

EASTERN UNIVERSITY, SRI LANKA
Faculty of Commerce and Management
Department of Management

Final Year/1st Semester Examination in BBA/Specialization in HRM - 2008/2009
(September -2009)
(Proper)

HRM 4123 Human Resource Management and Practices

Answer all five (5) questions

Time: 03 hours

Q1. Case Study: Eagle Insurance-An Aviva Company

Aviva is the world's fifth-largest (based on gross worldwide premiums as at 31 December 2007) insurance group, serving over 50 million customers across Europe, North America and the Asia Pacific. Aviva's main business activities are long-term savings, fund management and general insurance, with worldwide total sales of \$51.4 billion and funds under management of \$ 381 billion as at 31st December 2008. Aviva is the largest insurance services provider in the UK and one of the leading providers of life and pensions products in Europe.

In Asia Pacific, Aviva operates in Australia, China, India, Korea, Sri Lanka, Hong Kong, Singapore, Malaysia and Taiwan. Aviva's long-term savings products and services are distributed through a multi-channel network, which includes a direct sales force, insurance intermediaries and bancassurance partners. In February 2006, the Aviva Group acquired a majority stake in Eagle Insurance.

With 98% of their employees stating that they are 'proud to be a part of Eagle Insurance' at the annual Aviva Global Employee survey, they can be confident that they have laid a solid foundation for their employee agenda and that they have been successful at delivering their employee promise.

Their promise is simple, clear, yet powerful. At Eagle, their people are recognized for who they are and what they contribute matters to the organization. As the Aviva company in Sri Lanka, Eagle's promise cascades from Aviva's global promise to each one of its 54,000 employees worldwide; "At Aviva, I am recognized for who I am and what I contribute matters."

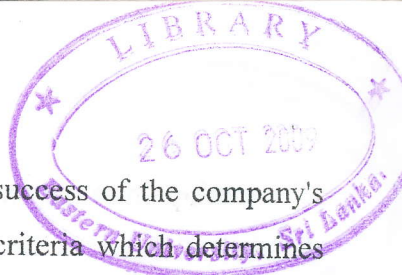
As a company, they strongly believe that in order to realize their Purpose and deliver the Vision, they must 'excite their people to exceptional performance' They do this by intertwining their HR priorities around what matters to each and every one of their employees in achieving what the business expects of them.

They work as a unified team. They are committed to a common Vision and objective depending on one another, pulling together and sharing knowledge and learning. They are proud of the family spirit of togetherness at Eagle, in which everyone feels a sense of belonging and takes pride in the company's achievements. As much as they encourage exceptional individual performance, the company has also empowered employees to form teams in striving towards achieving organizational goals. Each individual makes a unique contribution and consolidates the team whilst marching towards a common goal.

For them, ensuring personal growth is about recruiting the type of people they need for the company's present and future needs and developing them to their full potential. At Eagle, they understand that talent is diverse and they value it in all its forms. For them, the term 'Talent' is not exclusive for a small proportion of employees. In contrast, they aspire to manage all their people as 'talent'. However, understanding "what is right for one may be wrong for another"; they are more rigorous in the way we differentiate talent to ensure that what they ask of individuals is 'matched' to the unique combination of talents they bring. Their talent management approach is branded 'Talking Talent' and is a framework that binds employees across the Aviva group.

They have earned a reputation in the industry and the country for the extensive investments they make in their people. The learning and development opportunities they provide through internal trainings conducted by the in-house training faculty and external training programmes-both local and foreign- are unparalleled to that of many other organisations. Further, as a part of the giant Aviva, their people have access to outstanding learning and development opportunities with the group.

As a multinational organization, they believe in 'pay for performance' and people are encouraged to go that extra mile. Their performance management philosophy is influenced by how their



people perform as individuals, how their teams perform and by the success of the company's performance. The company has in place performance measurement criteria which determines the employees' compensation package based on the achievement of annual objectives agreed upon at the beginning of the year. Competitive salary scales are decided upon after a careful analysis and comparison with internal peer grades and in comparison with the wider market. The variable bonus scheme ensures that there is a direct link between the employee's individual contribution to the company's performance standards and the reward. Eagle's existing comprehensive recognition scheme has been further strengthened with the introduction of the Aviva Asia-Pacific Regional Recognition scheme that enables their people to compete shoulder to shoulder with their colleagues across national boundaries to win superior individual and team awards, bi-annually.

They continue to consolidate, innovate and improve their HRM practices and processes by which they are able to empower their employees, engage them and ensure that they are equipped with the right tools in order to perform exceptionally. The company is a workplace that is open-door, friendly, and boundary-less that enables and empowers employees to make decisions and fulfil the company's Purpose and Vision. The company-wide Human Resource Information System, intranet, and information from Aviva's global intranet keep everyone connected, and enable them to collaborate and share each others' ideas over the net, providing employees with valuable global and regional information. Vacancies that are available to be filled by employees within the Group are advertised on the intranet and our employees have the opportunity to apply for such positions, providing them global exposure and experience, and a true multinational flavour.

At Eagle, they strongly believe that 'leadership' is not about the leaders, but is about those who are led. It is about being able to provide people with a vision of the future that is inspiring and one that people feel that they want to be a part of. They also believe that leadership is not just about a few people; it is something that exists within the company at all levels. Aviva's 'Leading People' programme is incorporated into the company's leadership development initiatives. Leading People brings their leadership belief into life, through defining leadership outcomes and behaviours by focusing on recognizing people as individuals.

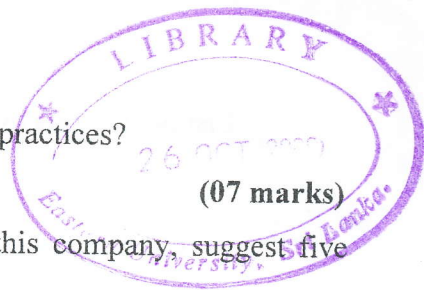
The work culture they promote is one that recognizes people for who they are and respect them for their differences. It is a culture where performance and delivering on their promises to the stakeholders matters. It is also one where they foster fun, which enable the employees to work with interest and enthusiasm, and reduce stress and work pressure. It instills a sense of joy among their people that goes a long way in creating an engaged workforce with a psychological bond with the organization. Their culture continues to encourage our people to abide by the Company's Core Values. It celebrates successes and recognizes and reinforces individual and team excellence towards corporate success. It recognizes loveliness, innovation, behaviours and actions that accelerates the company's performance and enhances the brand image.

The Company's Sports Club together with HR's Internal Communications and engagement initiatives continue to be effective vehicles through which they maintain culture bind engagement and work life balance. The initiatives rolled out each year take in to consideration the demographics and diversity of the company and the programmes are those that best fit the age ranges within the organization. Employee feedback is critical to their success. The annual Aviva Global Employee Survey rolled out throughout the Aviva Group captures employee feedback on different criteria. They involve their people in creating a great place to work and a company of which they can be proud. They listen and value their feedback in designing the future direction of the company.

With 94% of their employees recommending Eagle as a good employer and 93% stating that Eagle is a great place to work, they can take pride in the fact that their people are indeed highly engaged with the company. They will continue to deliver their promise to their employees which will ensure that each employee feels - "At Eagle, I am recognized for who I am and what I contribute matters".

Questions:

1. Identify and name at least five best HRM practices adapted by this company, and give your reasons to select them as best HRM practices. **(07 marks)**
2. What are the major dimensions of HRM practices that are contributing to this company's competitiveness? **(07 marks)**



3. In your view how effective is this company's human resource practices?

(07 marks)

4. In order to improve further the workforce management of this company, suggest five innovative HRM practices.

(07 marks)

(Total 28 marks)

Q2.

1. Discuss the relationship between HRM practices and organizational performance under the following perspectives:

- Universalistic Perspective
- Configurational Perspective
- Contingency Perspective

(15 marks)

2. What are the generic categories of HRM practices? And identify the supportive HRM model for each category.

(03 marks)

(Total 18 marks)

Q3.

1. Discuss the various relationships among HRM practices adapted by an organisation.

(06 marks)

2. Explain how does a firm's human resource management practices help to gain competitive advantage.

(06 marks)

3. Describe a desirable bundle of HRM practices that are needed to maintain a non-union setting in a large workforce based organization in Sri Lanka.

(06 marks)

(Total 18 marks)

Q4.

1. What are the external and internal factors that affect the practice of HRM? Choose one external factor and explain how it affects HRM practices of an organisation.

(06 marks)

2. In what ways, the works or jobs are changing nowadays? How do these changes in the works or jobs affect the practice of HRM?

(06 marks)

3. List out the process for implementing effective HRM practices in an organisation.

(06 marks)

(Total 18 marks)

Q5.

1. "Many researchers have focused only on measuring a set of HRM practices, Bowen and Ostroff (2004) argue that it is important also to measure and understand, the way which HRM practices are managed and communicated". Do you agree with the above statement? Explain with suitable examples.

(09 marks)

2. To what extent do you agree or disagree with the statement that 'The least important HR practices are measurable, while the most important HR practices are not.' Discuss.

(09 marks)

(Total 18 marks)