

Human Resource Management-434C2B

Case Studies with Questions

UNIT I: Introduction to Human Resource Management

Case Study: NexGen Solutions' HR Transformation

NexGen Solutions, a fast-growing IT services company with 500 employees, recently hired Priya Sharma as their first dedicated HR Manager. Previously, HR functions were handled administratively by the finance department, focusing mainly on payroll and compliance. The company faces challenges including high employee turnover (25% annually), inconsistent hiring practices across departments, lack of formal training programs, and no clear career progression paths.

The CEO recognizes that human resources are the company's most valuable assets but doesn't understand the strategic role HR can play beyond hiring and firing. Department heads resist HR involvement, viewing it as bureaucracy that slows down operations. Meanwhile, the company is exploring the gig economy model for project-based work but lacks policies to manage contingent workers alongside permanent employees.

Priya discovers there are no documented HR policies, no human resource accounting practices to measure the value of human capital, and no HR audits to assess effectiveness. She needs to establish Strategic HRM practices that align with business objectives, develop comprehensive HR policies, and demonstrate the importance of professional HR management to skeptical leadership.

Questions:

1. Explain the importance of human resources at NexGen Solutions and identify the key functions of HRM that Priya should establish. What qualities should she demonstrate as a good HR manager?

2. How can Priya implement Strategic Human Resource Management (SHRM) to align HR practices with NexGen's business objectives? Provide specific examples.
3. Discuss the HR policies NexGen needs (types and scope) and explain how Human Resource Accounting and Audit can help measure HR effectiveness. How should the company approach the gig economy model?

UNIT II: Human Resource Planning, Recruitment & Selection

Case Study: MegaMart's Expansion Challenge

MegaMart, a retail chain planning to open 20 new stores across India within 18 months, faces a critical human resource planning challenge. They need to hire 800 employees including store managers, sales associates, logistics staff, and support personnel. However, their current recruitment process is chaotic—each store manager hires independently with no standardized criteria, leading to inconsistent quality and high turnover.

The HR team lacks proper job analysis for most positions. Job descriptions are outdated and vague, job specifications are incomplete, and there's no skills inventory of current employees who might be suitable for internal promotions. The company has no succession planning despite several senior managers approaching retirement. Their recruitment relies heavily on walk-in interviews and newspaper ads, missing opportunities with social media platforms where younger talent congregates.

Attrition rate is 40% in the first year, costing the company significantly. Exit interviews reveal issues with unclear expectations during induction, lack of growth opportunities, and poor placement decisions. The company uses transfers and promotions inconsistently, leading to perceptions of favoritism.

Several high-performing employees recently resigned, citing lack of career clarity and better opportunities elsewhere.

Questions:

- 1 Develop a comprehensive Human Resource Planning strategy for MegaMart's expansion, covering both short-term and long-term planning. Include job analysis, skills inventory, job descriptions, job specifications, and succession planning.
- 2 Evaluate different recruitment and selection methods suitable for MegaMart, including social media recruitment. Discuss the merits and demerits of each method and recommend an optimal recruitment mix.
- 3 Analyze MegaMart's attrition problem and design an effective strategy for placement, induction, promotions, and exit interviews. How can they improve retention management and reduce the attrition rate?

UNIT III: Training, Development & Career Management

Case Study: InnovateTech's Talent Development Crisis

InnovateTech, a software development company, is losing competitive edge due to outdated employee skills. New technologies emerge rapidly, but the company has no structured training and development program. Employees learn on-the-fly, leading to inefficiencies and errors. Several clients have complained about delivery quality, and three major projects were delayed due to skill gaps.

The leadership team lacks formal executive development programs. Most managers were promoted from technical roles without management training, resulting in poor people management skills. Employee surveys reveal low morale and high frustration—72% of employees feel they have no clear career path. Talented individuals leave for companies offering better career management and development opportunities.

The company has not conducted competency mapping to identify skill gaps or future requirements. There's no knowledge management system—when employees leave, critical knowledge disappears with them. The CEO wants to implement talent management practices but doesn't know where to start. The training budget is 0.5%

of revenue, well below industry standards, and any training that does occur is ad-hoc and unmeasured.

Questions:

- 1 Explain the importance and benefits of training and development for InnovateTech. Compare different types of training methods and recommend which methods would be most effective for both technical skills and leadership development.
- 2 Design an Executive Development Program for InnovateTech's management team. What specific competencies should be developed and what training approaches would be most suitable?
- 3 Develop a comprehensive career management process for InnovateTech, incorporating competency mapping, knowledge management, and talent management strategies. How can these initiatives improve employee retention and organizational capability?

UNIT IV: Performance Management

Case Study: GlobalFinance's Performance Evaluation Problem

GlobalFinance, a banking institution with 2,000 employees, uses an annual performance appraisal system that everyone despises. The current system relies on a simple 5-point rating scale where managers rate employees on generic attributes like 'teamwork' and 'communication.' The process is highly subjective—popular employees receive high ratings regardless of actual performance, while others who deliver results but aren't well-liked receive poor ratings.

Performance feedback is minimal—managers simply share the rating number with no constructive discussion. Employees complain they don't understand how ratings were determined or what they need to improve. The bell curve distribution is enforced mechanically, forcing managers to rate some good performers as average to meet quotas. This has created resentment and damaged morale.

The bank is considering moving to an online Performance Management System and exploring modern approaches like MBO (Management by Objectives) and the critical incident method. With the shift to hybrid work culture post-pandemic, managing performance has become more complex. The HRIS (Human Resource Information System) lacks integration with performance data. Additionally, the bank is expanding internationally and faces cross-cultural diversity challenges in managing performance consistently across regions. HR Analytics capability is minimal, with no meaningful performance metrics or predictive insights.

Questions:

- 1 Analyze the problems with GlobalFinance's current performance appraisal system. Compare different performance management methods (ranking, rating scales, critical incident method, MBO) and recommend the most appropriate approach for removing subjectivity from evaluation.
- 2 Design an effective performance feedback process and online PMS for GlobalFinance. How can the system support hybrid work culture, work-life balance, and quality of work-life while maintaining accountability?
- 3 Explain how GlobalFinance should integrate HRIS with performance management, implement HR Analytics for better insights, and manage cross-cultural diversity in their international operations. What specific metrics should they track?

UNIT V: Compensation Management

Case Study: TechVentures' Compensation Conundrum

TechVentures, a technology startup that has grown from 50 to 300 employees in two years, faces serious compensation challenges. The company started with informal, ad-hoc salary decisions, resulting in significant pay inequities—employees in similar roles with comparable experience have salary differences of up to 40%. Several high performers discovered these disparities and left, feeling undervalued.

There's no systematic job evaluation process to determine the relative worth of different positions. Compensation packages are inconsistent—some employees receive stock options (ESOP) while others don't, with no clear criteria. The company offers minimal prerequisites and has never calculated cost of living adjustments or dearness allowance, despite having employees in cities with vastly different living costs.

The incentive system is broken—the sales team has performance-linked bonuses, but other departments don't, creating resentment. There's no productivity-linked bonus scheme for manufacturing operations. The rewards and recognition program is non-existent beyond occasional 'employee of the month' announcements that nobody takes seriously. Financial and non-financial incentive criteria are unclear, and top performers feel their contributions go unrecognized.

With funding secured for expansion, the CEO wants to professionalize compensation management but doesn't know how to calculate appropriate wages and salaries, design fair compensation criteria, or structure a comprehensive rewards system. The CFO is concerned about cost control while employees demand market-competitive pay.

Questions:

- 1 Design a comprehensive wage and salary administration system for TechVentures, including job evaluation methodology, salary calculation process, and equitable compensation packages. How should they handle cost of living differences across locations?
- 2 Develop an ESOP (Employee Stock Option Plan) structure for TechVentures. Explain the criteria for eligibility and compare financial versus non-financial incentives. How can incentives be tied to both individual and organizational performance?
- 3 Create a productivity-linked bonus scheme and comprehensive rewards and recognition program for TechVentures. What compensation criteria should guide decision-making, and how can the company balance cost control with competitive compensation?