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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management |
| **Course Title: Managing Human Resources, (Course Code: 40302)**  **End-Term Examination, Term - II (January, 2025)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed.*
2. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
3. *You have to answer only one question from ‘Section – A’.*
4. *Each question carries 10 Marks.*
5. *Answers should be brief and to the point.*
6. *You are allowed to look at the screen and towards the God (towards the skies) only during the exam.*

**SECTION – A (10 Marks)**

Q1. AI (Artificial Intelligence) has emerged as a significant disruptor in the realm of Human Resource Management, impacting various HR practices in contemporary organizations, as discussed during multiple ‘News of the Week’ deliberations in the class as well. Explain how AI has influenced the roles and responsibilities of line managers within HR functions. Identify and evaluate which sub-domains of HR are undergoing radical transformation and which are experiencing minimal changes due to AI integration, specifically focusing on how these changes affect roles and responsibilities of the line managers. Support your answer with logic and relevant specific real-life examples.

Q2. As a founder of the growing electric vehicle company 'Ecotron', you are facing the challenge of scaling operations to meet expected growth in 2025, which entails tripling your workforce. Historically, Ecotron has thrived on an open culture with flexible HR practices typical of start-ups. However, the anticipated expansion necessitates the implementation of more streamlined and standardized HR practices. Considering your previous managerial experience and background in business studies, outline the HR areas you would prioritize for transformation to effectively manage this growth. Discuss the specific strategies and plans you would implement in recruitment, selection, onboarding, training, compensation and benefits to address these concerns. Provide a rationale for your priorities and approach.

**SECTION – B (10 Marks)**

Q1. You are the HR manager at ‘ChaiPiLo Fraands’, a leading fast-moving consumer goods company known for its dynamic and extensive product range. As the company prepares for a significant market expansion, a detailed manpower planning exercise is essential to align the sales team with the projected business needs.

ChaiPiLo Fraands FMCG's sales team operates with a structured hierarchy to ensure efficiency and effectiveness in sales operations. The team includes the following profiles as per their hierarchy which includes (from top to bottom):

* Sales Director
* Regional Sales Manager
* Area Sales Manager
* Sales Analyst
* Sales Support Specialist
* Field Sales Executive
* Key Account Manager
* Merchandiser

Below is the data for current employees, projected demand, turnover rates, and expected promotions/demotions, organized by hierarchy:

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| **Profile** | **Current Employees** | **Projected Demand** | **Turnover Rate (%)** | **Expected Promotions** | **Expected Demotions** |
| Sales Director | 12 | 10 | 5 | 0 | 0 |
| Regional Sales Manager | 30 | 28 | 8 | 1 | 0 |
| Area Sales Manager | 40 | 45 | 10 | 2 | 1 |
| Sales Analyst | 25 | 35 | 12 | 2 | 1 |
| Sales Support Specialist | 20 | 30 | 15 | 2 | 1 |
| Field Sales Executive | 90 | 120 | 18 | 10 | 3 |
| Key Account Manager | 50 | 60 | 10 | 5 | 2 |
| Merchandiser | 70 | 100 | 20 | 8 | 3 |

As the HR expert, you are tasked with using Markov analysis to:

Determine the number of new hires required for each profile.

Identify profiles with a surplus of staff.

Provide a detailed analysis of your findings, including strategic recommendations for managing the sales team effectively in alignment with the company's growth objectives.

**SECTION – C (20 Marks)**

Rahul Sharma, CEO of MyWay HighWay, a rapidly growing tech startup in Bangalore with approximately 500 total employees, stared at the employee satisfaction survey results on his laptop screen. The numbers were concerning – overall employee satisfaction had dropped significantly since last year's performance reviews. As he scrolled through the comments, a pattern emerged: "Unfair ratings," "Forced rankings don't reflect true performance," "Top performers favored disproportionately."

MyWay HighWay, founded just five years ago, had quickly become a rising star in India's bustling startup ecosystem. The company's innovative traffic management solutions, powered by AI and IoT, had caught the attention of major cities across India. With a recent Series C funding of $50 million and plans for international expansion, MyWay HighWay seemed unstoppable. Until now.

Rahul had implemented a forced distribution method for performance reviews last year, believing it would drive productivity and retain top talent. The system categorized employees into three tiers: top 20% (A players), middle 70% (B players), and bottom 10% (C players). A players received substantial bonuses and fast-track promotions, while C players were put on performance improvement plans.

Initially, the results seemed positive. Productivity metrics improved, and the company attracted several high-profile hires from competitors. However, as Rahul dug deeper into the survey data, he realized the cost of these gains. Team morale was plummeting, with many employees feeling the system was arbitrary and unfair. Collaboration between teams had decreased, as employees competed fiercely for the limited top spots.

Priya Desai, the newly appointed Head of HR, knocked on Rahul's office door. "Rahul, we need to talk about the performance management system," she said, her expression serious. "I've been conducting exit interviews, and the feedback is troubling. We're losing good people because they feel undervalued and stuck in the 'B' category with no real path for growth."

Rahul nodded, gesturing for her to continue. Priya laid out the data: voluntary attrition had increased by 15% in the past six months, with 70% of departing employees citing the performance management system as a primary reason for leaving.

"It's not just about retention," Priya continued. "Our hiring costs have skyrocketed as we try to replace these employees. And the constant churn is affecting our project timelines. The traffic management system for Mumbai is already two months behind schedule."

Rahul leaned back in his chair, considering the implications. The forced distribution system had seemed like a silver bullet for driving performance, but now it threatened to derail MyWay HighWay's ambitious growth plans.

"What do you propose, Priya?" Rahul asked.

Priya hesitated before responding. "We have a few options. We could scrap the forced distribution entirely and move to a more holistic, continuous feedback model. Or we could modify our current system, perhaps by introducing more flexibility in the percentages or incorporating peer feedback. Alternatively, we could double down on communication and training to ensure managers are applying the system fairly and consistently."

Rahul glanced at the framed photo on his desk – the MyWay HighWay team celebrating their first major contract win. The energy and camaraderie in that image felt distant now. He turned back to Priya. "We need to make a decision quickly. Our board meeting is in two weeks, and they'll want to know how we're addressing this issue. Let's reconvene tomorrow with a concrete plan."

As Priya left his office, Rahul pulled up the company's financial projections. The ambitious targets suddenly seemed precarious in light of the current employee morale crisis. He knew that whatever decision he made would shape not just MyWay HighWay's culture, but its very future in the competitive tech landscape.

*Exhibit: MyWay HighWay Performance Management Data*

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| **Metric** | **Pre-Forced Distribution** | **Post-Forced Distribution** |
| Employee Satisfaction Score | 78% | 53% |
| Voluntary Attrition Rate | 8% | 23% |
| Average Time to Fill Vacancies | 45 days | 72 days |
| Percentage of Employees Rated 'A' | N/A | 20% |
| Percentage of Employees Rated 'B' | N/A | 70% |
| Percentage of Employees Rated 'C' | N/A | 10% |
| Productivity Score (out of 10) | 8.9 | 9.4 |
| Collaboration Score (out of 10) | 8.2 | 6.5 |
| Training Expenditure per Employee | ₹ 50,000 | ₹ 35,000 |
| Revenue per Employee | ₹ 25,00,000 | ₹ 28,00,000 |

**Questions:**

Q1. Examine the effectiveness of MyWay ​HighWay's current forced distribution performance management system. Explain if it aligns with or deviates from the best practices in performance management. **(10 Marks)**

Q2. Suggest the HR interventions that can assist Rahul and Priya in addressing the issues at MyWay HighWay specifically from the training, feedback & coaching perspectives. **(10 Marks)**