

2004/2005 SEMESTER 1 - SEMESTRAL EXAMINATION

Course : Diploma in Business Management
Diploma in Marketing

Module : BM0055 and BM6055– Human Resource Management &
Practices

October 2004

Time Allowed: 2 hrs

INSTRUCTIONS TO CANDIDATES

- 1 This examination paper consists of SEVEN (7) pages including this page.
- 2 Answer any TWO (2) of the three (3) questions in Section A.
- 3 Sections B and C are compulsory. Answer ALL questions.
- 4 All answers should be written in the answer book provided.
- 5 Start a new question on a fresh page and indicate the question number.

SECTION A (40 marks)

Answer any **TWO (2)** of the three (3) questions.

Question 1

Alvin Foo's company has recently undergone a merger with another major retail store. After the merger, Alvin notes that employees were confused about their job responsibilities. There were also some duplication of work and unhappiness among employees about certain changes in work procedures and reporting lines. Alvin's boss has asked him to review the company's job design, manpower plan and job analysis.

- (a) Define Job Design. (2 marks)
- (b)(i) Briefly explain **two (2)** reasons why job analysis is important when there is a change in work procedures. (4 marks)
- (ii) Briefly explain why job analysis should be conducted before job design. (2 marks)
- (c) State the six (6) steps of job analysis which Alvin Foo must follow to conduct a job analysis for his company. (6 marks)
- (d) Briefly describe **three (3)** skills which Alvin Foo would need as a Human Resource Executive. (6 marks)

Question 2

Amy Loh is a Human Resource Manager at a large retail chain. Amy was asked to recruit ten more Sales Assistants to prepare for the coming Christmas sale. Amy wants to improve her company's hiring process so that she is able to recruit good candidates for her company. Amy's boss advised her that the selection process should be adapted to fit the organization's job description. She has approached you for advice.

- (a) Briefly describe the **four (4)** activities involved in the selection process to Amy. (8 marks)
- (b) Briefly explain to Amy why the selection process should be adapted to fit the organization's job description. (4 marks)
- (c) Amy is planning to interview the shortlisted candidates for the post of Sales Assistants, state **five (5)** weaknesses of the interview method. (5 marks)
- (d) Identify **three (3)** job specifications for a Sales Assistant which Amy should look out for. (3 marks)

Question 3

You are the Marketing Manager of an IT service provider. Mr Paul Lim, Human Resource Manager of Mega Superstore, contacted you to enquire about the possibility of simplifying and automating its personnel administration covering everything from recruitment, training and payroll to manpower planning, career management, staff appraisals, etc, through a Human Resource Information System. Mega Superstore has about 1,300 employees from different countries. A number of employees are expected to retire soon.

- (a) Define Human Resource Information System. (2 marks)
- (b) Briefly explain to Mr Paul Lim how the Human Resource Information System is used for:-
- (i) Manpower planning;
 - (ii) Recruitment;
 - (iii) Career management;
 - (iv) Staff appraisal; and
 - (v) Training. (10 marks)
- (c)(i) Describe how the diversity of workforce would affect Mega Superstore's human resource practices. (2 marks)
- (ii) State **four (4)** other trends in Human Resource Management affecting Mega Superstore. (4 marks)
- (d) Identify **one (1)** concern from employees about Human Resource Information System. (2 marks)

END OF SECTION A

SECTION B – COMPULSORY (25 marks)

How's Your New Employee Settling In?

Managers should invest wisely in well-designed staff orientation programmes. Effectively orientating your new employees can pay back big dividends in staff retention, employee commitment and customer satisfaction. Staff who are properly trained and welcomed at the beginning of their careers feel good about their choice of employer, fit in quickly with colleagues and readily contribute new ideas.

Effective orientation is a gradual process, and does not end after the second day on the job. The initial induction of employees during the first few days is important. But it is even more important to ensure new employees fit in and feel comfortable over the longer term. This can mean six weeks for a factory worker, or up to six months for new members of a senior management team. The human resource department would have to consider ways to ensure proper follow-up actions so that new employees adjust well to the company and would be able to contribute to the company.

Excel Services is one company which has taken effective follow-up actions for its orientation programme. After a new employee has been assigned to the job, the company requires supervisors to continue the orientation, as well as provide an orientation checklist to ensure that essential training is provided and follow-up actions taken. The company also arranges a meeting with new employees in the initial months on the job to assess how well the employee is adjusting and how effective is their orientation programme. In addition to a good orientation programme, Excel Services also has an effective employee benefits programme to motivate new employees to stay with the company.

Based on the above scenario, answer ALL the following questions:

Question 4

"Managers should invest wisely in well-designed staff orientation programmes".

- (a) Define the term "Orientation". (2 marks)
- (b) State the **three (3)** benefits of an effective employee orientation programme as highlighted in the article. (3 marks)

"The Human Resource department would have to consider ways to ensure proper follow-up actions so that new employees adjust well to the company and would be able to contribute to the company."

- (c) Briefly describe the follow-up actions that the company can implement to ensure continual success of its orientation programme. (8 marks)

"In addition to a good orientation programme, Excel Services also has an effective employee benefits programme to motivate new employees to stay with the company."

- (d) State the **four (4)** steps in managing an effective employee benefits programme and explain why each step is important. (8 marks)

END OF SECTION B

SECTION C : COMPULSORY (35 marks)**“Performance Reviews: Perilous Curves Ahead”**

Many large companies in Asia use a method of performance measurement called a forced-ranking system. With this method, employees are ranked as above, at, or below average and the system requires that a certain percentage of employees fall into each category. For example, in some companies, managers must place 20% of employees in the top category, 70% in the middle, and 10% in the bottom category. Typically, the bottom 10% receive no bonuses and may be terminated. At some companies using forced ranking, morale is poor and some employees have lodged complaints with the relevant government departments, alleging discrimination on the part of their employers.

In spite of these drawbacks, Brilliant Marketing Limited began using a forced-ranking system in the belief that it would help the company build a younger, more dynamic management team able to succeed with new technology and rapid change. Forced ranking would serve as a way to change corporate culture by removing poor performers.

Brilliant Marketing Limited called its forced-ranking system the Performance Management Process. The process involves grading the company's 1,800 middle managers with an A, B and C, with 10% of managers receiving a C. Managers who received a C for one year received no bonus. Two years at the C level meant possible demotion and termination. After Brilliant Marketing Limited began using its Performance Management Process, a number of employees lodged complaints and pressured the company to change.

Brilliant Marketing Limited responded by modifying the ranking system – only 5% of managers are to receive the lowest grade. In addition, the names of the rankings have changed. In place of A, B and C grades, the rankings are now called Top Achiever, Achiever, and Improvement Required. Employees ranked as requiring improvement receive counseling to help them improve their performance.

In the time since Brilliant Marketing Limited acknowledged the problems and modified the system, the company's CEO resigned, as did the head of human resources. The new CEO, William Chua, inherited the job of settling the disputes with the company's employees and finding an amicable solution.

Question 5

(a) Briefly explain any **four (4)** purposes of performance evaluation.

(8 marks)

“Brilliant Marketing Limited called its forced-ranking system the Performance Management Process”

(b)(i) State the **three (3)** steps involved in a performance management process and briefly explain how frequent feedback should be given. (4 marks)

- (ii) Briefly describe **two (2)** problems caused by a forced-ranking system. Why did Brilliant Marketing Limited use a forced-ranking system for measuring performance?

(8 marks)

"After Brilliant Marketing Limited began using its Performance Management Process, a number of employees lodged complaints and pressured the company to change."

- (c) Briefly describe **two (2)** changes or practices you would recommend to improve performance management at Brilliant Marketing Limited.

(6 marks)

- (d) Highlight any **four (4)** rater's errors in performance evaluation under Brilliant Marketing Limited's Performance Management Process.

(4 marks)

"In the time since Brilliant Marketing Limited acknowledged the problems and modified the system, the company's CEO resigned, as did the head of human resources."

- (e) Recommend **five (5)** ways to avoid performance evaluation problems with employees to the HR department at Brilliant Marketing Limited.

(5 marks)

END OF SECTION C

END OF PAPER