

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 4 – EXAMINATION – SUMMER 2016

Subject Code: 2840302**Date: 25/10/2016****Subject Name: Strategic Human Resource Management (SHRM)****Time: 02:30pm to 05:30 pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 (a) Multiple Choice Questions:**06**

1. The balanced scorecard proposes that organisational success depends on:
A. a focus on only the internal environment of the organization
B. a constantly changing external environment
C. the belief that it is impossible to take a rationalist view of the organisation to make optimal choices
D. an ability to develop a complete list of cause and effect relationships driving a firm's success
Treating employees as precious human resources is the basis of the _____ approach
A. Hard HRM
B. Soft HRM
C. Medium HRM
D. None of the above
SHRM aims to achieve competitive advantage in market by
A. Product
B. Price
C. Place
D. People
An record of all skills of employees is known as
A. MIS
B. Human Resource Inventory
C. Job Analysis Data
D. Succession planning
Why are employers interested in employee engagement?
A. to encourage employees to trust their managers
B. To make a quick profit
C. Because engaged employees are more motivated and prepared to give their best to make the firm succeed
D. To make employees work harder for less
Strategic Selection involves making decision on
A. Skills of employees
B. Experience of employees
C. Age of employees
D. Cultural Fit of employees
6. **Q.1 (b) Explain the following terms:**
i. Strategic Human Resource Management
ii. Human Resource Outsourcing

04

- Q.1** (c) What do you mean by Collective Bargaining & how it is useful for Industrial relation? **04**
- Q.2** (a) Explain the process of formulation of Market Driven Strategy. **07**
- (b) TQM (Total Quality Management) as a business process is gaining popularity in India. What are the human resource implications of this strategy? **07**
- OR**
- (b) What are the different factors affecting the organizational macro HR policy? Explain in detail. **07**
- Q.3** (a) Competitive advantage is easy to build but harder to maintain Entry or duplication barrier is essential requirement. How HR based competitive advantage could get over this challenge? **07**
- (b) Why are many organizations moving towards a flat structure? While implementing the strategy of Flat structure, what areas of HR would you give serious attention to? **07**
- OR**
- Q.3** (a) What is succession planning? What are the pros & cons of disclosing succession planning? **07**
- (b) Compare the four Job Evaluation Methods & describe how it is useful for wage fixation? **07**
- Q.4** (a) Which are the drivers of Outsourcing? Which are the different Business & HR concerns to be observed for Human Resource Outsourcing? Explain in brief **07**
- (b) Explain in brief different Individual Dimension of Diversity, How will you strategically manage diversity in your organization? **07**
- OR**
- Q.4** (a) Why do workers join trade union? **07**
- (b) What is soft asset due diligence and how would you proceed to do this before acquiring a firm? **07**
- Q.5** People are McDonald's most important asset. The company's success depends on the satisfaction of its customers, which begins with workers who have the attitudes and abilities required to work efficiently and provide good customer service. To execute its growth strategy, McDonald's has identified people as one of its three global corporate strategies. McDonalds claims that as an employer it wants "to be the best employer in each community around the world". It also makes a "people promise" to its employees that "we value you, your growth, and your contributions." Its five "people principles" reflected by its human resource strategy are: respect and recognition; value and leadership behaviors; competitive pay and benefits; learning, development, and personal growth; and ensuring that employees have the resources needed to get the job done. **14**
- McDonald's has executed its operational excellence strategy well by tracking key indicators of product and service quality, speed, and accuracy. The company has also identified its people practices and approaches that substantially impact the firm's turnover, productivity, customer satisfaction, sales, and profitability. This has allowed it to develop a business model that

emphasizes not only financial and operational factors but also people factors that improve the company's results by improving employee commitment, retention, productivity, and customer loyalty. Because its business strategy relies on providing customers quality, cleanliness, quick service, and value, McDonald's works hard at hiring people who want to excel in delivering outstanding service. Many of its restaurant employees are teenagers, and McDonald's is their first employer. The company tries to recruit and hire the best people, retain them by offering them ongoing training, and then promote from within to fill its managerial positions. To ensure that it is recruiting the right people, the company has identified important skills and behaviors that it looks for in applicants. McDonald's has found that the best way of hiring quality crew members is to advertise inside the restaurant and attract local people and/or friends of existing employees. McDonald's also recruits at local job centers and career fairs, using hiring material with a clear message targeted at its intended audience.

Questions:

1. Describe how McDonald's has aligned its business, human resource, and staffing strategies?
2. What are some possible talent-related threats that could eat away at McDonald's competitive advantage? Would higher turnover or a tight labour market in which it is difficult to find talented people be a problem?

OR

Megastores is one of the country's largest and most successful high street retailers. It has a very powerful overriding commercial objective – to increase shareholders' value – and to do this by providing value-for-money products and delivering consistently high levels of customer service.

Business strategy

The Managing Director made the following observations about strategic management:

Strategy is developing a route to better the business in the medium to long term. You cannot fully maximize the business opportunities unless you've got the proper management structure to create them. In business you have to look at the options available, make a decision and then drive that way.

The approach to strategy formulation was described by the Director of Finance as follows:

Our strategy tends to be based on the resolution of issues. There is a base strategy and we continue to question whether that is the right thing to be going forward with. We have a strategic planning framework throughout the group. It's called value-based management (VBM), the fundamentals of which are to make sure that whatever you do, you must maximize shareholder value... It provides us with a basis for looking at what we are doing and the resources we require we've never had before.

He also commented, however, that:

We're highly profitable, but in turn we invest an awful lot in our people. We spend a lot of money on the training and development of people throughout the organization. It's probably one of our key differentiators.

We have in place a formal business planning process in which we divide the planning into three levels. One is at business level, where we identify issues that we deal with as a company; the second level is product-market planning; and the third level is local market planning.

Our business strategy is formed through value-based management, which is a discipline for pulling everything together and ensures that decisions are made on the basis of their real value to the business rather than someone's strength of personality or hunch. This in itself required the involvement of all the directors in a more formal business planning process. Three or four years ago we worked more individually and now we work more as a team.

There are elements of our business that are incredibly value-creating. There are others that are incredibly value-destroying. The trick is to identify the ones that *are* value creating and funnel resources to them.

There are a number of blocks that make up our business strategy. The first is our overall objective. Against this we spin off a number of elements we call major initiatives. These are coordinated by our Director of Corporate Planning, but it is the functional directors who are really charged with taking ownership of these objectives.

HR strategy

The comments made by the Managing Director on the formulation of HR strategy are given below:

The biggest challenge will be to maintain (our) competitive advantage and to do that we need to maintain and continue to attract very high calibre people.

All we do in terms of training and human resource planning is directly linked to business improvement.

The key differentiator on anything any company does is fundamentally the people, and I think that people tend to forget that they are the most important asset. Money is easy to get hold of; good people are not.

The influence in terms of strategic direction must always be based on the key areas of marketing and operations.

When questioned on his approach to the development of HR strategies the HR Director replied:

I start with the top line, the four or five things which are the strategic platform for the company. I get my managers together to look at the implications. We then pull it together so that it is all derived from the original strategic platforms and then work top-down and bottom-up to get the amalgam of what we can achieve. This then feeds into the final operating plan so we can agree budgets.

1. What do the quotes given in the case study tell us about the process of developing and integrating HR strategy in general and the achievement of fit between the business and HR strategy?
