

EASTERN UNIVERSITY, SRI LANKA

Faculty of Commerce and Management

Part II Examination in Bachelor of Business Administration/Commerce 1999/ 2000

(April 2006) (EXTERNAL)

BBA/COM 302 Human Resource Management and Industrial Relations

Answer five (5) questions including question no. 01

Time: 03 hours

Q1. Case study:

Appraising the Secretaries at Sweetwater U

Rob Winchester, newly appointed vice president for administrative affairs at Sweetwater State University, faced a tough problem shortly after his university career began. Three weeks after he came on board in September, Sweetwater's president, Rob's boss, told Rob that one of his first tasks was to improve the appraisal system used to evaluate secretarial and clerical performance at Sweetwater U. Apparently, the main difficulty was that the performance appraisal was traditionally tied directly to salary increases given at the end of the year. So most administrators were less than accurate when they use the graphic rating forms that were the basis of the clerical staff evaluation. In fact, what usually happened was that each administrator simply rated his or her clerk or secretary as "excellent". This cleared the way for all support staff to receive a maximum pay increase every year.

But the current university budget simply did not include enough money to fund another "maximum" annual increase for every staffer. Furthermore, Sweetwater's president felt that the custom of providing, invalid feedback to each secretary on his or her year's performance was not productive, so he had asked the new vice president to revise the system. In October, Rob sent a memo to all administrators telling them that in the future no more than half the secretaries reporting to any particular administrator could be appraised as

"excellent". This move, in effect, forced each supervisor to begin ranking his or her secretaries for quality of performance. The vice president's memo met widespread resistance immediately - from administrators, who were afraid that many of their secretaries would begin leaving for more lucrative jobs in private industry, and from secretaries, who felt that the new system was unfair and reduced each secretary's chance of receiving a maximum salary increase. A handful of secretaries had begun quietly picketing outside the president's home on the university campus. The picketing, caustic remarks by disgruntled administrators, and rumors of an impending slowdown by the secretaries (there were about 250 on campus) made Rob Winchester wonder whether he had made the right decision by setting up forced ranking. He knew, however, that there were a few performance appraisal experts in the School of Business, so he decided to set up an appointment with them to discuss the matter.

He met with them the next morning. He explains the situation as he had found it. The present appraisal system had been set up when the university first opened 10 years earlier, and the appraisal form had been developed primarily by a committee of secretaries. Under that system, Sweetwater's administrators filled out forms. This once-a-year appraisal (in March) had run into problems almost immediately, since it was apparent from the start that administrators varied widely in their interpretations of job standards, as well as in how conscientiously they filled out the forms and supervised their secretaries. Moreover, at the end of the first year it became obvious to everyone that each secretary's salary increase was tied directly to the March appraisal. For example, those rated "excellent" received the maximum increases, those rated "good" received smaller increases, and those given neither rating received only the standard across-the-board cost of living increase. Since universities in general - and Sweetwater U in particular - have paid secretaries somewhat lower salaries than those prevailing in private industry, some secretaries left in a huff that first year. From that time on,

most administrators simply rated all secretaries excellent in order to reduce staff turnover, thus ensuring each a maximum increase. In the process, they also avoided the hard feelings aroused by the significant performance differences otherwise highlighted by administrators.

Two Sweetwater experts agreed to consider the problem, and in two weeks they came back to the vice president with the following recommendations. First, the form use to rate the secretaries were grossly insufficient. It was unclear what "excellent" or "quality of work" meant, for example. In addition, they recommended that the vice president rescind his earlier memo and no longer attempt to force university administrators arbitrarily to rate at least half their secretaries as something less than excellent. The two consultants pointed out that this was, in fact, an unfair procedure since it was quite possible that any particular administrator might have staffers who were all or virtually all excellent - or conceivably, although less likely, all below standard. The experts said that the way to get all the administrators to take the appraisal process more seriously was to stop tying it to salary increases. In other words, they recommended that every administrator fill out a form, for each secretary at least once a year and then use this form as the basis of a counseling session. Salary increases would have to be made on some basis other than the performance appraisal, so that administrators would no longer hesitate to fill out the rating forms honestly.

Rob thanked the two experts and went back to his office to ponder their recommendations. Some of the recommendations (such as substituting the new rating form for the old) seemed to make sense. Nevertheless, he still had serious doubts as to the efficacy of any graphic rating form, particularly if he were to decide in favor of his original force ranking approach. The experts' second recommendation - to stop tying the appraisals automatic salary increases - made sense but raised at least one very practical problem: If salary increases were not to be based on performance appraisals, on what were they

to be based? He began wondering whether the experts' recommendations weren't simply based on ivory tower theorizing.

Questions

1. Do you think that the experts' recommendations will be sufficient to get most of the administrators to fill out the rating forms properly? Why? Why not? What additional actions (if any) do you think will be necessary?

(10 marks)

2. Do you think that Vice President Winchester would be better off dropping graphic rating forms, substituting instead one of the other techniques, such as a ranking method? Why?

(10 marks)

3. What performance appraisal system would you develop for the secretaries if you were Rob Winchester? Defend your answer.

(08 marks)

(Total 28 marks)

Q2. (a) Define the term Human Resource Management and differ it from Strategic Human Resource Management.

(05 marks)

(b) "Human Resource Management involves two categories of functions – managerial and operative". Describe these functions in detail.

(06 marks)

(c) Why is it important for companies today to make their human resources into a competitive advantage? Explain how HR can contribute to doing this.

(07 marks)

Q3. (a) Differentiate the terms "Job Description" and "Job Specification".

(04 marks)

(b) "Recruiting the employee is only the beginning – the problems commence with his/her induction". Comments this statement.

(06 marks)

(c) Briefly discuss and give five examples of common interviewing mistakes. What recommendations would you give for avoiding these interviewing mistakes?

(08 marks)

Q4. (a) How would you determine the training needs in an organization? What psychological factors in learning could be helpful in making a Training Programme more effective?

(08 marks)

(b) What is Organization Development? What are the steps involved in implementing an OD Programme.

(05 marks)

(c) Do you think job rotation is a good method to use for developing management trainees? Why or Why not.

(05 marks)

Q5. (a) Evaluate the importance of performance Appraisal in an industrial organization. How would you make it more effective? Explain.

(06 marks)

(b) Discuss the pros and cons of two performance appraisal methods.

(05 marks)

(c) "Many performance appraisal methods suffer from many general limitations". Describe such general limitations in performance appraisal methods.

(07 marks)

Q6. (a) What are the important factors for determining wage structure of an organization?

(06 marks)

(b) "Job Evaluation is useful in eliminating the discrepancies of a wage payment system". Explain the methods that we can use in job evaluation.

(06 marks)

(c) Discuss any two group incentive schemes for increasing productivity in a large organization.

(6 marks)

Q7. (a) Define the term Human Resource Planning (HRP) and state the objectives of HRP.

(06 marks)

(b) "External supply forecast should be made in the light of several local and international factors operating in the labour market". List out five the local factors.

(06 marks)

(c) "Job analysis is intended to reveal what is actually done as opposed to what should be done". Explain the uses of job analysis.

(06 marks)

Q8. (a) What is meant by Industrial Relations? Describe the conditions for good industrial relations.

(05 marks)

(b) "An effective grievance handling procedure is preventive rather than curative". Discuss.

(05 marks)

(c) Explain recent strike pattern in Sri Lanka.

(08 marks)