

PGDM 2020-22
Human Resource Management
DM - 202

Trimester II, End-Term Examination, January 2021

Time allowed: 2.5 Hours

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as Unfair Means. All other instructions on the reverse of Admit Card should be followed meticulously. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Total Marks
A	Minimum 3 questions with internal choices and CILO (Course Intended Learning Outcome) covered	3*10	30
B	Compulsory Case Study with minimum of 2 questions		20
Total Marks			50

Section A

Note: Answer any three questions. Each question carries equal marks.

(10x 3 =

30)

A1a. “A leading pharmaceutical company primarily in vaccine manufacturing should have a meticulous HRP process with a feedback system at every stage to meet its expansion plan”. As an HR consultant develop its HRP process after evaluating various forecasting methods. **(CILO**

1)

Or

A1b. A Hotel and Tourism company located in India is considering a complete automation of its processes and services. What HR considerations need to be factored into the decision?

(CILO 1)

A2a. An automobile organization has to train its sales people on its new car. Help them design a training program for the same.

(CILO 1)

Or

A2b. A modern day performance appraisal system should be holistic in nature”. Explain. What errors you might make when doing the performance appraisal of a service industry based staff? How might you avoid those errors?

(CILO 1)

A3a. “All that is required for successful worker-management relations is common sense, sound business judgment and good listening skills”. Do you agree or disagree? Discuss. **(CILO2)**

Or

A3b. Outline a plan to develop a fair and equitable compensation system for Millennials in today's work-from-home setting. What are the advantages and disadvantages of a merit based compensation system? **(CILO 2)**

[Turn Over]

Section – B

Analyze the case study and answer the questions that follow. (CILO2) [Marks: 6+6+8= 20]

MERGERS AND ACQUISITIONS – INTEGRATING HR STRATEGIES

In the past, the decision criteria for mergers and acquisitions were typically based on considerations such as the strategic fit of the merged organizations, financial criteria, and operational criteria. Mergers and acquisitions were often conducted without much regard for the human resource issues that would be faced when the organizations were joined. As a result, several undesirable effects on the organizations' human resources commonly occurred.

Nonetheless competitive conditions favour mergers and acquisitions and they remain a frequent occurrence. Mergers between some of the largest companies include the following: Tata Motors and Jaguar Land Rovers, Tata Steel & Corus, Boeing and McDonnell Douglas, Exxon and Mobil, American Online and Time Warner, Burlington Northern and Santa Fe, Union Pacific and Southern Pacific, Daimler – Benz and Chrysler, Ford and Volvo, Bank of America and Nations Bank.

Layoffs often accompany mergers or acquisitions, particularly if the two organizations are from the same industry. In addition to layoffs related to redundancies, top managers of acquiring firms may terminate some competent employees because they do not fit in with the new culture of the merged organisation or because their loyalty to the new management may be suspecting. The desire for a good fit with the cultural objectives of the new organisation and loyalty are understandable. However, the depletion of the stock of human resources deserves consideration, just as with physical resources. Unfortunately, the way that mergers and acquisitions have been carried out has often conveyed a lack of concern for human resources. A sense of this disregard is revealed in the following observation:

“Post combination integration strategies vary from such friendly tactics in truly collaborative mergers to much more hostile and disruptive strategies in raids and financial takeovers. Yet, as a cursory scan of virtually any newspaper or popular business magazine readily reveals, the simple fact is that the latter is much more common than the former”.

The cumulative effects of these developments often cause employee morale and loyalty to decline, and feelings of betrayal may develop. Nonetheless, such adverse consequences are not inevitable. A few companies, such as Cisco Systems, which has made over 150 acquisitions are very adept in handling the human resource issues associated with these actions. Some examples of Cisco HR Practices are: "What will happen to my job?" is the first question asked by employees when their company is acquired by Cisco. Employees are a critical part of the acquisition strategy, because they hold the key to the next generation of the product.

[Turn Over]

The Cisco human resources (HR) acquisition team has designed the integration strategy around employee concerns to help facilitate and expedite acceptance of change by the new employees. Cisco has a goal of retaining 100 percent of employees that transition from acquired companies. Cisco HR works with internal resources to handle routine transition tasks such as employee setup in HR and payroll systems. These tasks adhere to the standard processes defined by the HR integration team.

To reduce the disruption and anxiety of the transition process for new employees, HR staff are among the first Cisco representatives onsite at the acquired company when a deal is announced. Because communication is critical during the early integration phase, an internal Website is created for each acquired company to present detailed information and updates about the employee transition process, and to provide links to Cisco training resources. The Cisco HR team hosts a new-hire orientation for all new employees at the time the acquisition deal closes. This orientation gives the acquired employees the information that they need to work at Cisco. Other training sessions address employee concerns such as immigration and company stock. The training sessions are formatted to meet the needs of the global audience and are delivered through online videos, in WebEx online conferences, and video conferences.

"We must act as quickly as possible to make decisions and inform the new employees about their job status, because we know that until employees have that information, they will not be able to focus on their work, " says Shari Yocum, director of acquisitions in the Cisco Human Resources department. "Our goal is to have the new employees fully transitioned and ready to work as Cisco employees from the first day after the deal closes." (Source Cisco Website)

Questions

B1. If human resource is a major source of competitive advantage and the key determinant of an organisation's ability to pursue a given strategy, why have the human resources aspect of mergers and acquisitions been ignored or handled poorly in so many instances in the past?

B2. Briefly analyse the approach that “communication with employees of acquired companies”, that Cisco Systems has used in its many successful acquisitions, plays a key role in integrating HR practices of Cisco.

B3. Identify few human resource practices that have made Cisco acquisitions successful in your view.
