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Department of Management Sciences (PUMBA)  
Executive MBA  
2<sup>nd</sup> Year (Semester –IV) External Exam April- 2015  
**404( C) – : Strategic Human Resource Management**

**Time: 2hrs.**

**Marks: 50**

***Instructions to candidates:***

- *Q.5 is compulsory. It carries 20 marks.*
- *Write any 3 of the earlier 4.*
- *Each question carries equal marks - 10.*

1. Explain the strategy of employee friendly policies with examples.
2. Elaborate on the changes happening in the business world that make Strategic HRM an important and innate aspect of running an organization.
3. Can compensation be used as a strategic tool for retention management?
4. How can diversity be used strategically by organizations for their benefit?
5. Read the case below and answer the question at the end of it.

Macro Enterprises, Inc. is a maker of carburetors for the automobile industry. Their annual gross revenue is approximately \$10 million. They are a small, regional company located in Rockford, Illinois.

Macro Enterprises's main clients are a local manufacturing division of a Fortune 500 auto manufacturer and a privately-owned company in the next county that uses Macro Enterprises carburetors in their lawnmowers. The auto plant comprises about 30 percent of their sales and the lawnmower company 20 percent. The majority of the other 50 percent are small lot orders for a variety of industries.

In all, Macro Enterprises makes five different carburetor models. Last year, the auto manufacturer moved two of its manufacturing facilities from other areas to the Rockford area. At that time, Macro Enterprises received word that orders for carburetors would triple.

In response to this news, Macro Enterprises added another 125 people to its existing 300-person manufacturing staff. In addition, the company created a new human resource (HR) director position which was recently filled. The company now employs 500 people. Approximately 425 employees work on the manufacturing floor and the remaining 75 in various support functions including marketing and sales; finance; inventory control and distribution; plant management; and HR.

Everything seemed to go smoothly for the first six months of the transition. Two months ago, though, Macro Enterprises started hearing about problems with the carburetors in several of the motors. After a thorough quality control investigation, the problem was found in the manufacturing of the carburetors. Random checks of carburetors for the past six months found that the housing screws were tightened to only half the tightness described in the Macro Enterprises carburetor production specifications. Further studies revealed that the problems stemmed from several issues:

**1. Performance:**

- a. The hydraulic bolt drivers used to tighten the carburetor bolts were not accurately calibrated.
- b. Employees were not following the standard operating procedures (SOPs) of checking the bolt drivers' torque prior to using them.
- c. Employees did not know how to calibrate the bolt drivers.
- d. Employees were using bolt tightening specifications for carburetors manufactured in 2001; they were supposed to be using specifications updated for each client last year.

**2. Culture and work environment:**

- a. There were communication problems between shifts and between functions.
- b. There was inconsistent application of SOPs due to different interpretations of the SOPs.
- c. Continually integrating new employees into the organization presented challenges

Q. - Create a working strategy for the new HR Director to address short term and long term issues.