

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA – SEMESTER 4 – EXAMINATION – SUMMER 2019

Subject Code: 2840302

Date: 06/05/2019

Subject Name: Strategic Human Resource Management (SHRM)

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

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

Q.1 Multiple Choice Questions

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(a)

The main difference between Market Driven Strategy and Resource Driven Strategy lies in the way none explains the source of

1. A. Profitability between two firms
C. Product market strategies of two firms
B. Size difference of two firms
D. Manpower strategy difference of two firms
2. Temporary employment relations are likely to be more common in companies that
A. Operate on a project mode
C. Requires low-skilled workers whose supply is high
B. Work in a seasonal industry
D. All of the above
3. A company with very good organizational culture will
A. Have higher profit
C. Have lower operating cost
B. Have lower profit
D. Have no effect on operating cost
4. Balances scorecard approach to strategic assessment of divisional performance necessarily has measurements in
A. Four dimensions
C. In four dimensions of equal weights given to all
B. Many dimensions
D. Many dimensions of equal weights given to all
5. While assessing team performance, all assessment should necessarily be
A. Objective measures
C. analytical
B. Mixture of objective and subjective measures
D. As per expectations of team members
6. Most employers dislike trade unions of their workers because
A. It affects their freedom to set work rules and wage rates
C. Most trade unions interfere in preparation and presentation of company balance sheet
B. Trade union is voluntary choice
D. Trade union leaders do not understand anything of business

04

Q.1 (b) Explain following terms in brief:

- a) Deferred Compensation
- b) ESOP
- c) Labor Mobility
- d) Balanced Scorecard

Q.1 (c) Explain the following:

- a) Manpower Planning
- b) Outsourcing
- c) Co-employment
- d) Stock Appreciation Rights (SARS)

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- Q.2** **(a)** Define SHRM. Explain Market Driven Strategy and Resource Driven Strategy in brief. **07**
- (b)** Define HR System. Mention commonly used set of HR system and its relation with organization's business systems **07**

OR

- (b)** Explain Tangible and Intangible Assets as Sources of Competitive Advantage. **07**

- Q.3** **(a)** Explain Activities and Techniques related to Strategic HR Planning. **07**
- (b)** What are commonly used Selection Instruments and their Advantages and Disadvantages. **07**

OR

- Q.3** **(a)** Explain on how to assess Employee Career Goals **07**
- (b)** Explain on how to assess Employee Performance at different levels. **07**
- Q.4** **(a)** Explain in brief: Generic and Strategic Approach to Compensation **07**
- (b)** Why do workers join Union and why do employers' dislike Union? **07**

OR

- Q.4** **(a)** Mention types of Outsourcing and why companies resort to Outsourcing? **07**
- (b)** Explain the relationship between Merger-Acquisition and Resource Driven Strategy. **07**

Q – 5 **Case Study** **14**

As a new member of the board of directors for a local bank, Jack Nelson was being introduced to all the employees in the home office. When he was introduced to Ruth Johnson, he was curious about her work and asked her what her machine did. Johnson replied that she really did not know what the machine was called or what it did. She explained that she had been working there for only two months. She did, not know much about how to operate the machine and as per her supervisor, she was an intelligent employee. At one of the branch offices, the supervisor in charge spoke to Nelson confidentially, telling him that "something was wrong," but she didn't know what. But for one thing, she explained, employee turnover was too high. With customers to see and loans to be made, she explained, she had little time to work with new employees. All branch supervisors hired their own employees without communication with the home office or other branches.

When an opening developed, the supervisor tried to find a suitable employee to replace the worker. After touring the 22 branches and finding similar problems in many of them, Nelson wondered what the home office should do or what action he should take. The banking firm was generally regarded as a well-run institution that had grown from 27 to 191 employees during past 8 years. The more he thought about the matter, the more puzzled Nelson became. He couldn't put his finger on the problem, and he didn't know whether to report his findings to the president.

Questions:

What do you think is causing some of the problems in the bank's home office and branches?

Do you think setting up an HR unit in the main office would help?

OR

Q. 5

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Walmart purchased massive quantities of items from its suppliers to form scale economy, and with the efficient stock control system, help in making its operating costs lower than those of its competitors. It also imported many goods from China, "the world factory" for its low cost. Managers engage in three levels of strategic planning the corporate-level strategy; the business-level strategy and the function-level strategy. The functional strategy should serve the overall company strategy, so the corporate strategy could be implemented more effectively and efficiently. The following part we'll examine the "fitness" of HR practices in Walmart with this theoretical model, which is obviously also the integration process of HR practices with the contingency variables to some extent.

From the recruitment. Walmart audit reports which found "extensive violations of child-labor laws and state regulations requiring time for breaks and meals." Walmart also faced a barrage of lawsuits alleging that the company discriminates against workers with disabilities, for the recruitment of these people means providing more facilities for them and the loss of efficiency to some extent. From training perspective, through training on behavioral requirement for success and encouragement, Walmart tried to adjust the employee behaviors and competencies to what the company's strategy requires, that is to low down cost more. From the performance management perspective, Walmart made very high demanding standards and job designs. There are so many instances of minors working too late, or for too many hours.

Walmart also goes great lengths to reduce cost, cases that women sued Walmart for its discriminated policy against women by denying them promotions and paying them less than men did. From the compensation management perspective, Walmart has also showed very aggressive HR policies and activities. Walmart imported \$15 billion worth of goods from china, for not only the strategic consideration of supplier chain economy, but also Walmart has some factories in china, whose products are branded with Walmart name.

With this method, Walmart pays much less to Chinese labors in this "world-factory" and earn some advantages, so we could just see how the Walmart corporate strategy is just intensely integrated with its HR policy. In 2002, operating costs for Walmart were just 16.6 percent of total sales, compared to a 20.7 average for the retail industry as a whole, which supported greatly the overall strategy. Walmart workers in California earn on average 31 percent less than workers employed in other large retail business. Actually, with other operating and inventory costs set by higher-level management, store managers must turn to wages to increase profits, and Walmart expects the labor costs to be cut by two-tenths of a percentage point each year. From the employee benefit and safety perspective, workers eligible for benefits such as health insurance must pay over the odds for them. In 1999, employees paid 36 percent of the costs. In 2001, the employee burden rose to 42 percent. While in the US, large-firm employees pay on average 16 percent of the premium for health insurance. Unionized supermarket workers typically pay nothing. Walmart was frequently accused of not providing employees with affordable access to health care, but the top managers and HR managers know their focus was just to try their most to implement Walmart's corporate strategy.

It has been argued that doing business in China is particularly difficult because of the higher relative importance of personal relationships (guanxi), as opposed to the specification and enforcement of contracts in the West (Davies et al, 1995). Walmart China has tried every effort to develop good relationships with China government and other influence groups. So, Walmart made this exception of have unionizations is just in accordance with its corporate strategy and HR strategy. If it ignores the Chinese government's firm rule, its cost would just outweigh what it would save by organizing no unions in its labor relations management as Walmart provides little power for Chinese workers as the unions are controlled by the state.

Questions:

- 1- Identify the challenges your business will face and how it will affect your HRM strategies.
- 2 - Design HRM strategies to address these business challenge
