

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

Term-End Examination

00575

December, 2014

**MCTE-023 : STRATEGIC HUMAN RESOURCE
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

Note : *There are two Sections A and B. Attempt any **three** questions from Section A. All questions carry **20** marks each. Section B is **compulsory** for all and carries **40** marks.*

SECTION A

1. Write an essay on the changing business scenario and its impact on HR functions.
2. Explain the concept of strategic fit. Cite suitable examples.
3. Describe the process of strategic human resource planning with an illustration.
4. What are the determinants and approaches of compensation management ? Discuss the new developments of compensation and reward management.
5. Explain the concept of strategic mentoring and its various aspects, citing suitable examples.

SECTION B

6. Read the case and answer the questions given at the end :

Mr. Ravi Saxena passed his B.Sc. in 1972 and joined a commercial bank in the clerical cadre. He served there for three years. He was not happy with the job prospects and wanted a better deal in life. He quit the job in 1975 and joined Xavier Labour Relations Institute, Jamshedpur. He obtained his post-graduate qualification in Personnel Management, and thereafter took up a job with a large public sector organisation in Pune as a Trainee Officer in the Personnel Department. He was confirmed as a Personnel Officer after the completion of training with the company in 1978.

The Personnel Department was headed by a Manager. Next in the management hierarchy was one Deputy Manager followed by two Assistant Managers and six officers in the department. They were supported by a battalion of office and clerical staff. Mr. Ravi was assigned the task of maintaining certain statutory

documents. He was quite enthusiastic and wanted to bring about many improvements. His work, however, hardly provided any scope for originality. The bureaucracy never permitted any change easily. Besides, at his level in the hierarchy he could not wield much influence on any matter. His salary and perks were however quite comparable to those in any other organisation and there was adequate freedom and security of job. Though he was not very happy he tried to reconcile himself to his job.

When Sukhdev Industries Limited, Pune, advertised for the post of "Senior Personnel Officer", he decided to apply for the post. He had reasons to do so in spite of the fact that he was reasonably comfortable in the public sector organisation. Firstly, Sukhdev Industries was a leading company in the private sector; secondly, the Personnel Manager of the company was due to retire shortly and the incumbent of the new post was to replace him in due course; thirdly, he would have a much broader span of work and would be able to implement many of his ideas

which he could not do in the public sector organisation because of the bureaucratic element that prevailed there and fourthly, the job was in Pune itself and the problem of dislocation was minimum. He responded to the advertisement and got selected. He joined the organisation in early 1985.

SIL is an engineering industry engaged in the fabrication of heavy structural engineering works. It has a turnover of over ₹ 40 crores and an employee strength of over 2,000. The company has the reputation of being a high-profit industry. It has a very low profile so far as personnel policies are concerned and maintained steady growth over the past decade. The company is managed by a family of industrialists which is known for their shrewdness and business acumen. The management had expressed their desire to professionalise their entire organisational structure.

The company had a workforce of 1700, out of which 1000 were permanent employees and

over 700 employees were temporary workmen. The Personnel Department was engaged most of the time in hiring these temporary hands on a continuous basis. The strategy adopted was to hire temporary persons, retain them for a period of 7 months and then terminate them. (If a temporary is retained for more than 240 working days in a year, he is deemed to have become a permanent employee as per rules). The same temporary employee could be re-employed after a gap of a few months.

Mr. Ravi studied this situation. He thought that it was an enormous waste of effort to coordinate the engagement of temporaries and discontinue them on such a large scale on a continuous basis. Besides, he thought, a sense of belonging could not exist among the workmen if they are employed on a hire-and-fire basis.

He prepared a proposal suggesting to discontinue this practice. He submitted a well written note to the Personnel Manager, who had a very progressive outlook on personnel matters. The Personnel Manager informed him that in

SIL such decisions were beyond the jurisdiction of the department and that he could only send the proposal to the Vice President who normally deals with such matters. Accordingly, the note was forwarded to the Vice President.

There was no response from the Vice President who was known for his grip over the company's administration and controlled it very tightly. He used to take quick decisions on matters referred to him. By practice, the managers knew that if there was no response from him, it meant that he was not interested in the proposal, and the managers generally did not venture to follow up the matter.

Mr. Ravi, however, sent a note to the Vice President indicating his desire to discuss the matter with him. In the meanwhile, he had also worked out details of another scheme offering to encourage self-study by the employees. According to it, an employee could undertake higher education and seek career advancement. This, he thought, would motivate the employees as their energies would find a new and useful outlet.

Mr. Ravi was called for a meeting with the Vice President. The Personnel Manager was also invited to be present. Mr. Ravi briefly explained the salient features of the two schemes he had proposed. He contended that they would bring a major change in the HR situation of the organisation. The Vice President indicated that both the proposals were immature and unrealistic, though he agreed that they were good proposals on paper. He asked Mr. Ravi to be more realistic and pragmatic in his approach rather than take decisions, on academic merits. In support of his statement he asked him to go through the facts and figures with the help of Mr. Godbole. Mr. Godbole gave Mr. Ravi a few relevant facts : the average efficiency of a permanent employee in the company was 48%, while that of temporaries was 85%. The productivity of an employee came down as soon as he was confirmed on the job. There was hardly anything that the company could do in the matter in the then prevailing labour situation. This was proven with the cases of a few employees who were confirmed in the past few

months. Hence, in the interest of labour productivity it was necessary to maintain the temporary operatives. The company could manage the work quite well as the skill required was not of a high level in a majority of the cases. A temporary operator could pick up the required skill level in a few days. It was only the will to work which was required.

As regards the self-education scheme, the Personnel Manager asked him to go through the personal docket of selected workmen. Mr. Ravi went through them and found a file of Mr. Jadhav whose case was as : He had joined the company canteen as a helper 16 years ago after his SSC. He worked sincerely, and was confirmed in the regular service of the company 10 years ago as a server. He was a sincere and hard-working person. There was absolutely no problem with his work. He enrolled himself in an evening college in 1973 and completed his B.A. in 1978. He was extremely happy and immediately put up an application seeking a white collar job as a clerk or an assistant in the commercial

department. He felt that would be a more suitable job for him. The management looked into his case.

Mr. Jadhav was drawing a salary of ₹ 1,600 by virtue of his long service. The clerical job which he was looking for could be filled up by a fresh graduate on a salary as low as ₹ 700 to start with. His long service was not of any use in his new assignment. His application was rejected. There were no openings at the supervisory level in the canteen. Thus, there was no way in which he could be given a promotion or a white collar job.

This had very serious repercussions on Mr. Jadhav's performance. In 1979 there were complaint of his misbehaviour with his supervisor and lack of interest on the job. He was suspended for 3 days in 1980. Today, he is a thoroughly disgruntled worker since his aspirations linked to his new qualification could not be met with. There were several other such cases of dissatisfied employees.

The company management rightly feared that undue encouragement for self-study may have grave consequences as their aspirations could turn out to be unrealistic. This apprehension was confirmed by the feedback from other organisations which had encouraged such schemes and were having a bitter experience with several cases of dissatisfaction among employees. Hence keeping a low profile was better. The management finally maintained that encouraging employees to go in for higher courses was to invite trouble.

Mr. Ravi was thoroughly confused and disillusioned. He wondered whether what is thought and taught to be good can't be so in practice. There were more and more instances proving to the contrary. He had come across several cases of managers who made themselves redundant by developing their juniors, and had to quit the organisations. After all, who wants to pay a fat salary to a Senior executive and retain him if a junior in the department can do his job ? The end justified the means in many private commercial organisations.

- (a) Why did the Personnel Manager, who understood the situation, not explain it to Mr. Ravi ?
 - (b) Was he right in sending Mr. Ravi's proposal to the Vice President ?
 - (c) Is the Vice President an orthodox executive or is he a pragmatic person who had adapted his style according to circumstances ?
 - (d) What should be Mr. Ravi's next course of action under the circumstances ? Should he reconcile himself to the situation ? If so, how ?
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