

01-JAN 7
Eastern University

Eastern University, Sri Lanka
Faculty of Commerce and Management

**Third Year First Semester Examination in Business Administration/ Commerce/
Economics 2002/03 (June 2003)**

MGT 3024 Human Resource Management and Industrial Relations

Time: 03 Hours

Answer all questions

01. UNIONIZATION EFFORTS AT WHOLE FOODS

It is well known that unions target employers whose management practices are deficient. But what about trying to organize workers at a company that has been recognized for having a variety of "employee-friendly" policies and practices? The battle between the Lankan Food and Commercial Workers (LFCW) and Whole Foods Market, Inc., reveals some aspects of situations faced by unions today.

Whole Foods opened its first store in 1980 in Colombo. By the mid-1990s, Whole Foods had 35 stores in eight Provinces, some under other names, and an annual sales volume of over Rs.400 million per year. In a number of locations, Whole Foods has been targeted by the LFCW because Whole Foods employees are paid less than standard LFCW wages at other supermarkets. For instance, at the Whole Foods store in Kandy, employees earned Rs.55 per hour, while LFCW wages were Rs.60 per hour. In Nuweralia, the LFCW had contracts with some competitive supermarket chains whereby, though beginning workers earned only Rs.49 to Rs.53 per hour, full-time employees earned as much as Rs.160 per hour plus benefits. At all Whole Foods stores, employees start at Rs.55 per hour, but raises beyond that level are based on store profit percentages and team performance. The CEO of Whole Foods claims that the firm's benefits package is equal to that of the LFCW and that after stores have been open for several years, employees at Whole Foods stores that meet performance and profit goals will be making wages close to those paid at LFCW-represented companies.

The LFCW has difficulties organizing Whole Foods workers. One reason has been the employee-friendly policies and practices used throughout the firm. For instance, most of the managers in Whole Foods stores started as hourly employees. One store manager started as a stocker and two years later was promoted to assistant store manager with an attendant pay raise. Whole Foods workers also can transfer to other stores in other areas. In addition, Whole Foods employees get a 20% discount on all purchases at their stores, and the firm gives bonuses to workers who get more training. For the longer term, Whole Foods has established an employee stock ownership plan.

Nevertheless, the LFCW has persisted in its organizing efforts, conducting unionisation campaigns at Whole Foods Stores in several provinces. Its major goal is to raise the wages of Whole Foods workers to a level equal to that at competing supermarkets where LFCW members work. Otherwise, Whole Foods will continue to have a major labour cost advantage. Also, the president of a LFCW local addresses a broader concern when he says, "Our society can't survive on Rs.60 to Rs.70 an hour jobs." So the union plans to continue picketing Whole Foods and running advertisements urging consumers to shop elsewhere until Whole Foods employees select the LFCW to represent them.

Questions

- i. Discuss how management at Whole Foods illustrates why union membership has declined. (10 Marks)
- ii. What are the reasons supporting and negating the need for the LFCW's activities to organize workers at Whole Foods stores? (09 Marks)
- iii. Suggest your solutions how to solve the problems of LFCW through Labour Management Relations (LMR). (09 Marks)

(28 Marks)

02. i. What are the main trends in the history of Human Resource Management?
(05 Marks)
- ii. Briefly describe the basic processes in human resources management
(05 Marks)
- iii. What are the seven-points plan and fivefold grading system? What headings do they include?
(04 Marks)
- iv. Considering all methods, why is the point method the most widely used for job evaluation?
(04 Marks)
03. i. What are the features of Total Quality Management (TQM)? Compare TQM with Quality Control Circles (QCC)
(04 Marks)
- ii. Briefly explain the key theories of motivation and their implications for human resources management.
(05Marks)
- iii. Name the methods of forecasting demand for human resources commonly used
(03 Marks)
- iv. Suppose you have been appointed as a HR Manager to the Valaichenai National Paper Company (VNPC). You have been asked to design a training Program to update the Knowledge/Skills/Attitudes of Production employees at VNPC. Draft your plan with all details
(06 Marks)

04. i. Do you agree that the performance appraisal as a control mechanism call fundamental changes in the attitude and behaviour of managerial person
Explain with suitable examples. (04 M)
- ii. List four differences between a structured interview and an unstructured inter (04 M)
- iii. Explain the meaning and importance of reliability and validity in the us selection methods. (05 M)
- iv. Assume that you have to interview 10 applicants for the post of Secretary for of the Organisation. Describe and explain how you plan for the interviews. (05 M)
05. i. Agree or disagree with the following statement: "A good application for fundamental to an effective selection process." Explain your conclusion (04 M)
- ii. Explain the similarities and differences between the behavioural Anchor Ra Scale (BARS) and management by objectives (MBO) as the method performance appraisal. (04 M)
- iii. Give the meaning of the term 'strike' and 'lock-out'. State the circumstance which strikes and lockouts are prohibited and become illegal. (05 M)
- iv. What is meant by "grievance" Explain the possible reasons for grievances am employees in public sector organizations in Sri Lanka (05 M)