

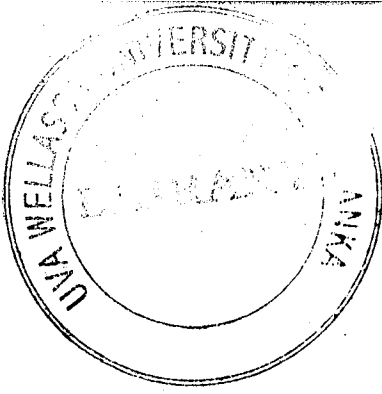
**Uva Wellassa University**

**Faculty of Management**

**Degree of Entrepreneurship and Business Management**

*Year 2 Semester -II Examination – June / July 2009*

**EMG 272 - 3 Managing Human Resources**



## Part C

**Answer four questions including question number one**

Read the case and answer the following question.

ABC is a limited liability company engaged in production of shoes, bags and few fancy leather goods. The main item in terms of income generation is shoes. The company was started in 1982 as a very small shoe manufacturer and saw a sudden surge in business between 1990-1995. That was the time the company diversified into bags and other similar items. In the first year it was instant success. However by 1997 the entire company including the shoe manufacturing got into trouble, making huge losses. The company was on the verge of bankruptcy and the chief executive officer and his immediate subordinates were asked to resign. The Board of Directors found a new CEO who was well experienced in industry management and also an engineer by profession.

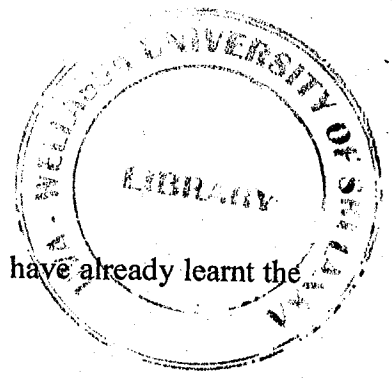
Mr. Nimal Jayasinghe took over ABC in 1998, and many of his friends and fellow professionals questioned the wisdom of his move. But he was determined and had a vision for ABC. His first move was to underplay all other products and concentrate only on shoes in order to generate cash.

The shoe factory manager and the employees had to work very hard, reduce costs, improve quality and ensure profitability. The operations in bag manufacturing section were limited to school bags. Many of the prominent employees in different section left the company and no attempt was made to retain them simply because of the cost.

ABC was making losses in two consecutive years, and even the Board was of the opinion that the company should be closed down. But, Mr. Nimal Jayasinghe was very resourceful and determined to change the destiny of ABC. And he was successful. By 2003 there were some profits and 2004 was, without doubt, a profitable year.

During the low profile operations, Human Resource activities were mainly limited to maintenance and, i.e. rare recruitments, resignations and few welfare activities. There was a monthly forum where all the managers met and an eminent person addressed the gathering regarding a common topic, mostly bordering on management and even on health etc.

By 2003 CEO was paying more attention to human resource aspect of the company. He wanted to introduce a formal management development program for all the managers and he sought the assistance of a well-known management institution. However, the program was a failure in the eyes of the managers. They believed that they wanted to know the basics and the practical aspects of managing people and other resources. They were also interested in knowing latest developments in management theory. The lower level employees were put through a development program in which what they liked most was the English sessions. The factory



workers basically believed that they hardly wanted any training and they have already learnt the stuff they should know.

*The composition of staff ABC is as follows:*

**Senior Management** 4 Engineers, 1 Marketing Expert, 1 Finance Person and 1 HR Person. They all have their professional qualifications.

**Middle Management** 20 Managers, Deputy Managers and Assistant Managers who are reporting to the senior management.

**Lower Management** Production supervisors, Show room managers, and Sales supervisors numbering 15 belonged to this category

**Operatives:** Clack, Factory workers, Cashiers etc. 40 workers in the shoe factory and 20 in the bag factory

The CEO was able to convince the Board of Directors that ABC can now reach out to higher levels and therefore the best option is to go for export quality products. However he argued that at the very beginning the most appropriate strategy is to export of India therefore it is also advisable to go for a joint venture with an Indian Company. In 2004 September the Board accepted that as the strategy and the business direction of the company.

HR manager had been busy in 2004 sending the two factory Managers to India for a 10 day program on production management, conducting monthly sessions on various topics, conducting video shows on management topics and making available access to one of the best libraries in the city.

Late 2004 CEO called the HR Manager to discuss the HRD plan for the company. The CEO appreciated what he was done up to that point and asked him what his plans are, emphasizing the need to do more systematic training in the company. One major problem that was pointed out by the HR Manager is the inability of the workers to understand English and therefore their inability to get trained in a foreign plant. "Even some executives are not good in English" he added. CEO was of the view that it is to be expected in view of the current education system in the country. At the end of the discussion the HR Manager promised to put forward the training plan in a week's time.

Before the training plan was finalized, the meeting of the managers was held. The CEO announced about the training plan and these are some of the remarks made by the managers:

**Production manager:** Make sure that your training brings the factory workers to the factory with a smile. I mean somehow stop them grumbling about having to work.

**Finance manager:** I wish you could train them to come to work regularly. For every funeral, wedding and rain or sunshine they need leave. Sometimes I feel that it is better to computerize the entire accounting system than to manage this absenteeism.

**The auditor** reminded that there were leakages at factory due to not following the procedures and the knowledge about procedures are very crucial.

**Marketing manager:** My sales force is quite ok If you further develop them may go for better jobs. Probably you can leave them out from training.

**CEO** responded to that saying that he had a more than acceptable number of customer complaints.

However the deputy managers and the assistant managers whom HR manager met casually were of the opinion that it is their bosses who wanted training, since they are very poor as managers even through they are good in their respective subjects. For instance, when they write in performance evaluation formats that they need training in management, their subordinates were sent to an English program!

There are many different training needs, but, where do I start? HR Manager asked himself.

1. Answer the following three questions.
  - a) What are the steps the HR Manager should take to design a training plan? (10 marks)
  - b) What are the main sources of information he requires? (5 marks)
  - c) What is your advice to HR Manager's question? (5 marks)
2. Explain how Performance Appraisal will help in development and administrative purposes in an organization? (10 marks)
3. Answer the following two questions.
  - a) Briefly explain the responsibilities and competencies of a good human resources manager? (5 marks)
  - b) How should you achieve sustained competitive advantage through people? (5 marks)
4. Job enrichment model and job characteristic model are the two behavioral methods which can be used for job designing. Briefly explain above two models with the factors you have to consider? (10 marks)
5. Answer the following two questions.
  - a) Briefly explain Ergonomics? (5 marks)
  - b) List down human resources managers functions in relation to industrial relations? (5 marks)

