

2005/2006 SEMESTER 1 - SEMESTRAL EXAMINATION

Course : Diploma in Business Management
Diploma in Marketing
Diploma in Financial Services

Module : BM0055 – Human Resource Management & Practices

August 2005

Time Allowed: 2 hrs

INSTRUCTIONS TO CANDIDATES

- 1 This examination paper consists of **EIGHT (8)** pages including this page.
- 2 There are **THREE (3)** Sections in this paper:
Section A (40 marks) - Answer any **TWO (2)** out of the three (3) questions
Section B (25 marks) - Answer **ALL** questions
Section C (35 marks) - Answer **ALL** questions
- 3 All answers should be written in the answer book provided.
- 4 Start a new question on a fresh page and indicate the question number clearly.
- 5 This examination carries a total of **100 marks** and constitutes **55%** of your module grade.

SECTION A (40 marks)

Answer any **TWO (2)** out of the three (3) questions in this Section.

Question 1

John Tan is the HR Executive working in a local company. He was hired a few months ago to help the Operations Manager with the human resource issues in the company. Since joining the company, he realized that most of the employees in the company are ignorant of many HR policies and he finds himself having to entertain many queries from employees all day long which is very ineffective. He decided to share with his supervisor, the Operations Manager, on the roles of human resource management and need to have effective employee communication.

- (a) Explain briefly to John's Operations Manager the:
- i) major functions of human resource management. (3 marks)
 - ii) importance of human resource management to a company. (4 marks)
- (b) Briefly explain to John's supervisor on the purpose of employee communication and state two (2) consequences of poor employee communication. (5 marks)
- (c) Explain briefly to John's supervisor on the benefits of employee communications in the following areas:
- i) Orientation (2 marks)
 - ii) Performance appraisal (3 marks)
 - iii) Counselling and discipline (3 marks)

Question 2

Rosalind Lee has worked as the HR Officer in two large multi-national companies for about 5 years. Recently a headhunter called her up for a HR Manager's position in a start-up company. During the interview, the headhunter mentioned that one area of expertise the company needs is the area of Employee Benefits & Services. As Rosalind has been in charge of this area during her previous and current employment, she was quite confident of being able to contribute to the new organization. At the interview, Rosalind was asked the following questions:

- (a) List any four (4) factors that will influence the Benefits & Services that the Company can offer. (2 marks)
- (b) i) Briefly explain cafeteria style or flexible benefits plan. (2 marks)
- ii) State two (2) advantages and two (2) disadvantages if the organization were to implement a flexible benefits programme. (6 marks)
- (c) State three (3) reasons to explain why the employee benefits of the organization are forming an increasing share of the total compensation package nowadays. (3 marks)
- (d) Besides the local mandatory benefits as regulated in the Employment Laws, recommend and briefly explain two (2) voluntary benefits. (7 marks)

Question 3

Century Healthcare Group has been established in Singapore for more than a decade. It is well known among foreigners who seek medical treatment in Singapore. In recent years, the Group is experiencing the challenges of new trends in human resource management that impacts the Group. The HR Director of the Group has asked one of his high potential HR Officers, Daniel Teo, to put up a report and proposal on emerging trends and address some HR issues the Group is facing.

- (a) Assuming you are Daniel, briefly explain the following two (2) trends in human resource management that may impact the Group:
- i) An aging workforce (3 marks)
 - ii) Skill deficiencies of the workforce (3 marks)
- (b) In the last 2 years, the Group is losing a number of valued female nurses and therapists who are young mothers but facing the difficulty of balancing work and family needs. Help Daniel to suggest and briefly explain the following three (3) ways in which the Company could use to retain their services and also help overcome their dilemma.
- i) Flextime (3 marks)
 - ii) Job sharing (3 marks)
 - iii) Compressed workweek (3 marks)
- (c) Daniel wishes to propose more automation to computerize the human resource processes by leveraging on technology. State any three (3) applications of e-HRM so that HR processes can be more efficient. (5 marks)

END OF SECTION A

SECTION B – COMPULSORY (25 marks)

Answer **ALL** questions in this Section.

Manning Challenge

Erica Tsang is the Operations Manager of Delight Departmental Store. The revenue and profits generated from the first store have been very healthy for the past 3 years. In view of the good economic outlook of 5% growth this year and projected increase in sales by 30%, there are plans to open a new branch at the satellite town in the North part of Singapore, to tie in with Christmas sales in December.

The current manpower required to operate the first store with an average monthly sales of \$250,000 is 20 full-time shop assistants and 15 part-time shop assistants. Erica projected that the sales for the new outlet would be around \$150,000 for a start. As such, she estimated she would require 1 Branch Manager, 1 Assistant Manager and at least 15 shop assistants.

Erica anticipated that it would be difficult to employ staff during the peak period in November and December as most retail stores would require extra manpower for the Christmas sale period. Moreover, there is a general shortage of trained shop assistants in the labour market. Hence, she planned to recruit half of the 15 shop assistants from China and even Thailand.

However, the Ministry of Manpower has recently announced that the quota allowed for each company to employ foreign workers and the levy payable for employing foreign workers will be reviewed, with the view to tighten the quota limit for entry of lower skilled foreign workforce. Erica is now worried that she may not be able to fill all the positions in time for the new branch opening.

(Developed for examination purpose)

Question 4

- (a) State the four (4) steps of human resource planning Erica must go through to plan for the manpower needs of the new branch properly and give one (1) example for each step from the case above. (8 marks)
- (b) Briefly explain how the following external factors would affect the success of recruitment in Erica's case above:
- i) Government regulations (3 marks)
 - ii) Labour market conditions (3 marks)
- (c) Suggest two (2) suitable external sources of recruitment Erica can consider to fill all the positions needed for the new branch opening in December. Give reasons for the suggested external source. (4 marks)

- (d) To increase the success of recruitment of shop assistants, Erica decided to provide a realistic job preview for each potential candidate identified. Briefly explain the meaning of a realistic job preview and the benefit of doing that.

(5 marks)

- (e) In the case of the Branch Manager and Assistant Manager positions, Erica plans to conduct a reference check or background check for each potential candidate before making them an offer. Briefly explain the purpose of reference or background check.

(2 marks)

END OF SECTION B

SECTION C - COMPULSORY CASE (35 marks)

Answer **ALL** questions in this Section.

Rethinking Pay and Performance

In Singapore, the National Wages Council (NWC) has urged companies, especially those facing tough conditions to restructure their wage system. There are two aspects to wage reform: replacing the seniority-based system with a performance-based wage system and introducing the Monthly Variable Component (MVC).

But at the same time, there are important HR issues to consider upon implementation. A performance-based reward system needs to be objective and fair. Also, what should productivity be based on in the case of, for example, an administrator or even a police officer? Furthermore, Singaporeans have generally never been at ease with the appraisal concept. Likewise, a strong adherence to authority, which is still prevalent in Asian cultures – particularly among the older generation – can undermine the effectiveness of the appraisal process. And in terms of practicality, conducting appraisals can be very time consuming.

Mr Ronald Ng, HR Director of Raffles Marketing Pte Ltd, a 20-year old company, read through the report from the Singapore Human Resources Institute. His Company had implemented the NWC recommendations over the years. What the report had mentioned was true in his Company. There was indeed a seniority-based system, and over the past months, market conditions had eroded the profit margins in the Company.

He knew that he had to recommend changes in the performance management system in his Company.

(Developed for examination purpose)

Question 5

(a) Ronald noted that many employees in the company think of Performance Management as their yearly performance appraisal.

- i) Explain briefly the difference between “performance management” and “performance appraisal”.

(5 marks)

- ii) Briefly explain the three (3) broad purposes of performance management to staff in Raffles Marketing.

(6 marks)

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- (b) One of the issues related to implementing performance based reward system is that it must be supported with a fair and objective performance management system. Briefly explain the following common errors that may occur during performance appraisal in Raffles Marketing:
- i) Similar-to-me error (3 marks)
 - ii) Halo effect (3 marks)
- (c) State two (2) solutions each for the managers and employees in Raffles Marketing to correct employee evaluation or appraisal problems or errors. (6 marks)
- (d) The final stage of performance management involves identifying areas for improvement and ways to improve performance. State two (2) areas that managers in Raffles Marketing must review for improvement. (5 marks)
- (e) Ronald had also read about the 360 degree feedback system and felt that it is one way to further improve the objectivity of the performance management system. Briefly explain 360 degree feedback system. (2 marks)
- (f) In a 360 degree feedback, Robert noted that there are more than one rater doing the appraisal. List four (4) internal sources and one (1) external source. (5 marks)

END OF SECTION C

END OF PAPER