



**UNIVERSITY OF RUHUNA**  
**FACULTY OF MANAGEMENT AND FINANCE**

No. of Pages : 03  
No. of Questions: 06  
Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

4000 LEVEL FIRST SEMESTER END EXAMINATION – AUG./SEP. 2023

*Three Hours*

**HRM 41433 – Strategic Human Resource Management**

Academic year 2022/2023

**Instructions**

- The Question Paper contains (Six) 06 questions.
- Answer only five (5) questions including question one (01)

01) Read the following case and answer the given below questions

**HR Realignment for Market Competitiveness: XYZ's Experience**

The XYZ Company, a regional consumer electronics retail chain, found itself in the midst of increasing competition within a market characterized by price-sensitive consumers and aggressive pricing strategies from rivals. The company recognized that maintaining competitiveness required a strategic shift. Among the numerous challenges they currently encountered, competitors consistently undercutting their prices posed a significant threat to their market share. Additionally, ensuring high employee productivity while reducing labor costs presented a significant challenge. The HR department's policies and practices were also not optimized for a low-cost strategy, resulting in inefficiencies and higher labor expenses.

To address these challenges, XYZ set out clear objectives for HR strategy realignment. First, they aimed to attain cost efficiency through HR practices that simultaneously reduced labor expenses and enhanced productivity. Their goals encompassed retaining top talent within budget constraints, providing training and development opportunities aligned with cost-efficiency, and aligning HR policies and practices closely with the low-cost business strategy.

To execute this strategic transformation, XYZ implemented a series of targeted HRM initiatives. They developed a comprehensive labor efficiency training program, concentrating on enhancing employee efficiency, time management, and cost-consciousness. The introduction of performance metrics enabled the tracking of employee productivity, facilitating the identification of areas for improvement and rewarding cost-efficient behaviors. Incentive structures underwent revision to motivate employees to generate cost-saving ideas and initiatives. Additionally, flexible work arrangements and non-monetary benefits were introduced to retain key talent without significantly inflating labor costs.

After two years of implementing these HR strategies, XYZ achieved several positive outcomes. Labor costs decreased by 15% without sacrificing overall employee satisfaction or productivity. The new training and incentive programs led to a noticeable increase in employee productivity, contributing to overall cost efficiency. Talent retention efforts were successful in keeping top-performing employees, reducing the need for costly recruitment and onboarding. Most importantly, HR practices were more closely aligned with the low-cost business strategy, ensuring that HR initiatives directly contributed to cost savings and maintained competitiveness in the challenging market.



04)

- I. Differentiate between the Universalist and Contingency perspectives in SHRM (03 Marks)
- II. What is the strategic role of human resource planning in an organization? (03 Marks)
- III. Discuss the approaches for addressing human resource shortages in a competitive job market. (04 Marks)
- IV. How can organizations strategically leverage diversity and inclusion initiatives to enhance overall organizational performance and competitiveness in today's global business landscape? (04 marks)  
(Total marks: 14)

05)

- I. Why is it important for organizations to align their compensation strategies with their chosen business strategies? Discuss the potential consequences of a misalignment between these two aspects. (05 marks)
- II. In the context of Miles and Snow's typology, discuss how the Prospector strategy impacts the design of a compensation strategy. (04 marks)
- III. Explain the followings.
  - a) "Companies sometimes find that downsizing and associated layoffs begin a vicious cycle"
  - b) "Professionals require a different form of management and provide a challenge for HRM"(05 marks)  
(Total marks, 14)

06) Write short notes on the **four** (04) of the followings.

- I. Five P model of SHRM
- II. Characteristics of strategy
- III. Integration between HRM and the strategic planning
- IV. Human capital management strategy
- V. Employee engagement strategy
- VI. Broad banding as a strategically oriented compensation system

(Each carries 3.5 Marks)  
(Total marks 14)

\*\*\*\*\*