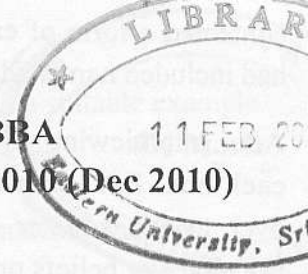


**Eastern University, Sri Lanka**  
**Faculty of Commerce & Management**  
**Final year- First Semester Examinations in BBA**  
**Specialization in Human Resource Management- 2009/2010 (Dec 2010)**  
**HRM 4153-Employee Resource**



**Answer all questions**

**Time - 03 Hours**

**Case Study: Selection at MM Paints (Pvt) Company**

MM Paints (Pvt) Company is a medium size business organisation manufacturing and distributing MM brand of paints throughout the country. The owner who is the Managing Director (MD) of the Company is a hard working person. Because of his genuine commitment, expertise in painting, human relations and experience he was able to develop the company to the current state. In fact the Company obtained an award from the Government for high productivity last year. However the company has to face a severe competition coming from local as well as foreign companies engaged in the industry.

Three years ago, the MD hired a graduate in Accounting from the Eastern University, Sri Lanka for the post of Accountant, namely Mr.J.Gowtham. Based on his excellent performance he was promoted in 2007 to the post of Internal Auditor that had been designed exclusively for his promotion by considering business needs too. He obtained his Masters degree in Business Administration from University of Colombo in the same year (before the promotion). The MD had a very bad experience from a person who had been hired for the post of Production Manager. The person who had worked as the production manager learned many things about the manufacturing technology and left to start his own business which was competitive to the Company. Due to this event, the Company lost some of its customers. This person had been hired through an interview conducted and chaired by the MD. With this very bad experience he started to be very serious in employee selection.

The post of Marketing Manager became vacant due to the resignation of the job holder. He left because he had found a job with better rewards. The Internal Auditor suggested to form an interview panel consisting of an expert in Marketing and an expert in HRM chaired by the MD. The MD accepted the suggestion. A person with a B.Com and an MSc in Marketing from the Strathclyde University, UK was appointed as the expert in Marketing for the interview. In fact he was a friend of MD and also had an extensive experience in Marketing. The HRM expert was an academic with a wealth of teaching and research experience who had taught HRM to Mr J.Gowtham for his MBA. The HRM expert had a BSc, an MSc, an MBA and a PhD.

The vacancy was advertised and nine persons applied. All were called for the first interview. The interview board consisted as planned, of an expert in marketing, an expert in HRM, the internal Auditor and the MD. In fact the HRM expert had asked for an evaluation scheme before the interviewing commenced. He was informed by the chair that they could consider experience and education plus expected salary. Each interviewer was given a file that had

contained a form of each candidate giving a summary of the candidate's information which had included name, address, contact number, date of birth, etc.

After interviewing each applicant, the HRM expert gave a test called Supervisor Index to each one. Each applicant had been requested to go out, complete the test, and hand it over to the counter receptionist. The index had contained 20 statements pertaining to principles or beliefs or practices about supervision.

Finally the Marketing expert selected Mr. Sharugan as the most appropriate job applicant and the HRM expert selected the same person. But the MD preferred Mr. Karthiqa to Mr. Sharugan. Mr. Karthiqa had been selected as the second in order of merit by the both experts. However a second interview had been held by the MD only and Mr. Karthiqa was selected and hired.

After three months, the HRM expert got a telephone call from the Internal Auditor.

Mr. J.Gowtham spoke, "Sir, we need your help for an interview."

The expert responded, "Gowtham, what is the post?"

"Marketing Manager".

"Marketing Manager! We interviewed for the post three months ago if my memory is correct".

"Yes, Sir. The one selected by MD at the final interview had a conflict with two assistant Sales Managers and a verbal clash with the MD. Last week he resigned". The expert replied "Oh! I see."

#### Q1) Questions:

- Identify three key problems faced by the company in terms of employee selection. (12Marks)
  - What could be possible causes for those problems? (8 Marks)
  - Suggest recommendations for improving the selection. (8Marks)
- (Total Marks 28)

#### Q2)

- Are people always an organization's most valuable assets? Justify your answer. (06 Marks)
  - Briefly describe how to align Human Resources with the business and to isolate the HR effects. (08 Marks)
  - What are the factors that should be considered on the method of delivery? (04 Marks)
- (Total Marks 18)

Q3)

- a) What are the factors affecting HR costing function? Explain with a suitable example. (06 Marks)
- b) "The challenge of HR is to select a particular strategy that best matches the type of information and situation" Justify this statement. (06 Marks)
- c) What are the specific skills needed to ensure measurement and evaluation? (06 Marks)

(Total Marks 18)

Q4)

- a) "Human Resource Accounting is vital to Human Capital Management" Discuss why with suitable examples. (06 Marks)
- b) What do you mean by "trend line analysis"? Present pros and cons of this approach. (06 Marks)
- c) Briefly explain the characteristics of evaluation levels. (06 Marks)

(Total Marks 18)

Q5)

- a) Differentiate the following pairs of concepts.
- a. HR generalist and HR specialist
  - b. Field base and functional base (06 Marks)
- b) The action plan process should be an integral part of the HR programme and not an added one or optional activity. Explain with examples. (06 Marks)
- c) Discuss key challenges associated with Human Resource Accounting. (06 Marks)

(Total Marks 18)