



## CS PART III SECTION 5

### HUMAN RESOURCE MANAGEMENT

WEDNESDAY: 19 May 2021.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

#### QUESTION ONE

##### VALET MOTORS

Does traditional workplace reward long hours instead of efficient hours? Wouldn't it make more sense to listen to workers' needs and try to meet them? Or, to have a workplace in which people can do whatever they want, whenever they want, as long as the work gets done? Well, that's the approach that Valet Motors in Sweden has taken.

Valet Motors is one of the largest industrial concerns in the Nordic countries and is directly responsible for the employment of more than 42,000 people in Sweden alone. In the late 1980s, the company found itself suffering from a high degree of absenteeism and staff turnover. In addition, there were issues with the quality of the cars leaving the production line, and the cost of solving faults being high. The root of these problems was believed to lie in the traditional assembly line model, characterised by highly repetitive tasks. This allowed for little flexibility leading to Valet Motors factories not having attractive workplaces.

Valet Motors took a deliberate action to acknowledge and take into account the uniqueness of each of its employees in the production line. After a series of false starts, Valet Motors came up with a new manufacturing system where small groups of between 5 and 12 employees were responsible for the assembly of a complete vehicle, from beginning to end, rather than simply taking a role in one aspect of production. The group could select their own supervisors, schedule, inspect, and assign their own work, and receive equal financial rewards for their work, except for the supervisor. Goals were set as to how many vehicles the team was to produce in a day, and any time left over was used to discuss experiences from that day's production and to plan for the following day.

While being able to work independently was an important part of the new philosophy, teamwork was also key to making it work. Thus, the interaction between co-workers was helped by a culture called VUKA. VUKA was a small scale get-together every day, where the team shared coffee and ideas, with a grand VUKA being held every Friday where one member of the department was responsible for preparing food for everyone. Every worker was encouraged to take advantage of the flexitime working arrangements, where they could choose the times they could complete their 40-hour work weeks.

Reorganising the workforce into smaller, self managed groups meant that members of the workforce needed to learn new skills. This was particularly true of the older team members who had been with the company for some time. However, instead of letting these workers go and replacing them with younger more widely skilled recruits, Valet Motors took the initiative to redeploy them. In 1992, Valet Motors introduced an initiative to offer older workers employment in a specialised senior unit. Alternatively, both the old and young who wanted to learn any new skills were offered courses during the working day, which were financed by the company. The courses led to valuable professional qualifications. Productivity soared thanks to the new humanist approach and staff turnover reduced. Valet Motors also discovered that when employees' engagement with their job increased, average annual sales increased too.

#### Required:

- (a) In the context of Valet Motors, discuss the goal setting theory. (10 marks)
- (b) Except supervisors, each member of a production team received equal financial rewards with the rest of the members.
- With reference to the above statement, assess six advantages of team based pay. (6 marks)
- (c) Evaluate six characteristics of teams which could have contributed to the success of the production teams at Valet Motors. (12 marks)

- (d) Workers, old and young were offered courses during working days which ultimately led to professional qualifications. This system however has its own pitfalls.

Examine seven demerits of “on the job training”. (7 marks)

- (e) Workers at Valet Motors were encouraged to take advantage of flexitime. Summarise five features of flexitime. (5 marks)

**(Total: 40 marks)**

#### QUESTION TWO

- (a) Discuss three fundamental issues to be considered when formulating a succession planning policy in an organisation. (6 marks)

- (b) With reference to labour relations, analyse six skills that are required to make one effective in negotiations. (6 marks)

- (c) Examine three components of an effective reward strategy. (3 marks)

**(Total: 15 marks)**

#### QUESTION THREE

- (a) With reference to performance management, assess five advantages of using 360 degree in obtaining feedback on performance. (5 marks)

- (b) Discuss five circumstances under which training of employees at the cost of the employer might be justified. (5 marks)

- (c) Evaluate five measures which might be taken by an organisation in order to prevent accidents in the workplace. (5 marks)

**(Total: 15 marks)**

#### QUESTION FOUR

- (a) Summarise five roles of a professional counsellor in employee counselling. (5 marks)

- (b) Examine the importance of employee motivation in an organisation. (5 marks)

- (c) Analyse five benefits of a high level of employees engagement in an organisation. (5 marks)

**(Total: 15 marks)**

#### QUESTION FIVE

- (a) Illustrate seven questions which an employee separating with an organisation would be asked during an exit interview. (7 marks)

- (b) Discuss four merits of Adam’s, “Equity theory of motivation”. (8 marks)

**(Total: 15 marks)**

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