

# UNIVERSITY OF RUHUNA

### FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 03

No. of Questions: 06

Total Marks : 70

Three Hours

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

# 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 setout 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 nonmonetary 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.

II.

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What are the specific HR initiatives that played a pivotal role in reducing labor costs while

(03 Marks)

II. How can incentive structures be effectively designed to encourage cost-saving behaviors among employees?

(03 Marks)

III. In what ways did the alignment of HR policies and practices with the low-cost business strategy contribute to XYZ Company's overall success?

(04 Marks)

IV. Are there any potential risks associated with implementing a low-cost HR strategy, and what measures can be taken to minimize or address these risks?

(04 Marks)

(Total marks: 14)

02)

I.

- How do following environmental trends impact the strategic decisions and practices within the field of human resource management?
  - a. globalization
  - b. technological advancements

maintaining or improving employee productivity?

(05Marks)

Explain the important demographic and workforce trends affecting HRM today. II.

(05 Marks)

Explain the role of strategic HRM in fostering a learning organization within the knowledge III. economy.

(04 Marks)

(Total marks: 14)

03)

I. What is meant by an "investment perspective of HR"?

(03 Marks)

- Discuss the key benefits that organizations can derive from adopting an investment perspective II. of HR. How does this perspective contribute to long-term sustainability and competitiveness? (06 Marks)
- III. Analyze how resources can be the basis for sustained competitive advantage, considering the Resource-Based View.

(05 Marks)

(Total marks: 14)

04)Differentiate between the Universalist and Contingency perspectives in SHRM I. (03 Marks) while II. What is the strategic role of human resource planning in an organization? arks) (03 Marks) viors III. Discuss the approaches for addressing human resource shortages in a competitive job market. arks) iness (04 Marks) arks) How can organizations strategically leverage diversity and inclusion initiatives to enhance IV. overall organizational performance and competitiveness in today's global business landscape? what (04 marks) (Total marks: 14) irks) 14) 05)Why is it important for organizations to align their compensation strategies with their chosen I. business strategies? Discuss the potential consequences of a misalignment between these two the aspects. (05 marks) In the context of Miles and Snow's typology, discuss how the Prospector strategy impacts the II. design of a compensation strategy. rks) (04 marks) III. Explain the followings. a) "Companies sometimes find that downsizing and associated layoffs begin a vicious ·ks) b) "Professionals require a different form of management and provide a challenge for dge HRM" (05 marks) (Total marks, 14) ks) 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 (S) 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) Page 3 of 3

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