

**VPM's**  
**Dr. VN BRIMS, Thane**  
**Programme: MMS(2016 -2018)**  
**Second Semester Examination – April 2018**

<b>Subject</b>		<b>Human Resource Management</b>	
<b>Roll No.</b>		<b>Marks</b>	<b>60</b>
<b>Total No. of Questions</b>	<b>7</b>	<b>Duration</b>	<b>3 Hours</b>
<b>Total No. of printed pages</b>	<b>2</b>	<b>Date</b>	<b>26.04.2018</b>

**Note: Answer to Question 1 is compulsory.**  
**Answer any FOUR from the remaining SIX Questions.**

**1. Compulsory Question:**

**20 marks**

Case Study:

Well Finance Bank is one of the biggest banks in the world. However, a few years ago, the customers of Well Finance Bank began to report irregularities like receiving unexpected Credit cards, Debit cards, pre-sanctioned loans and other products from the Bank. The customers also started receiving bills and getting charged for these unsolicited products sent by the Bank. The customers were also upset as their Credit Ratings were being adversely affected for their non-payment of fees/ charges to the Bank for such products which they never asked for.

The Bank recorded creation of about 35,00,000 unauthorized bank deposits and credit card accounts through such fraudulent practices.

Initially, the Bank blamed individual Branch managers / workers for this problem, as well as put blame on high incentives provided to workers by the Bank for selling multiple financial products of the Bank. The Bank terminated approximately 5300 employees between 2011 and 2016 for such activities.

However, later the source of this problem was identified. It was the extreme pressure put by higher-level management on junior managers/ employees to open as many product accounts as possible for every customer of the Bank.

It was learnt that Bank managers/ employees were forced by top management to meet aggressive and impossible sales targets and were asked to issue credit cards for customers without their consent and also to use fabricated contact information while filling out the applications for these products.

The intense pressure put on employees caused a level of stress that led to frequent crying, vomiting and severe panic attacks amongst workers. The calls to the Bank's ethics hotline by employees were met with either no reaction or resulted in the termination of the employees who made such calls to report fraudulent practices.

On coming to know of this fraud, the Regulatory Agencies imposed a fine of US\$185 million on the Bank for these illegal activities. The Bank also faces additional civil and criminal suits.

Subsequently, the profitability of the Bank decreased substantially. Payments to lawyers and audit firms further increased expenses and the Bank decided to close over 400 of its approximately 6000 branches.

The Chairman, CEO and other top managers were subjected to detailed scrutiny by the Government and subsequently, the Chairman and CEO were forced to resign in 2017 and had to forgo their annual performance bonuses and stock options.

Faced with this crisis of confidence amongst customers, employees and the general public, the Bank engaged a Consultant to undertake Organisational Development interventions.

**Questions:**

- I. For what reasons do you think Well Finance Bank requires Organizational Development?
- II. What would be the objectives of the Organisational Development exercise being undertaken at Well Finance Bank?
- III. Explain the different steps involved in the process of implementing Organizational Development in an Organisation?

**2. Answer any TWO from a), b) or c) –**

**2x5 marks**

- a) Explain the main functions of Human Resource Management.
- b) 'Accurate appraisal of performance is difficult'. In the light of this statement discuss the limitations in appraising employee performance.
- c) Discuss the relative merits and demerits of internal and external sources of recruitment.

- 3. Answer any TWO from a), b) or c) - 2x5 marks**
- a) Discuss Training and Development. How are they different?
  - b) What factors affect Human Resource Planning?
  - c) Critically analyse Maslow's theory of Motivation.
- 4. Answer any TWO from a), b) or c) – 2x5 marks**
- a) What is Change? What are the forces that affect change?
  - b) What are the internal and external factors influencing recruitment?
  - c) What are the key roles played by a Human Resource Manager?
- 5. Answer any TWO from a), b) or c) – 2x5 marks**
- a) Outline the steps involved in the process of Human Resource Planning?
  - b) What problems can come up in the interview process? What are the requirements of conducting effective interviews?
  - c) What are the changing trends in Human Resource Management
- 6. Answer any TWO from a), b) or c) – 2x5 marks**
- a) What are the steps in the Selection process? Name different employment tests used for Selection.
  - b) What do you mean by Motivation? What types of incentives are used by employers to motivate their employees?
  - c) Critically analyse Kurt Lewin's Three Stage Model Theory of Change.
- 7. Write short note on any TWO from a), b) or c) – 2x5 marks**
- a) Features of a robust Human Resources system
  - b) Benefits of Human Resource Planning
  - c) The need for Management Development