

PGDM (IBM), 2013-15

HRM and OB

INS-503

Trimester-V, End-Term Examination: December 2014

Time Allowed: 2 Hrs 30 Min

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**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5(Short Questions)	5 Marks each	3x5= 15
B	2 out of 3(Long Questions)	10 Marks each	2x10=20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

**Section A**

1 "HR&OB has increased in importance and influence in many large Insurance organizations" Discuss with suitable examples

2 Discuss briefly how would you identify the training needs of a group of sales agents of a large health care insurance organization facing stiff competition in the market place?

3 Discuss briefly with examples what you understand by Stress and work related Stressors and their consequences if not managed in time.

4 What specific steps as a team leader you would initiate to build motivation and trust among your team members. Discuss briefly with examples.

5 Discuss briefly what you understand by Attitudes and how these can be changed/improved. Also give suitable examples.

**Section B**

1 Discuss the difference between Leadership and Management. List key qualities with brief explanation you believe are essential for effective Team Leadership in Insurance organizations. Give examples

2 Briefly explain different stages in team development with examples. Also briefly comment on Diversity in team members can be a valuable performance asset.

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3. You are the General Manager of a large Insurance organization having branches across India and have responsibilities for North India operations. You have a strong team of 300 sales executive, managers and other officers working in your operations in North. You have just concluded a fantastic year. Every one pulled together and worked hard to give a big boost to the company profits. Unfortunately, due to rise in input costs, you are forced to offer only 5% annual raise in salaries across the North region. At appraisal time how would you communicate praise for a job well done coupled with your limited ability to reward such outstanding performance. Please use HR & OB concepts and give examples wherever possible.

### Section C

Read the case given below and answer the questions by giving your analytical views.

## Control and Motivation in a Call Centre Environment

Buffalo Insurance is part of a larger insurance group and operates a medium-sized call centre in an urban area of North West England. The area experiences relatively high levels of unemployment and the local labour market conditions are typically favourable to employers. Whilst there are a number of other call centres in the area competing for workers, the industry as a whole experiences lower labour turnover in the region compared to other UK areas. The Buffalo call centre employs approximately 220 members of staff which is notionally split into two groups, depending on which types of activity workers are involved in: sales or claims-handling. Each department employs shift managers, customer service managers, team leaders and customer service representatives (CSRs). Previously, Buffalo senior management had attempted to multi-skill employees to work across the two departments. However, following a rise in customer complaints about service quality during claims-handling and a fall in sales, this demarcation was reinforced with workers being trained in a limited range of skills.

To all intents and purposes, the two departments operate completely independent of each other and employees interacted only in the shared canteen. This demarcation is also reinforced through the office layout with each department working on separate floors of a purpose-built facility. Each department is similarly organised into teams. Currently, there were 12 teams of eight or nine employees in each department. Each team is organised in three layers of seniority: team leaders, senior CSRs and CSRs. In both departments, both the senior and 'junior' CSRs worked entirely on the phones; however the role of the team leader differs quite significantly. In broad terms, the role of the team leader in the sales department is to act as a 'motivator' for their team. In each team, the team leader is often to be found walking between the desks reminding individual CSRs of their sales targets and how close or far they are from achieving these targets, telling the team how they were doing in relation to other teams and criticize under-achievers. Some team leaders encouraged CSRs to pin above their monitor screens, pictures of items (such as cars, mobile phones, handbags and clothes) which they aspire to own to act as an incentive when pressing for sales. Approximately, 40 per cent of the team leaders' salary and 25 per cent of the CSRs is dependent on the achievement of targets and subsequently both parties had a vested interest in maximising sales. This often lead to significant pressure being put on individuals both to attend work when ill (no allowance in targets was given for team member absence) and to 'not let the side down', particularly from the senior CSRs who had more to lose than their junior colleagues from poor team performance. Automatic call distribution meant that CSRs were encouraged to spend as little time on individual calls as possible, particularly where a sale did not seem likely, and to push hard for completion.

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On the sales floor, each team had a highly-visible electronic 'sales board' upon which each employee's target and achievement were displayed and where individual and team performance could be assessed and compared. Each team was partitioned from the other teams and within this 'territory' teams were allowed to organise the working environment as they saw fit. At the end of each month, the most successful team were awarded, at the discretion of the sales manager, a sizeable additional bonus. The 'winning' team leader could also win an all-inclusive short holiday.

In the claims-handling department, CSRs were typically more knowledgeable about the details of the policies that the sales team was selling. They therefore, spend more time than their sales colleagues in training to ensure that they are up-to-date in their product knowledge and to ensure they develop the problem-solving skills necessary to handle complex claims. Junior and senior CSRs perform slightly different functions in handling claims with junior colleagues acting as a frontline for customer service and who are able to refer difficult queries to their more experienced colleagues. The team leader also spent a considerable amount of time on the phone handling difficult calls, complaints or unusual queries. Many of the complaints emanate from customers who, upon making a claim, report having been mis-sold a product which doesn't meet their needs. The work of the junior CSRs was incentivised purely on an individual basis and 20 per cent of their pay was dependant on a qualitative assessment of two aspects of their work: first, senior CSRs are asked to rate each junior on the basis of 'unnecessary referrals' (i.e. calls that the junior had referred but should have been able to handle themselves); second, each CSR was subject to 'silent listening' and call recording by the management team to assess the quality of customer service. Senior CSRs are assessed purely on the basis of 'silent listening' and call monitoring via recording and playback. The performance of team leaders in the department is incentivised by six-monthly bonuses based both on an overall assessment of their team's performance and the outcome of a performance appraisal. On average, pay for the claims handlers are one-fifth lower than for the sales team.

A recent employee attitude survey conducted by Buffalo's HR department has found that job satisfaction, whilst still unacceptably low, is higher among workers in the claims-handling department than in the sales department. It also shows, however, that a large minority of employees in the sales department report high levels of job satisfaction. The survey also found that employee turnover was one-third higher among the sales team.

### Questions

1. Critically evaluate the way each group of workers is motivated?
2. Discuss what forms of control are evident at the Buffalo call centre? Do you agree/disagree with the controls? Give justifications.
3. Discuss how you would interpret the findings from the employee attitude survey?