers ? Explain in the context of any given strategic goal and the manpower characteristics desired for achieving the strategic goal. **07**
- (b) After joining as a divisional head of a manufacturing company, you come to know that many of your first line supervisors are very harsh towards the workers working under their supervision. You checked the personal files of those supervisors. You find that most of them are highly talented engineers and are from top ranking Institutes of the country. You are therefore planning for some developmental programmes for them. Among the various areas of development that you have studied, what areas will you consider as of immediate importance for these first line supervisors and why ? **07**

OR

- Q.4** (a) How can an organization create competitive advantage out of it's structure when it is so easy to duplicate them ? Explain by demonstrating different organization structures for the following situations : **07**
1. A multi –product company with a product centric structure
 2. A company doing business in unrelated products
- (b) Explain what is an Assessment Center and why do organizations set up such centers . Are Training Centers complimentary or substitutes for Assessment Centers? **07**
- Large scale government organizations in India are setting up their own In-house Management Development Centers. What are the advantages and disadvantages of such an initiative? Explain

Embassy Motors limited is a car manufacturing company located in the southern metropolis of Chennai. The company started its business in the year 1990 with a fixed capital of 100 crore. Due to favourable environmental conditions and regulatory support, the company experienced pretty high growth over the next 10 years and attained a manpower strength of 5800 employees and a fixed capital of 1000 crores in the year 2008. Out of the 5800 employees, 1100 were managers. Ever since, the company has been growing at a rate of 10% in terms of its sales turnover. It makes passenger cars of three varieties and few small utility vehicles. Over the years the company has increased its outsourcing substantially and at present it buys as much as 89% of its value of production by ways of purchased materials, parts and components and services.

The company management structure has three Directors, one each for production, finance and HR/administration. Below the Directors, there are five General Managers, one each in charge of production, materials procurement, marketing, engineering and HR/administration. There are six layers of managers from Junior engineer to General Manager. While most GMs are hired from the external market, the remaining managerial positions are filled from the internal market in most cases. The median age of the management team of the company was 48 and the company was worried about the age structure of the senior management.

Over the years, the company has accumulated good amount of reserve fund and was on the look out for an appropriate opportunity for investment. Another strategic need for the company was to diversify but it preferred diversification in the same line of business.

Speed Motors Ltd. Was a two-wheeler manufacturing company in the same city of Chennai. It was a family owned business started in 1990 with an investment of 100 crores and with 200 employee strength. The company presently has seven brands of motor bikes and mopeds. The company grew fast over the years and presently has a fixed capital of 60 crores and a manpower strength of 1100 employees out of which 200 are in the managerial position. The company buys as much as 55% of its value of production from outside. It is planning to purchase an ERP system. It has a full fledged IT system for its administration and accounting management.

The company has one full time MD and four GMs one each for production, marketing, HR/administration and Finance/accounting. There are four layers of managers below the GM. Over and above the internal market, the company has hired good number of managers from the external market as well. The median age of the managers is 40 years while most GMs are in the age group of 45 to 50 years.

However, over the last few years, the company's profitability in terms of rate of return on investment has been falling. Due to the continuous drop in profitability, the company decided to put their stakes for sale.

The promoters of Embassy motors were initially quite reluctant to jump into the ring because of their different businesses. But eventually, they bought the company at a price of Rs 90 crores. After buying the company, they were into a dilemma as to whether to go ahead and integrate the two businesses immediately and bring them under a common management or they should wait for some time before initiating the steps and processes for integration.

Answer the following :

Q.1. What are the chances of managerial turnover after the purchase of the company on both sides? Why do you feel so? explain.

Q.2 How can the company control Managerial exodus in this situation of acquisition?

OR

Q.5

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A nationalized bank with more than 40 lakh savings bank accounts in one state alone, was going through a performance appraisal period. The performance was being evaluated both in terms of business per employee and profit per employee. None of these figures were encouraging. The business per employee was only 50 % of that of its competitor bank. The profit per employee was also the lowest.

The Chairman was highly disturbed that inspite of having such a vast network of branches across the country, it failed to attract new customers. He sensed that the managers and employees were not conscious of the customer needs. They concentrated merely on the transaction issues instead of understanding the customers' overall needs.

He announced therefore that unless the performance slide was reversed soon, he would have no option but to offer exit option to employees.

From the customers perspective, the scenario was that customers looked for more value added services like payment of bills, taxes, money transfer at nominal fees, etc. All these would require technological improvisation which the other banks were already having. On the industry boundary, banking as an industry is slowly getting merged with insurance. Banks are now required to compete with world class insurance companies.

This a whole set of new business challenges are surrounding the banking industry as a whole and this bank in particular.

With reference to the situation above, answer the following questions,

Q.1 Which of the two options should this bank exercise : i) to recruit a new set of employees or ii) to train and develop the competencies of the current employees. Justify your answer with required explanation.

Q.2. If the Bank decided to train its employees what should be the content of such programmes and who should be the trainers and what should be the training methodology? Justify your answers.

