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**THIRD SEMESTER
END SEMESTER EXAMINATION**

MBA

MGH-O4 Strategic Human Resource Management

Nov/Dec- 2019

Max. Marks: 60

Time: 3 Hours

- a. Question No 1 is compulsory
- b. Out of remaining 6 questions attempt any four.
- c. You may assume any missing data if required

1. Study the following case and answer the questions:

(20)

Case: Nesterm and Partners

Study the case and answer the following questions: -

Nesterm and Partners (referred to as Nesterm from here on) which was first established in 1852, is a single site legal firm based in Kolkata with a staff size of 600 and a turnover of Rs 400 crores. In 2004, the legal profession was still subject to intense competition through major mergers and restructuring. While many legal firms in the north of India were having difficulties, Nesterm was reported as being one of the fastest growing legal firms in the area, with a 20% growth in turnover and a 22% growth in profit. The success of the company is put down to the HPWP strategy that they have adopted, namely – ‘a balanced growth for competitive advantage’. This strategy means two things in particular for the workers at Nesterm. Firstly, that they maintain their involvement in both commercial and private client sectors (whereas some of its competitors only opt for the more financially rewarding but relatively more volatile commercial sector), and secondly, that the company retains and develops the people culture by retaining the single site strategy in Kolkata (whereas other firms have opted to increase their market share by opening many offices in various cities across India).

The company is presently managed by an energetic and highly motivated partner who started off as a trainee 25 years ago, and who has overseen the growth of the workforce in the last 10 years from 250 employees to the current level. As a result, the survey rating on leadership for Nesterm is particularly high 85% of the employees think that their boss is full of energy, and 84% believe that her business judgement and decision making is always accurate. Employee satisfaction was also high.

There is an underlying ethos that the firm should continue to grow and to grow as a ‘family’. Nesterm strongly believes that the company should not expand at the expense of their employee’s welfare and quality of life. This is reflected in another statistic from the survey, that 72% of the employees are happy with their work-life balance.

Within this people culture approach the work-life balance is seen as the main strategy developed to promote this philosophy. This strategy has also been used as a tool to recruit the best and brightest law graduates in the field recruitment is one of the most fiercely fought areas in the legal profession. Under normal circumstances, legal firms in the north India have difficulties in attracting bright graduates compared with firms in south India. Nesterm, however, has no problems in attracting good candidates or retaining staff because of its work-life balance reputation.

Another reason for Nesterm’s success is the high involvement approach it takes concerning communication channels within the firm. Information and ideas are passed freely and openly via informal chats and internal notice boards. Partners and senior members of staff are always available to talk to staff and an open-door policy is always encouraged to promote interaction. All these strategies are adopted to ensure that staff within Nesterm feel as though they have a stake in what is happening.

Closely linked to the high involvement approach, and the people culture ethos, is the management style and benefits that employees are entitled to at Nesterm. Benefits that staff receive include free healthcare, free internet usage after office hours, unexpected prize giveaways, an active social club which arranges events such as free meals after work and even skiing trips – Nesterm’s social budget last year amounted to a total of Rs 58,00,000. In addition, staff are entitled to Rs 20,000 bonus if they do not take any sick days in a year, and Rs 15000 if they take less than three working days sick. The actual annual bonus offered to employees at Nesterm is the equivalent of one week’s

net salary. Although these benefits are actually of a relatively low monetary value, together they demonstrate a sense of people importance. It is this signal that matters most in enhancing intrinsic job satisfaction. Indeed, 86% of staff report that they are happy with both their pay and benefits packages.

In addition, when the company has a good year (e.g. exceeding targets) every member of staff is entitled to extra days off which adds to overall intrinsic job satisfaction philosophy that is constantly aimed for by the firm.

Another practice adopted by Nesterm is its constant drive towards innovation, which acts as a catalyst to support the growth of the organisation. Split or multi sites are thought to work against the intended organisational culture of Nesterm. Therefore, in order to remain under 'one-roof', Nesterm has developed its own IT software to enable employees to be able to manage, maintain and serve clients nationally via the internet in order to have a quality assurance audit trail.

This innovation has insured that Nesterm is able to offer the best possible service to their clients, and closely linked with this is the fact that they also have a family-focused work culture that has fused the overall collegiality within the firm. From Nesterm's perspective, and as witnessed by the 100 Best Companies survey of employees, Nesterm has a committed and satisfied workforce with strong work-life balance. This has given the company a competitive advantage that ensures that employees can take full advantage of a high-performance organisation. Their philosophy of working hard but at the same time maintaining employees' job satisfaction means that a 'win-win' working environment is possible.

Questions: (5 Marks each)

- a. Discuss various HPWPs followed by Nesterm.
 - b. List competitive advantage you perceive for the firm and how they have achieved sustained competitive advantages through HPWPs?
 - c. Discuss various innovative ways Nesterm has employed for its smooth operations.
 - d. Discuss critical success factors brought out in above case study
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2. (a) Explain the meaning and importance of strategic role of HR. (5)
(b) Compare and contrast best fit and best practice approaches adopted for Strategic Human Resource Management. (5)
 3. (a) "Human asset management is the most crucial success factor for an enterprise." In view of above explain the role of Human resource management. (5)
(b) What are the different sources of employee value and how does it facilitate in adoption of investment perspective. (5)
 4. (a) "Strategic focus differs for domestic and global human resource management." Discuss. (5)
(b) Discuss the linkages between organizational and HR strategy. (5)
 5. (a) Discuss various strategies firms adopted during employee surplus and employee shortage situations. (5)
(b) How does work force planning affect talent management in the organization? (5)
 6. (a) Explain the meaning and importance of outsourcing. Explain different types of outsourcing, giving relevant examples. (5)
(b) Discuss various HR strategies for training and development. (5)
 7. Write short notes on any four of the following:
(a) Gender discrimination and glass ceiling effect (b) Employee engagement strategies (c) HR strategies in workforce diversity (d) Talent management and employee retention (e) Expatriates failure (f) Virtual team and telecommuting (2.5 x 4 = 10)

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