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UNIVERSITY OF RUHUNA

FACULTY OF MANAGEMENT AND FINANCE

**Bachelor of Business Administration Degree 4000 Level 1st Semester End Examination
(February /March 2021)**

Academic Year 2019/2020

HRM 4142 – Strategic Human Resource Management

Duration: Three hours

Total Marks: 70

Instructions

The Question Paper contains 06 questions.

Answer five (5) Questions including question number one (1)

01. Read the case titled “Innoflexy, a Champion Innovator” and answer the questions given below.

Innoflexy, a Champion Innovator

Innoflexy, is a fast growing company which grew in popularity over the past decade. The success of Innoflexy does not depend on one person or one product. Rather, it depends on making constant small improvements to some 5,000 unspectacular household products: storage boxes, toys, desk organizers, stepstools, wall coverings, play houses, drink coasters, ice cube trays, stadium seats, garbage pails, bathmats, sporting goods, dinnerware, playground equipment, laundry hampers, dish drainers, and more. Clearly, Innoflexy is a company that earn profits by taking seriously about simple ordinary products which others dismiss as trivial.

Innoflexy, is famous as a new-product machine. It produces new products at the rate of one per week. Nine out of ten of these products hit their sales goals. The company habitually pumps 14% of its profits into Research and Development. A business expert admits, "They're in a class by themselves."

The dedication of Innoflexy employees comes through in the way they worry about the smallest details of products others might not take seriously. Most ideas for Innoflexy's

products flow from a single source: teams. Innoflexy's employees working in teams have acquired the habit of seeing new product ideas everywhere. Twenty teams, each composed of five to seven people (one each from marketing, manufacturing, R&D, finance, and other departments), focus on specific product lines. According to Innoflexy's top executive Mr. Asanka, the team approach to innovation has been very successful.

i) Is there a fit between the Human Resource Strategy used by Innoflexy and its overall business strategy? Explain with evidence.

(05 marks)

ii) What are the other supporting Human Resource Strategies that Innoflexy need to consider in order to reinforce its Human Resource Strategy?

(04 marks)

iii) Do you think that other competitive companies can easily and successfully imitate the Human Resource Strategy used by Innoflexy? Justify your answer.

(05 marks)

(Total marks, 14)

02. i) The Resource-based view (RBV) is one of the most influential theories in the field of Strategic Human Resource Management. Discuss the importance of this theory in achieving sustainable competitive advantage through human resources.

(06 marks)

ii) Human Resource Managers serve as a vital link between employees and management. Explain the multiple roles of Human Resource Managers in contemporary organizations.

(04 marks)

iii) What are the main barriers that prevent an organization from taking a more strategic approach to Human Resources?

(04 marks)

(Total marks, 14)

03. i) "Competitive Strategies require different HR practices and different role behaviors". Describe the appropriate employee role behaviours for the business strategy of cost reduction.

(03 marks)

ii) Explain the following statements.

a) "Due to the technological influence, the power bases in many organizations have been rearranged from managers to technical workers"

b) "Countercyclical hiring is a good staffing strategy for managerial and professional personnel"

(05 marks)

iii) Discuss the investment practices to improve employee retention in the organization.

(06 marks)

(Total marks, 14)

04. i) "Best fit is more important than best practice". What does this mean? Explain briefly.

(03 marks)

ii) Excellent HR selection procedures are essential for receiving a qualified workforce in gaining competitive advantages for an organization" Explain this statement, and mention specific techniques that could be used in increasing the effectiveness in the selection process

(05 marks)

iii) Do you agree with the following statements? Explain

a) "Job security policies don't provide real job security"

b) "Companies sometimes find that downsizing and associated layoffs begin a vicious cycle"

(06 marks)

(Total marks, 14)

05 . i) There are many criticisms on traditional compensation systems as they are lacking a strategic perspectives. Briefly describe strategic inadequacies of traditional compensation approaches.

(04 marks)

ii) You have been asked to write an article for a reputed journal on “ Managing diversity is more of a business necessity than ever before”. Write this article discussing the importance and possible challenges in managing employee diversity.

(05 marks)

iii) Describe the importance of Human Resource Evaluation and two main approaches to evaluation

(05 marks)

(Total marks, 14)

06. Write short notes on the **four** of the followings.

i) General and Specific training

ii) Human Resource challenges in the Knowledge Economy

iii) 5P Model of Strategic Human Resource Management

iv) Factors that influence the selection of forecasting techniques

v) Strategies for managing employee shortages and surpluses

vi) Important Strategic choices in designing a Performance Management System

(3.5 marks for each)

(3.5 *4= Total marks 14)

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