

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

Final Year-First Semester Examination in BBA (Specialization in HRM)-2009/2010 (August 2011) (Proper/Special Repeat)

HRM 4113 Strategic Human Resource Management

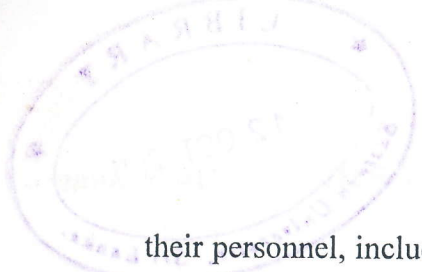
Answer all five questions

Time: 03 hours

Q1. Case study: Harley-Davidson and Application of SHRM

Sometimes business success poses its own set of challenges. That was the experience of Harley-Davidson, the manufacturer of high-end motorcycles. Having recently celebrated its 100th anniversary as a company, Harley has enjoyed well-earned success in the marketplace. The company is known for the quality of its product and the loyalty of its customer base: Harley enjoys a 98 percent customer retention rate. The workforce, too, is extremely loyal. A sense of intense pride pervades the company. People want to work there, and the workforce has grown primarily from the inside, with existing employees bringing in friends and family to enjoy the good fortune of working for Harley-Davidson. So what does a satisfied workforce do when the company must continue further along its journey to high performance and meet new challenges: competition from lower-priced competitors, and expansion into overseas markets? With so much going right for the company, why “mess with success”? Clearly the company was facing a number of HR challenges in implementing more aggressive strategies. Employee satisfaction is great, as long as the workforce is also engaged and not complacent. One looming issue for Harold Scott, the vice president of HR for the company: HR has not historically been a major player at the company strategic table. One thing Scott knew for sure: if Harley-Davidson was to implement its new strategies, it had to bring its workforce along in the right way. It was imperative for the HR function to get right a number of basic issues with processes and technologies, to free up its HR executives to play a more vital role in company strategy.

Harley-Davidson turned to Accenture to support business improvement by assessing its HR strengths and weaknesses by implementing the Accenture Human Capital Development framework. Developed in conjunction with the Accenture Institute for High Performance Business, the framework enables organizations to gather information from a broad range of



their personnel, including human resources directors, senior executives and other employees. Results from a framework implementation highlight for organizations the investments in human capital processes and capabilities, and key performance drivers, are mostly likely to produce the best business results.

This implementation at Harley-Davidson was also a part of a large analysis of the framework, conducted with nineteen organizations in a variety of industries across North America, Europe and Asia/Pacific. This analysis, co-sponsored by Accenture and SHRM, showed that companies can focus their human capital investments in several key areas that are more likely than others to help achieve high performance. Specifically, the test results underscored the importance of human capital strategy, supportive work environments, and employee development to the financial success of any organization. Explains Harold Scott, "The goal with our implementation of the framework was to introduce a more metric driven viewpoint of human resources and to think about people programs in business terms. HR has always struggled to bring a tangible business case to the table. The business does not undertake a major initiative without some key underlying metrics critical to success; why should human resources be any different?"

By teaming with Accenture on this initiative, the company has been able to prioritize human capital investments. Results revealed that Harley-Davidson was performing above average in seven of the thirteen human capital processes analyzed. Scott decided to focus first on those areas that could use the most improvement. One was human capital infrastructure—that is, human resources information systems and transaction processes like payroll and benefits administration. Mastering this process, Scott felt, would not only provide an important foundation to improving the overall function, it would also increase the credibility of the HR organization in its efforts to become more of a strategic partner to the business. (a)

As a result of the framework findings, Harley-Davidson initiated a complete HRIS audit and strategy which will enable the company to improve overall performance by offering employee self-service and a greater standardization and integration of processes. Scott

second priority was to focus on employee engagement, and on human capital strategy, another process, that was relatively weak yet is strongly related to financial results. Framework results revealed that the process could be improved by using tools to track and report quantitative and qualitative workforce metrics, soliciting the feedback of employees as to the effectiveness of human capital programs, and prioritizing programs and processes according to the business benefit likely to be created. The implementation of the Accenture Human Capital Development Framework has led to a number of exciting initiatives at Harley-Davidson to support their quest for high performance. The company is developing a three-year master plan of work and has also established an HR metrics role to monitor the most important metrics selected by the department. Workforce planning has also become a bigger topic of discussion, not just for HR but the broader enterprise, as well. Explains Scott, "The Accenture framework validated the work we are doing in relation to our HR strategy. It was powerful how the Accenture framework linked to our business and related issues, providing an opportunity for us to calibrate where we are against other world-class companies and identifying the practical actions we can take to improve our HR function. We will use the results to fine-tune the work we currently have undertaken and set the pace for future actions."

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 110,000 people in 48 countries, the company generated net revenues of US\$13.67 billion for the fiscal year ended. (*source: www.accenture.com*)

Questions:

- (a) Identify and mention how strategic HRM was applied to achieve the expected results of the Harley-Davidson.

(07 Marks)

(b) Explain the roles of consulting firm in creating a more strategic HR function at Harley Davidson.

(07 Marks)

(c) How would you advise this company to develop a better strategic oriented HRM system?

(07 Marks)

(d) Evaluate the impact of HRM on achieving the strategic needs of the Harley-Davidson?

(07 Marks)

(Total 28 Marks)

Q2.

(a) What is Strategic Human Resource Management (SHRM)? What is the purpose of SHRM? How does it differ from Strategic Management?

(10 Marks)

(b) Describe the contribution of Human Resource Management (HRM) in an organisation under following circumstances:

- Strategic Planning
- Strategic Implementation

(08 Marks)

(Total 18 Marks)

Q3.

(a) "Nowadays Talent Management has emerged as one of the top priorities of HRM, in order to avoid HR failures." What do you understand by the term 'HR failures'? And explain how talent management is helping to avoid HR failures.

(06 Marks)

(b) Differentiate International HRM from Domestic HRM?

(06 Marks)

- (c) Define the term 'employer branding' and list out the contribution of HRM in building 'employer branding'.

(06 Marks)

(Total 18 Marks)

Q4.

- (a) Describe the challenges in managing employee diversity in Sri Lankan organisations.

(10 Marks)

- (b) What are your suggestions to improve the management of diversity in Sri Lankan organisations? Explain.

(08 Marks)

(Total 18 Marks)

Q5.

- (a) Identify a *business-level strategy* and briefly describe the role of HRM in the strategy you identified.

(06 Marks)

- (b) List out possible ways in which technology usage in HRM can contribute in implementing business strategies in a more effective way.

(06 Marks)

- (c) How an organisation can manage changes effectively through its people and HRM? Explain.

(06 Marks)

(Total 18 Marks)