

MANIPAL ACADEMY OF HIGHER EDUCATION
SECOND SEMESTER M.A. (FM) DEGREE EXAMINATION – APRIL 2018
SUBJECT: MAFD 504 – HUMAN RESOURCE MANAGEMENT

Friday, April 20, 2018

Time: 10:00 – 13:00 Hrs.

Max. Marks: 50

✍ **Answer ALL questions.**

1. Explain the role and responsibilities of an HR. (10 marks)
2. Define Job Analysis. Explain the techniques used in Job Design. (10 marks)
3. Discuss various test used in selection process. (10 marks)
4. What is promotion? Discuss the different basis of promotion decision in an organisation. (10 marks)
- 5A. Explain performance based system and Guidelines used for effective performance based pay.

OR

5B. Case Study

The case discusses the compensation management practices at Tata Consultancy Services Ltd. (TCS), one of the leading Indian IT companies. TCS' compensation management system was based on the EVA model. With the implementation of Economic Value Added (EVA)-based compensation, the salary of employees comprised of two parts – fixed and variable. The variable part of the salary was arrived after considering business unit EVA, corporate EVA, and also individual performance EVA.

During the fourth quarter of the financial year (FY) 2007-2008, TCS announced its plans to slash 1.5 percent of the variable component of employee salaries since its EVA targets for the third quarter of FY 2007-2008 were not met.

The announcement came as a jolt not only to TCS employees but also to the entire Indian IT industry. The company came in for severe criticism and it was accused of not being transparent with respect to EVA calculation. However, some analysts felt that the pay cuts were a result of the macroeconomic challenges that the Indian IT companies were facing -- rapid appreciation of the rupee against the US dollar and the recession in the US economy (USA was the largest market for the Indian IT companies).

Questions:

- i) Analyze TCS' HR practices with respect to its policy related to compensation of its employees.
- ii) Discuss various concepts related to compensation management.
- iii) Explain the rationale behind the cut in the compensation of the employees at TCS.
- iv) Appreciate the importance of HR goals and strategies in the success of an organization. (10 marks)

