

MANAGEMENT PROGRAMME

Term-End Examination

December, 2015

01390

MS-2 : MANAGEMENT OF HUMAN RESOURCES

Time : 3 hours

Maximum Marks : 100

(Weightage 70%)

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- Note :** (i) There are *two* Sections A and B.
(ii) Attempt *any three* questions from Section-A.
Each question carries 20 marks.
(iii) Section-B is *compulsory* and carries 40 marks.
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SECTION - A

1. Define and describe the concept of HRM in the context of today's business organisations. Briefly discuss various objectives and supporting functions of HRM. Explain with the help of relevant examples.
2. What are the objectives, purpose and limitations of Selection Tests ? Briefly discuss various types of Selection Tests and their applicability in the organisations. Cite relevant examples.
3. What are the goals and objectives of Performance Appraisal ? Briefly describe salient features, and conditions for effective Performance Counselling. Explain with examples.

4. Define and discuss the objectives and functions of Trade Unions. Briefly describe the Theories of Trade Unions.
5. Write short notes on **any three** of the following :
 - (a) Fringe Benefits
 - (b) Industrial Democracy
 - (c) Reward Management
 - (d) Workers' Participation in Management
 - (e) Assessment Centres

SECTION - B

6. Read the following case carefully and answer the questions given at the end :

The eleven workers whose annual increments were stopped made a representation to the management of YES Limited that the action taken was not justified and that they wanted to know what was their fault. The management which acted upon the recommendation of the department head concerned, Mr. Rai, felt guilty because such an action was taken for the first time in the history of the company.

YES Limited was a large paper manufacturing company in South India. The major departments of the factory were :

- (a) Chemical processing : The raw material was mixed with certain chemicals for making pulp.
- (b) Pulp department : Pulp was mixed with other ingredients according to specifications for each order of paper.

- (c) Paper machine department : This was the heart of the factory where processed pulp was fed into the paper machines. Act first, a wet weak paper was formed which was subsequently dried and rolled.
- (d) Finishing department : The paper rolls were then moved to the processing department where the required coating was given.
- (e) Grading, winding and packing departments.
- (f) Quality control department.

Twenty eight workers worked in the paper machine department in four groups – each group attending one machine. The nature of the work on each machine was such that all the seven workers had to work in cooperation. Because no individual tasks could be specified, the group was made responsible for the work turned out by them. All the workers working in the paper machine department had been with the company for over ten years.

The company did not have any incentive wage system for any class of its employees. They were all given straight salaries with normal annual increments. The annual increments were sanctioned each year in a routine way. It was the policy of the company that the increments should not be stopped unless the department head concerned recommended such an action.

Mr. Rai was placed in charge of the paper machine department a year ago. Though Mr. Rai was a newcomer in the organisation, he proved himself to be a very competent man. The management noted that he was very aggressive

and enthusiastic and that he knew his job well. At the end of the year when increments were due to be sanctioned, he recommended to the management that the increments due to eleven men in his department should be stopped, for, in his opinion they were lazy and inefficient. The eleven men concerned belonged to all the four groups operating in the department.

The management, though puzzled about the action recommended by Mr. Rai, acted upon it and stopped the increments due to the eleven men concerned. The management were aware that such an action was the first of its kind in the history of the company. Most of the employees were with the company for a fairly long period and there was never an instance of strained relations between the management and the employees.

Soon after the action was taken, the eleven employees concerned made a representation to the management requesting them to let them know what was wrong with their work as to warrant stopping of their increments. The management were in a fix because they did not have specific reasons to give except Mr. Rai's report in which he simply mentioned that the eleven men concerned were "lazy and inefficient".

The management were naturally concerned about the representation and therefore, they tried to ascertain from Mr. Rai the detailed circumstances under which he recommended the stoppage of increments. When Mr. Rai could not pin-point the reasons, the management suspected that Mr. Rai's recommendation was based on his "impressions" rather than on facts. They,

therefore, advised Mr. Rai to maintain a register from then on noting the details of day to day incidents of "lazy and inefficient" workers and obtain the signatures of the workers concerned. Mr. Rai was to make the final appraisal of each worker in his department on the basis of this register and recommend each case giving specific reasons why increments should be stopped.

Mr. Rai started maintaining a register as suggested by the management; but he found it difficult to report satisfactorily any case of laziness or inefficiency for want of specific reasons.

The management were convinced that their action of stopping increments of eleven men on the strength of Mr. Rai's report was not a proper one. They realised that no similar action in future would be taken based on inadequate information. But, they were wondering whether the suggestion made to Mr. Rai was the proper course of action to prevent occurrence of similar situations.

Questions :

- (a) Identify and discuss the core issue in the case.
 - (b) How do you see the action of the management of the company in implementing the recommendations of Mr. Rai, considering them as a sound appraisal and reporting system ?
 - (c) How would you view the action of Mr. Rai, if you were the M.D. of the company ?
 - (d) Do you think the reward system of the company needs to be reviewed ?
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