

Our HR strategy has to respond to our business needs. The challenge for HR is to look at all the areas it encompasses and make sure they are integrated into the main plan. One of the problems this company used to have up to a few years ago was that HR strategy was seen as something completely separate from corporate strategy. What we have tried to do in the past few years is to make them one and the same thing. So we start with a business plan; we know we are going to grow at a certain rate. Then we do a skills audit and predict how many managers we are going to need. Out of this comes our HR development policy on skills training, leadership training and recruitment.

The Deputy Managing Director thought that the Director of HR was basically responsible for developing their HR strategy:

We all look at our business strategy and express a view on the people we need, but our HR Director pulls it all together and interprets our ramblings into something coherent.

However, in answering a question on how HR strategies were developed, the Director of Finance admitted that:

We probably have more HR policies than strategies because the strategies are there in a simple sense but not 100 per cent well-articulated – for valid reasons; we are a growing business.

The Director of HR referred to the way in which strategic initiatives were developed:

First the HR people meet and we bounce ideas about and seek ideas. Then if we have a new initiative we put it to the board for discussion.

#### **Role of the HR Director**

What I want and what I get is a general contribution: whether the individual is HR Director, Finance Director or Marketing Director is in many ways irrelevant. For example, I look at the HR Director in the same way as the Finance Director, which is that when we about business policy and business strategy they would play into that at a general level, and having sorted out the policy, they contribute in their specific areas.

#### *Managing Director*

The role of HR is to facilitate everything we do.

#### *Deputy Managing Director*

I would expect the HR Director to be visionary, to see a bigger picture than I can see and to be able to articulate that. There is an element of added value in balancing HR policies with business issues.

#### *Director of Finance*

#### *The task*

Comment on the way in which business strategy is evolved in this company and how HR strategy is integrated with it.

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Programme: MBA

Enrollment No.....

Faculty of Management

End Sem (Even) Examination May-2018

MS5EH06 Strategic HRM

Branch/Specialisation: Management

**Duration: 3 Hrs.**

**Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Which one of the following would qualify to be a strategic HRM activity? **1**  
 (a) Administer Wage & Salary Programmes  
 (b) Prepare Staffing Plans  
 (c) Determine the level & type of Performance that is crucial for firm's growth  
 (d) Use specific job skill training
- ii. The actual achievements compared with the objectives of the job is **1**  
 (a) Job performance (b) Job evaluation  
 (c) Job description (d) None of these
- iii. The following is (are) concerned with developing a pool of candidates in line with the human resources plan **1**  
 (a) Development (b) Training (c) Recruitment (d) All of these
- iv. The following is (are) the key components of a business process Re-engineering programme? **1**  
 (a) Product development (b) Service delivery  
 (c) Customer satisfaction (d) All of these
- v. The following type of recruitment process is said to be a costly affair. **1**  
 (a) Internal recruitment (b) External recruitment  
 (c) Cost remains same for both types (d) None of these
- vi. Which of these are related to functional HR strategies: **1**  
 (a) Finance (b) Research & Development  
 (c) Manufacturing (d) All of these
- vii. In an organisation initiating career planning, the career path model would essentially form the basis for **1**  
 (a) Placement (b) Transfer (c) Rotation (d) All of these
- viii. Performance development plan is set for the employee by his immediate boss. **1**  
 (a) Employer (b) Department Head  
 (c) Immediate boss (d) Any of these
- ix. Which of these are related with strategic options: **1**  
 (a) Down sizing (b) Outsourcing (c) Restructuring (d) All of these

x.	Strategic HR decisions can be taken for	1
	(a) Domestic labour market            (b) International labour market	
	(c) Both (a) and (b)                    (d) None of these	
Q.2	i. Write a brief note on role of HRM in knowledge economy	2
	ii. Enlist the perspectives of SHRM.	2
	iii. What is the role of HR in strategic planning?	4
OR	iv. Compare the strategic HR with traditional HR.	4
Q.3	i. Discuss the best practice approach.	3
	ii. Illustrate the measure of HRM performance with examples.	5
OR	iii. Illustrate the HR bundle approach with example.	5
Q.4	Attempt any two:	
	i. Explain briefly the organizational HR strategies.	4
	ii. Elaborate the various functional HR strategies.	4
	iii. Explain the role of strategic HRM in improving business performance.	4
Q.5	i. What is employee separation?	3
	ii. Illustrate the concept of cross-cultural training.	5
OR	iii. Explain the career development system.	5
Q.6	i. What is restructuring of Human resource?	2
	Attempt any two:	
	ii. Discuss the HR competitive advantages through outsourcing and off-shoring.	3
	iii. What the significant HR issues in current global assignment.	3
	iv. Compare the domestic and international labour market.	3
Q.7	Case Study	10
	SHRM AT ABC DISTRIBUTION	
	<i>The case</i>	
	ABC Distribution distributes food products, mainly to major retailers. The critical success factors for the organization, as spelt out by its Managing Director and the Director of Finance, are its ability to meet its profit targets and to grow the business substantially on a consistent basis by developing a reputation for providing added value services, developing business with existing customers, winning new customers, and acquisitions. The company has doubled in size in the last four years. Underpinning the development of the company is the need to grow the infrastructure, to develop management and leadership and to extend quality and safety programmes.	

### Business strategy

The Managing Director agreed that in a sense their business strategy evolved in a semi-formal way, but this evolution took place:

By the key people understanding what the total business was trying to do, and their part in it; then they went away and put their bits together; then we pulled all of it together.

He commented that:

Our strategy is very simple and very broad... it can be put down in a few sentences. It's what lies around it that has to be developed.

He emphasized that:

We sought to demonstrate to the rest of the business that we (the board) were a team. Where a team hadn't existed before, a team was now running the company.

The Deputy Managing Director explained how he saw the formulation of the business strategy taking place:

We put our strategy together within the framework of the financial targets we have to meet and our values for quality, integrity and management style.

In answer to the question: 'How does your organization develop its business strategies?', the Director of Finance said that:

It started off as being very simple in that we had an objective to grow in excess of the rate of growth demanded by our parent company... However, that process has become less naïve, more detailed and more structured as the business grows... I see planning as a process that goes on and on and on and becomes more complex and more refined.

He also made the following comment:

Don't forget, not all strategies necessarily involve massive change... you can have a strategy to stay as you are.

The Director of Marketing emphasized the dynamic nature of strategy in a growing business operating in a highly competitive environment:

We have a strategy document which is concerned with developing market share and growth and is being continuously updated... The update is driven by the board... We have to make sure that we continue to refresh the strategy.

The Director of HR commented that:

The longer-term strategy is developed basically by the board getting together and working its way through... We also share that plan with the senior management team.

### HR strategy

The Managing Director described their approach to developing the HR strategy as follows:

**Marking Scheme**  
**MS5EH06 Strategic HRM**

Q.1	i.	Which one of the following would qualify to be a strategic HRM activity? (c) Determine the level & type of Performance that is crucial for firm's growth		<b>1</b>			
	ii.	The actual achievements compared with the objectives of the job is (a) Job performance		<b>1</b>			
	iii.	The following is (are) concerned with developing a pool of candidates in line with the human resources plan (c) Recruitment		<b>1</b>			
	iv.	The following is (are) the key components of a business process Re-engineering programme? (d) All of these		<b>1</b>			
	v.	The following type of recruitment process is said to be a costly affair. (b) External recruitment		<b>1</b>			
	vi.	Which of these are related to functional HR strategies: (d) All of these		<b>1</b>			
	vii.	In an organisation initiating career planning, the career path model would essentially form the basis for (d) All of these		<b>1</b>			
	viii.	Performance development plan is set for the employee by his immediate boss. (c) Immediate boss		<b>1</b>			
	ix.	Which of these are related with strategic options: (d) All of these		<b>1</b>			
	x.	Strategic HR decisions can be taken for (c) Both (a) and (b)		<b>1</b>			
Q.2	i.	Role of HRM in knowledge economy		<b>2</b>			
	ii.	Perspectives of SHRM.		<b>2</b>			
	iii.	Strategic planning definition	1 mark	<b>4</b>			
		Role of HR in strategic planning	3 marks				
OR	iv.	Compare the strategic HR with traditional HR (minimum 5 points)		<b>4</b>			
Q.3	i.	Definition of best practice approach and its purpose		<b>3</b>			
	ii.	HRM performance measure. (minimum five) Examples	3 marks 2 marks	<b>5</b>			
OR	iii.	HR bundle approach (Internal Fit / Horizontal integration) Example			3 marks 2 marks		<b>5</b>
Q.4		Attempt any two:					
	i.	Any two organizational HR strategies	2 marks each (2 marks * 2)	<b>4</b>			
	ii.	Name all six functional HR strategies Explain any two functional HR strategies	2 marks 2 marks	<b>4</b>			
	iii.	Role of strategic HRM in improving business performance (Minimum six points)		<b>4</b>			
Q.5	i.	Definition of employee separation		<b>3</b>			
	ii.	Concept of cross-cultural training Objectives/Importance/Features	3 marks 2 marks	<b>5</b>			
OR	iii.	Definition Designing the system Benefits of career development system			1 mark 2 marks 2 marks		<b>5</b>
Q.6	i.	Definition of restructuring of Human resource Attempt any two:		<b>2</b>			
	ii.	HR competitive advantages through outsourcing HR competitive advantages through off-shoring.	1.5 marks 1.5 marks	<b>3</b>			
	iii.	HR issues in current global assignment (any six)		<b>3</b>			
	iv.	Comparison the domestic and international labour market (any five)		<b>3</b>			
Q.7		Case Study <i>The task</i> Comment on the way in which business strategy is evolved in this company and how HR strategy is integrated with it. Evolution of business strategy HR strategy integration with the business strategy				2 marks 8 marks	<b>10</b>

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P.T.O.