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EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

**Second Year Second Semester Examination in Bachelor of Business Administration /
and Bachelor of Commerce 2013/2014 (May, 2016) (Proper / Repeat)**

HRM 2013 Human Resource Management

Answer all questions

Time: 03 Hours

No. of Pages: 07

Q1. Read the Case study and answer the questions given below.

PAY MANAGEMENT IN DILEMMA

XYZ Company Limited is a Multinational Company which produces and exports garments to several countries including France, Australia, UK, Canada and Germany. The company has factories in India, Bangladesh and Sri Lanka. The head office in Sri Lanka manages the whole operations of the 37 factories in Sri Lanka. Human resource function has been decentralized and each factory has its own HR department under the supervision and guidance of the HR division at the Head Office. However, the HR department in the factories deal with the HR functions related to the workers who are below the managerial grades. HR functions related to Managers and Assistant Managers are dealt by the HR division at Head Office.

On 3rd of May 2015, the Group HR Manager received 148 letters from the 37 factories. All those letters were sent by Production Managers, Cutting Managers, Administration Managers and Stores Managers working in all of the 37 factories (37 letters from each managerial category). The purpose of those letters was to request a higher salary due to increased work load and responsibilities. The HR Manager understood the severity of the situation as all the Managers had got together like a union and sent the letters. A solution had to be given immediately to avoid further problems. The Group HR Manager immediately formed a group consisting of 2 Assistant HR managers and 2 HR executives to analyse the problem and submit a report within 2 days.

He received the report on time and a summary of the report was as follows:

- Even though there were many Managers in a factory, the problem was with only Production, Cutting, Administration and Stores Managers.
- No any manager was aware about the Job Evaluation method the company used.
- The basic salary at the time of conflict for Production and Cutting Managers was Rs. 102,000 and for Administration and Stores Managers was Rs. 83,000 (This is equal to all 37 factories).
- Job evaluation was made in 1997 to decide the pay structure of the Managers in XYZ Company.
- Salary was decided based on rankings of each job and the ranks were derived from 'Paired Comparison Method' (This comparisons were made by Mr.Sunil Perera - External Consultant for HR).
- The new salary requests of the four Managers were as follows:
 - Production Manager: Rs. 130,000
 - Cutting Manager: Rs. 120,000
 - Administration Manager: Rs. 95,000
 - Stores Manager: Rs. 95,000

After reading the report and consulting some HR experts, the Group HR Manager decided to conduct a job evaluation to decide the new pay structure. He formed a committee for job evaluation consisting of General Manager, Group HR Manager, an outside consultant - specialist in rewards management, 3 line managers and 4 highly experienced Managers from each of the problematic areas: Production, Cutting, Administration, and Stores. The committee decided to choose factor comparison method to evaluate the jobs.

The following key jobs and job evaluation factors were selected:

Key Jobs : Accountant, Work Study Officer, Office Assistant, Mechanic,
Security Guard

Evaluation Factors : Responsibility, Competence, Mental Effort, Physical Effort,
Working Condition (These factors were defined clearly).

All the key jobs were evaluated on every evaluation factor with the help of those 4 highly experienced Managers as there were no clear job descriptions and job specifications for the

jobs. The results were put into a table and then, percentage values were given according to importance of factors. The following table shows the apportionment of percentage values:

Job	Factors				
	Responsibility	Competence	Mental Effort	Physical Effort	Working Conditions
Accountant	35	35	24	05	01
Work Study Officer	15	30	10	20	25
Office Assistant	06	62	18	09	05
Mechanic	24	43	18	09	06
Security Guard	18	20	10	06	46

As the next step, the committee attributed financial values (daily wage = basic monthly salary/26 days) to key jobs as follows:

Accountant	:	Rs. 3,200
Work Study Officer	:	Rs. 2,000
Office Assistant	:	Rs. 1,500
Mechanic	:	Rs. 1,000
Security Guard	:	Rs. 600

With the help of this information, they allocated financial values among the evaluation factors, developed factor comparison chart and evaluated the four jobs, 'Production Manager', 'Cutting Manager', 'Administration Manager' and 'Stores Manager'. Subjective decisions that were used to evaluate these four jobs by the committee were as follows:

Evaluation Factors	Production Manager	Cutting Manager
Responsibility	Five times than that of Work Study Officer	Identical to that of Accountant
Competence	Two times than that of Accountant	Two times than that of Office Assistant
Mental Effort	Three and a half times than that of Work Study Officer	Two times than that of Work Study Officer
Physical Effort	Identical to that of Office Assistant	One and a half times than that of Security Guard
Working Conditions	Two times than that of Mechanic	Identical to that of Work Study Officer

Evaluation Factors	Administration Manager	Stores Manager
Responsibility	Two times than that of Work Study Officer	Identical to that of Accountant
Competence	Two times than that of Office Assistant	Identical to that of Work Study Officer
Mental Effort	Three times than that of Office Assistant	Identical to that of Security Guard
Physical Effort	Identical to that of Accountant	Three times than that of Work Study Officer
Working Conditions	Identical to that of Accountant	Three times than that of Security Guard

Once the evaluation was finished, the following recommendations were made by the committee:

1. To inform all the managers of the company about the job evaluation method the company uses and the purposes of it.
2. To increase the basic salary of Production Manager by Rs. 20,000
3. To increase the basic salary of Cutting Manager by Rs. 10,000
4. To fulfill the salary requests of Administration Manager and Stores Manager.

Questions:

- i) State the problems with the job evaluation method that was used in 1997. (02 Marks)
- ii) Explain the reasons for choosing 'Factor Comparison Method' as the job evaluation method. (02 Marks)
- iii) Define the five job evaluation factors chosen for this evaluation. (05 Marks)
- iv) There are seven principles to be followed in formulating and implementing a programme of job evaluation. Were those principles followed in this case? (07 Marks)
- v) Carry out the necessary calculation and comment on the recommendation of the committee with proper justifications. (12 Marks)

(Total 28 Marks)

Q2. i) *“The Human Resource Management is useful for managing people at work. Each of its approaches stresses important considerations that can be applied in managing people at work”*. Discuss any four approaches with examples.

(04 Marks)

ii) *“Most of the Managers are denying their responsibilities in Human Resource Planning”*.

Briefly elaborate the consequences associated with the failure of Human Resource Planning in an organizational context.

(05 Marks)

iii) *“Job Design can be defined as the function of arranging tasks, duties and responsibilities into an organizational unit of work for the purpose of accomplishing certain objective”*.

Elaborate one of the Job Design techniques with its advantages and disadvantages.

(05 Marks)

iv) *“A job description detailing the main purpose, duties and responsibilities of a job, can be drawn up from the information obtained during the job advertisement”*.

Select a job and draft a job description which need to be included all the information.

(04 Marks)

(Total 18 Marks)

Q3. i) List out the factors influencing on the applicant's decision to accept the job offer.

(04 Marks)

ii) *“Internal Recruitment Policy has more advantages than External Recruitment Policy”*. Justify this statement.

(05 Marks)

- iii) *“Organizations are using several selection methods in order to get a right employee to a right job”.*

Briefly elaborate any two (02) selection methods.

(05 Marks)

- iv) *“Induction is the HRM function that systematically and formally introduces the new employee to the organization, the job, the work group to which the new comer will belong and the work environment where the new comer will work”.*

Discuss the importance of induction for a new employee.

(04 Marks)

(Total 18 Marks)

- Q4. i) *“Equity is the degree of reasonableness”.*

Discuss the varieties of equity with appropriate examples.

(04 Marks)

- ii) *“Modern methods are an improvement over the traditional methods. They are an attempt to remove defects from old methods”.*

Briefly elaborate any one (01) of the modern method of Performance Appraisal.

(04 Marks)

- iii) *“When designing the Training Programme, the organization need to consider several factors”.* Discuss this statement.

(05 Marks)

- iv) *“There are several designs, which can be used to assess the success of training”.*

Discuss the Designs of Training Evaluation.

(05 Marks)

(Total 18 Marks)

Q5. i) *“Labour Management Relationship is the perceived degree of how well labour unions and managers in an organization feel and behave towards each other”.*

What are the three main objectives of Labour Management Relationship?

(03 Marks)

ii) Define the term “Discipline” and why the Discipline Management is important to an organization?

(05 Marks)

iii) Briefly discuss the importance of Grievance Handling with the diagram.

(05 Marks)

iv) *“Employee’s health need to be examine in the form of physical and mental health”.*

Elaborate this statement.

(05 Marks)

(Total 18 Marks)