Below I have given solutions to some previous exams' case studies. But please, do remember, there is no rigid solution to a case study. You can arrive at your own solutions. The opinions and approach used in case study solution may differ from student to student. However, you must offer supporting evidence for your views and judgments. You should also use theoretical concepts of strategic management for integrating them in your solutions. Your solution should have logical reasoning and clear objective.

Best

Case Study No.1:

Tangy spices Ltd, the countries' biggest spices marketer has decided to launch a hostile bid for Italy's major spice marketer *Chilliano*. This is a rare case of an Indian company making an unsolicited hostile bid for a foreign company. The Tangy Spices Ltd. has competencies in Indian spices. The major destination markets for the Tangy spices Ltd. exports have been the Europe and America. The competencies of *Chilliano* lie in Italian herbs and spices. The Indian company with the takeover wishes to synergies its operations in the world market. It also wants to take advantage of the reach enjoyed by the Italian company in several countries where its products are not being sold presently.

The move of hostile takeover follows *Chilliano's* rejection to an agreement entered a year back. At that time *Chilliano* was suffering losses and it offered majority shares at a price of € 2.25. A total of 20% shares were transferred at that time. In one year *Chilliano* was able to turnaround its operations and the company made handsome profits in the last quarter. The promoters who have residual holding of 35% in the company are reluctant to transfer the shares now. They have rejected the agreement with a plea that the earlier offer price was not sufficient.

Tangy spices Ltd has revised its offer to € 2.95. By this lucrative offer some of the large shareholders of *Chilliano* reveal their interest for selling their stakes. On the other hand, promoters maintained their position on this matter. Through the process of buying of shares in the market the Tangy spices Ltd. gradually consolidated its holding in *Chilliano to 45%*. Being a major shareholder they were ready for a takeover. At the same time, Tangy spices Ltd. was trying hard to improve their position so that they do not leave any space for *Chilliano's* promoters in future.

Read the above case and answer the following questions:

Q (1) What strategic alternative is followed by Tangy spices Ltd?

There are different general strategic alternatives which are also known as Grand Strategies.
(1) Stability
(2) Expansion
(3) Retrenchment
(4) Combination

Expansion is the most popular strategy followed by organization. In expansion strategy, organizations can expand their operations through acquisition route.

Here Tangy Spicy Limited is following up the expansion strategy by acquiring the Chilliano of Italy.

Q (2) Is the hostile takeover by an Indian company appropriate?

Hostile takeovers are extremely expensive. Acquirer need to be ready to pay extra price than market price of equity. It should be done when a cash rich company sees strategic advantage in that acquisition. Indian companies can do the hostile takeover provided that takeover help them to position much stronger in the market. Additionally, price paid for takeover should be in line with the strengths or values to be achieved from that takeover.

For example, Corus acquisition by TATA STEEL is an example of hostile takeover but takeover positioned the TATA as market leader in steel manufacturing capacity and technologies. So looking at this takeover, it seems if hostile takeover is done with proper long-term strategy than it is quite appropriate for the Indian companies.

Q.(3) Why the Tangy Spices Ltd. is interested in this takeover?

The Tangy Spices Ltd. has competencies in Indian spices. The major destination markets for the Tangy spices Ltd. exports have been the Europe and America. The competencies of *Chilliano* lie in Italian herbs and spices. Tangy with this takeover will synergies its operations in the world market, particularly in Europe and America—its major exports markets. It also wants to take advantage of the reach enjoyed by the Italian company in several countries where its products are not being sold presently.

Further, rejection of promoters to transfer the shares as agreed in an agreement entered a year back also prompted the Tangy to go for this takeover.

Q.(2) Why the promoters are reluctant to transfer the shares after the agreement?

Around a year back, the promoters of Chilliano had agreed to transfer the equity share to Tangy at € 2.25 per share. But in one year, *Chilliano* was able to turnaround its operations and the company made handsome profits in the last quarter. The promoters who have residual holding of 35% in the company become reluctant to transfer the shares now. They have rejected the agreement with a plea that the earlier offer price of € 2.25 per share was not sufficient. So, it is a case where promoters either feel that they are not getting right value for their equity or they do not intend sell equity due to increased profitability of company in the recent past.

Case Study No.2:

Subhiksha (prosperity in Sanskrit) began with a single grocery store at Chennai in 1997. Subhiksha stores increased from 50 in 2000 to 140 by 2002-03 (spread across 30 towns in Tamilnadu) to 670 by 2006-07 to 1650 by Sepetember, 2008. Its early success was due to its business model based upon no-frills/deep discount and high level of neighborhood focus. Its decision in 2004 to go national from a regional player at a rapid pace proved wrong. With the growing ambition to go national, focus shifted from value to customers to creating valuation for self. The company had recruited all the employees to foray into consumer durables also. Its revenue increased from Rs. 278 crore from 140 stores in 2005 to Rs. 2305 crore in 2008 with a capital base of Rs. 32 crore. Subhiksha's profit after tax for 2007-8 was Rs. 41 crore. It had invested heavily, largely using debt, and paybacks took longer than expected. Repayment of debt had no relationship to cash flow. In the end the company had liabilities of Rs. 900 crore.

Around January, 2009, the company had started to shut down stores pan-India and in February, the top management quit the firm, not just because it defaulted on rentals of its outlets and salaries since October, 2008. Today all the stores are closed. Major suppliers had stopped supplies after it defaulted on payments. It asked its employees to take home groceries; and go on leave without pay. Many employees did not get their salaries. Initially the company was confident to restructure and remain in business.

Indian retail industry comprise of 12 million mom-and-pop stores and kirana stores (many of whom have also started innovating) and unknown number of hawkers in the unorganized sector working on small-sized stores and with low or non rentals and salaries and the organized retailers (market share not more than 5%).

The emergence of a large young population and a growing middle class with strong disposable incomes and credit card culture and the drivers of the organized retail, a mix of two types ones going in for huge expansion announcements and others following “slow and steady wins the race strategy”. The industry operates not on a very hefty margin. The yearly top-line growth is likely to remain around 10-15% as against forecasted 35% this year. Compared with players like Pantaloon, Reliance, More, RPG and even Nilgiri’s (which has private equity funding), Subhiksha has no large group’s backing (except Shri Azim Premji having 10% stake). The strategy was to raise more debt and keep equity low. During 2006, Subhiksha had a good chance to make an initial IPO or raise private equity money, but it was in quest of creating higher valuations. Suddenly retail was no longer so hot and the capital tap had gone dry. Due to inability to raise more debt, working capital was diverted to expand. Many of the organized retailers have survived the downturn through transformation in their strategies and tactics. However, one thing is certain that footfalls have declined for the organized retail.

Debt-ridden retailer Subhiksha Trading Services Ltd. has begun its second innings in February, 2010, with the launch of its first cash-and-carry store (the board outside the outlet reads Subhiksha Maligai Arisi Mandi) in Thiruvanmiyur in Chennai – at its first ever retail outlet.) “Subhiksha’s model will be different this time around and will not directly engage with customers,” said an industry source.

Read the above case and answer the following questions:

Q.(1) “To understand the nature of competition certain questions need to be answered”. What those questions are? 3

To understand the nature and strength of competition organization can use Porter’s five forces model of competition analysis. In general, organizations can ask the following questions to understand the competition nature.

1. Who are the competitors?
2. What are their products and services?
3. What are their market shares?
4. What are their financial positions?
5. What are their prime regions for dominance?
6. Reasons of dominance in those regions
7. What put them to price and cost advantage?

8. How strong is their distribution network?
9. What are their potential strategies?
10. What is their manpower strengths and track record of key managers, etc?

Q.(2) Who were the competitors of Subhiksha? Do you think they were better equipped then it? **5**

Subhiksha's competitors are Pantaloon, Reliance, More, RPG and Nilgiri, and 12 million mom-and-pop stores and kirana stores. If we talk about organized sectors retailers they are better equipped than Subhiksha because their financial strength is better than Subhiksha and their operation is not based more on debt as Subhiksha's operation is based. Further, they have started innovating by adopting franchise model by tying up with persons having store space and who is ready to take cost of employees because rent and employee costs are biggest eating point of retail industry margins.

Additionally, mom-and-pop stores and kirana stores do not have any operating cost and thus providing an intense competition to organized retail industry.

Q.(3) What, where and how the business strategy of Subhiksha might have gone wrong? **4**

Subhiksha's early success was due to its business model based upon no-frills/deep discount and high level of neighborhood focus. Its decision in 2004 to go national from a regional player at a rapid pace proved wrong. With the growing ambition to go national, focus shifted from value to customers to creating valuation for self. The company had recruited large number of employees to foray into consumer durables also. It invested heavily, largely using debt, and paybacks took longer than expected. Repayment of debt taken had no relationship to cash flow. In the end the company had huge debt liabilities.

So, an absence of a proper business strategy of expansion, mainly the lack of proper capital structure and funds management, resulted in problem for Subhiksha. An aggressive expansion plan by employing large number of workers without proper cash flow management resulted in very high operating expenses or a disaster for Subhiksha.

Q.(4) If you were the strategy consultant to the Organised Retailers Association of India, what will you advise to control the cost and convert the threat of dropping footfalls and declining sales into the opportunity? **6**

If I were the strategy consultant to the Organized Retailers Association of India, I would have suggested the following to control the costs and dropping footfalls:

(1) Build a franchise model to control the rent and employees costs which are biggest operating costs of organized retail business.

(2) Build retail operation with appropriate debt levels because interest cost is another big margin eating expense.

(3) Build customer trust, for this organizations can follow slow steady and win the race model rather pursuing aggressively the expansion and not providing the best services and prices to the customers.

(4) Promotional activities should be keeping in focus the target customers, for example middle class customers always prefer to buy the products at some discount or with some scheme.

Q.(5) How is a Cash-and-carry store different from a Retails store? Name any other such Cash-and carry store in India.

While retail stores cater to the demand of goods from end users directly e.g. Reliance Fresh and Big Bazar whereas cash-and-carry stores cater to the demand of kirana stores, retail stores and other institutions (like restaurants) directly. An end user is not permitted to buy goods from cash-and carry stores. These stores are established to serve wholesale or bulk buyers. Example of cash-and carry store is Bharti Walmart which opened its first store in the Punjab.

Case Study No.3:

Meters Limited is a company engaged in the designing, manufacturing, and marketing of instruments like speed meters, oil pressure gauges, and so on, that are fitted into two and four wheelers. Their current investment in assets is around Rs. 5 crores and their last year turnover was Rs. 15 crores, just adequate enough to breakeven. The company has been witnessing over the last couple of years, a fall in their market share prices since many customers are switching over to a new range of electronic instruments from the range of mechanical instruments that have been the mainstay of Meters Limited.

The Company has received a firm offer of cooperation from a competitor who is similarly placed in respect of product range. The offer implied the following:
(i) transfer of the manufacturing line from the competitor to Meters Limited;
(ii) manufacture of mechanical instruments by Meters Limited for the competitor to the latter's specifications and brand name; and
(iii) marketing by the competitor.

The benefits that will accrue to Meters Limited will be better utilization of its installed capacity and appropriate financial compensation for the manufacturing effort. The production manager of Meters Limited has welcomed the proposal and points out that it will enable the company to make profits. The sales manager is doubtful about the same since the demand for mechanical instruments in shrinking. The chief Executive is studying the offer.
Read the above case and answer the following questions:

Q.(1) What is divestment strategy? Do you see it being practised in the given case? Explain. **5**

Divestment strategy involves retrenchment of some of the activities in a given business of the company or sell-out of some of the businesses.

This strategy is largely followed in the following cases

- Obsolescence of product/process

- Business becoming unprofitable
- High competition
- Industry overcapacity

Retrenchment Strategy also includes turnaround of declining business operations.

I don't believe this is being completely followed over here. The company is mainly planning a turnaround of business operation through manufacturing other organization's products in order to better utilize the manufacturing capacity. However, it seems customers are switching from mechanical instruments to electronic instruments, so this strategy should not be viewed as turnaround of business operations or divestment strategy.

Q.(2) What is stability strategy? Should Meters Limited adopt it? **5**

If a firm is opting for stability of business operations by staying in the same business, same product, market and functions, and firm normally maintains same levels of effort as at present, then it is known as stability strategy.

The main aim of this strategy is to enhance functional efficiencies, better deployment and utilization of resources.

Meters Limited should not adopt the stability strategy. In this strategy, Meters Limited will continue manufacturing the mechanical meters with improved utilization of capacity and reduced costs but we know that market is losing customers base for mechanical meters.

Q(3) What is expansion strategy? What are the implications for Meters Limited in case it is adopted? **5**

Expansion strategy is the most popular strategy and most of the business organizations opt for expansion strategy because this strategy prompts for the growth of business organizations.

There are two key types of expansions strategy

(1) Intensifications

(2) Diversifications

Both of them are growth oriented strategies; the difference lies in the way by which the firm actually pursues the growth.

Intensification involves the following:

- Product Development
- Market Penetration
- Market Development

Diversification involves the following:

- Vertically integrated diversification

- Horizontally integrated diversification
- Concentric diversification
- Conglomerate diversification

Yes, company should adopt expansion strategy by adopting intensifications category. In intensification strategy, company can initially focus on product development i.e. developing new electronic instruments and then they can follow market penetration and market development

Q.(4) What are your suggestions to the Chief Executive?

My suggestions to chief executive will be the following:

- for the time being, till the time new products are developed, we can accept the offer of other organization to manufacture their products for better utilization of capacity
- but we have to be cautious about competition / sales of products in the same category and that should be properly laid out in the agreement.
- However, in the long-term, we should focus on new products developments and try to expand product range by including the manufacturing of electronic instruments.

Case Study No. 4:

The ripple effects of the 2008 Global Economic meltdown bad begun to hurt the Rupees 1,268 crore J.K. Paper Ltd. Also, like all other business houses in India, J.K. Paper Ltd. was also finding the going tough. The general trend of soaring prices and contraction in demand had started effecting the sale of J.K. Paper Ltd. products also. Its customers were focusing on correcting their inventory positions (using existing stocks of materials to keep production lines and marketing activities rolling). Consequently, they were not buying much from J.K. Paper Ltd. Even the investors did not like what they saw – J.K. Paper Ltd. Stock fell from Rs. 57.20 on 1 January, 2008 to a low of Rs. 14.12 on 12 March, 2009. The company was in the midst of Economic crisis. Mr. Harshpati Singhania, Managing Director of the company, realized that some strong measures must be taken to extricate the Company from its present crisis. To this end, Mr. Singhania held several brainstorming sessions with the top management team and finally identified the focus areas: Managing working capital flows, cutting costs and paying attention to employee productivity.

Moving away from the traditional approach one usually follows during the recessionary periods, Mr. Singhania instead of shutting down company's plants and cutting production, decided to continue to operate the Company's two plants at Gujarat and Orissa at 100% capacity. To match sales with production, he planned to reach out to newer customers by widening Company's distribution network. He identified packaging boards to be marketed in rural areas where the meltdown had minimal effect. As the market conditions were still difficult, the company also decided to cut the prices by 2 to 3 per cent. Along-with the price cut, its marketing thrust in rural areas ensured that the sales were not impacted much. Net sales remained flat throughout 2008-09, though the profitability of the Company suffered because of the lower margins it received from its rural thrust.

For raising capital, the Company did not approach banks and investors, rather it intensified it efforts to recover its debits from its clients. The efforts resulted in fast recovery of crores of rupees. Disputed debts were also settled expeditiously to raise more cash.

To cut costs further, the Company took steps to improve productivity and reduce its wage bill. Inefficient employees were asked to leave. No new appointments were made unless they were critically important. In addition, employees received lower increments for 2008-09; even Mr. Singhania did not take any increment.

When the global slowdown sent the international prices of the pulp, the main raw material for the paper industry, crashing from Rs. 36,960 per ton in April, 2008 to Rs. 18,240 per ton in September, 2008 the company bought enough pulp to last for about 9 months as against its policy of buying, in the normal course, pulp for about 2-3 months. According to Mr. Singhania, this decision also resulted in a huge saving.

Mr. Singhania and his senior management team also re-evaluated the organizational structure to improve efficiency in the organization.

When all the above strategic decisions had been successfully implemented, Mr. Singhania knew that the worst for the company was over. This was also reflected in gradual increase in the quarterly profits of the company, Mr. Singhania however sounded very modest about his stewardship of the Company while appreciating his Senior management team for the great job done to ride out the slowdown.

Read the above case and answer the following questions:

Q.(1) Where did the recession hit J.K. Paper Ltd.?

J.K. Paper Limited was hit the most due to recession in the following area:

- Sale or revenue of J.K. paper limited goes down as there were no fresh orders from the customers. Because customers were focusing on correcting inventory positions due to high prices and reduced demand rather than giving fresh orders.
- Investors also sharply reacted to declining sales and revenues of the J.K. Paper Limited and stock price OF J.K. paper limited fell from Rs. 57.20 on 1 January, 2008 to a low of Rs. 14.12 on 12 March, 2009.

So we can say that recession affected the profitability of the J.K. Paper and thus it stock price.

Q.(2) Explain with reasoning the corporate strategy the Company had adopted for its survival

Company reacted properly to the recession impacts. For example, the company revised its corporate strategy and adopted the following measures which helped J.K. Paper to emerge winner at the end.

(1) Managing working capital flows:

The Company did not approach banks and investors, rather it intensified efforts to recover its debits from its clients. The efforts resulted in fast recovery of crores of rupees. Disputed debts were also settled expeditiously to raise more cash.

(2) Cost Cutting:

No new appointments were made unless they were critically important. In addition, employees received lower increments for 2008-09; even Mr. Singhania did not take any increment.

(3) Improvement of employee productivity

The Company took steps to improve productivity and reduce its wage bill. Inefficient employees were asked to leave. Mr. Singhania and his senior management team also re-evaluated the organizational structure to improve efficiency in the organization.

Q.(3) What functional strategies were undertaken by the Company to overcome its crisis?

J.K. Paper limited adopted some key functional strategies in the area of production, marketing and inventory management.

For example:

Production Strategy:

- Instead of shutting down company's plants and cutting production, Mr. Singhania decided to continue to operate the Company's two plants at Gujarat and Orissa at 100% capacity.

Marketing Strategy:

- To match sales with production, he planned to reach out to newer customers by widening Company's distribution network. He identified packaging boards to be marketed in rural areas where the meltdown had minimal effect. As the market conditions were still difficult, the company also decided to cut the prices by 2 to 3 per cent. Along-with the price cut, its marketing thrust in rural areas ensured that the sales were not impacted much.

Inventory strategy:

- Additionally, global slowdown sent the international prices of the pulp, the main raw material for the paper industry, crashing from Rs. 36,960 per ton in April, 2008 to Rs. 18,240 per ton in September, 2008. The company bought enough pulp to last for about 9 months as against its policy of buying, in the normal course, pulp for about 2-3 months. According to Mr. Singhania, this decision also resulted in a huge saving.

Q.(4) State the basic responsibilities of a strategic leader in a business house. Explain whether or not Mr. Singhania provided the strategic leadership to the Company.

The following are some key responsibilities of a strategic leader

- Managing human capital (perhaps the most critical of the strategic leader's skills). Effectively managing the company's operations.
- Sustaining high performance over time.
- Being willing to make candid and courageous decisions.
- Seeking feedback through face-to-face communications.
- Having decision-making responsibilities that cannot be delegated

Yes, Mr. Singhania provided a true leadership to sail out the company from recession impacts. He derived the process with the help of his top management team to tackle the problems arisen due to recession. He took the candid and courageous decisions to take out the company from recession problems.

Q.(5) What lessons are learnt from the experience of J.K. Paper Ltd. to ride out the economic meltdown?

Never give up and form an appropriate dynamic strategy are the biggest lessons one can learn from the experience of J.K Paper limited. Another important lesson is that organization always needs a true leader and capable top management team who are willing to take strong decisions for benefits of company and its shareholders. Finally, organizations need to form and implement the appropriate strategies at both corporate and functional levels. Also, there should be a good coordination among different functional components. For example, when Mr. Singhania took to decision that production will be maintained at 100% capacity utilization, to match the production with sales the company took effective decision at marketing/sales levels.

Case Study No.5

Sahni Auto Industries is a manufacturer and exporter of Autoparts with an annual turnover of Rupees one thousand crores. It employs about 2,00 persons in its factory in Punjab and its other offices in India and abroad.

The Personnel Administration and Human Resources Department of the company is headed by Mr. Amit Kapoor-the Chief Personnel Manager. Mr. Amit Kapoor, an automobile Engineer joined the company ***5*** years ago as Product Development Manager. After a successful stint of 4 years as Product Development Manager, he was transferred to Personnel Administration and Human Resources Department as the Chief Personnel Manager as a part of Career development plan. Mr. Vikas, MBA in Human Resources from a renowned Business school, joined the company as Personnel Manager only **3** months back. He reports to Mr. Amit Kapoor-the Chief Personnel Manager. He handles all routine personnel and industrial relations matters.

One day, during informal discussion with Mr. Amit Kapoor, Mr. Vikas suggested him of linking Human Resources Management with Company's strategic goals and objectives to further improve business performance and also to develop Organisational culture that fosters more innovative ideas. He also advocated creating abundant 'Social Capital' on the ground that people tend to be more productive in an environment which has trust and goodwill embedded in it rather than which is highly hierarchical and formal. Mr. Amit Kapoor disagreed with Mr, Vikas and told him that the role of Human Resources Department was only peripheral to the business and all his suggestions about its strategic role were beyond the purview of Personnel Administration and Human Resources Department. After this, Mr. Vikas started having number of arguments with Mr. Amit Kapoor in several issues relating to personnel and industrial relations since he felt that a person with a degree in Human Resources Management was in a far better position to run Personnel Administration and Human Resources Department. Mr. Amit Kapoor--the Chief Personnel Manager had often shown his displeasure on Mr. Vikas's argumentative - tendency and had made it known to the General Manager.

The General Manager called Mr. Amit Kapoor in his office to inform him that he has been elected for an overseas assignment. He further told him to find a suitable person as his successor; he even suggested Mr. Vikas as a possible candidate. Mr. Amit Kapoor, however, selected Mr. Balram, who was working as Training Manager in a Multinational Company for the last 5 years. Mr. Vikas, soon started having arguments with Mr. Balram also over number of issues relating to industrial relations since he felt that he had no experience in handling industrial relations matters. Mr. Balram now realised that Mr. Vikas was trying to make things difficult for him. After a series of meetings with the General Manager, Mr. Balram eventually succeeded in

convincing him to transfer Mr. Vikas to an office outside Punjab. On learning about his impending transfer, Mr. Vikas wrote a letter to the General Manager joining details of various instances, when Mr. Balram had shown his incompetence in handling problematic situations. When asked for explanation by the General Manager, Mr. Balram had refuted almost all the allegations. The General Manager accepted his explanation and informed Mr. Vikas that most of his allegations against Mr. Balram were unwarranted and baseless. He further advised him to avoid confrontation with Mr. Balram. Mr. Vikas then wrote a letter to the Chairman repeating all the allegations against Mr. Balram. On investigation, the Chairman found most of the allegations true. He then called all the three-the General Manager, the Chief Personnel Manager and the Personnel Manager in his office and implored them to forget the past and henceforth to work in coordination with each other in an environment of Trust
and Goodwill.

Read the above case and answer the following questions:

Q.(1) Identify and discuss the major issues raised in the case.

This case is related with human resources function. The major issues raised in this case can be defined as follows:

- Non-linking of Human Resources Management with Company's strategic goals and objectives.
- Lack of organisational culture that fosters more innovative ideas.
- Highly hierarchical and formal organizational structure which lacks trust and goodwill and thus lacks productivity.
- Human Resources Department was treated as peripheral to the business rather than an integrated function for strategic planning and implementation.

Q.(2) Comment on the recruitment of the two Chief Personnel Managers.

The first Chief Personnel Manager, Mr. Amit Kapoor is an automobile Engineer joined the company ***5*** years ago as Product Development Manager. After a successful stint of 4 years as Product Development Manager, he was transferred to Personnel Administration and Human Resources Department as the Chief Personnel Manager as a part of Career development plan.

I don’t see any disadvantage if a capable person without having formal HR qualification being transferred to the HR department. However, over here this transfer is not with an aim to bring some efficiency in the HR function rather it is a simple transfer from one position to another position; which I think is not correct. For example, Mr M. Pillai, a qualified CA, has been made HR director in the Infosys from his earlier position of finance director. This change in position of Mr. Pillai is considering him as most capable person and Infosys now a company with more 1 lakh employee has the HR more challenging task than the finance. Therefore they transferred the most capable person to HR director from finance director.

The second Chief Personnel Manager, Mr. Balram was earlier working as Training Manager in a Multinational Company for the last 5 years. He also has no formal experience and qualifications in the HR management. I don’t think his appointment as chief HR manager was also on any merit or to infuse any efficiency in the HR function.

Q.(3) Would you justify Mr. Vikas's argumentative tendency with the Chief Personnel Managers ? Give reasons for your answer.

I agree with Mr. Vikas argumentative tendency with Chief Personnel Managers regarding enhancing role of HR department and industrial relation in the company strategic management. I also agree with his view that Human Resources Management should be linked with Company's strategic goals and objectives. Because I think HR is as equal and important function as finance and marketing; and better HR management helps organizations to achieve their strategic goals and objectives.

But I don’t agree with his view that a person with HR qualifications only can better manage the HR department. As said above, Mr M. Pillai, a qualified CA, has been made HR director in the Infosys from his earlier position of finance director. This change in position of Mr. Pillai is considering him the most capable person and Infosys now a company with more 1 lakh employee has the HR management more challenging task than the finance management.

Q.(4) Do you agree with suggestion offered by Mr. Vikas to Human Resources Management with the company's strategic goals ? If yes, suggest prominent areas where Human Resources Department can play role in this regard.

Yes, I agree with suggestion offered by Mr. Vikas to Human Resources Management with the company's strategic goals. In the the following area the HR department can play a role in this regard:

Providing purposeful direction: The human resource management can lead people and the organization towards the desired direction. The HR manager has to ensure that the objectives of an organization become the objectives of each person working in the organization.

Creating competitive atmosphere: By creating committed and competitive atmosphere through opportunities for employees.

Facilitation of change: The Human resources are more concerned with substance rather than form, accomplishments rather than activities, and practice rather than theory. The human resources should be provided enough opportunities for the same.

Diversified workforce: In the modern organization management of diverse workforce is a great challenge. Workforce diversity can be observed in terms of male and female workers, young and old workers, educated and uneducated workers, unskilled and professional employee, etc. creating a great culture or non-financial incentives also plays an important role in motivating the workforce.

Empowering human resources: Empowerment means authorizing every number of a society or organization to take of his/her own destiny realizing his/her full potential.

Building core competency: The human resource manager has a great role to play in developing core competency by the firm. A core competence is a unique strength of an organization which may not be shared by others in the form marketing and technical capability.

Developing ethical work culture: A vibrant work culture should be developed in the organizations to create an atmosphere of trust among people and to encourage creative ideas by the people.