

PAPER – 6 : INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT

Section–A: Information Technology

Attempt all questions.

Question 1

(a) Describe briefly the following terms:

- (i) DDL
- (ii) Multiprogramming
- (iii) MODEM
- (iv) Cache Memory
- (v) SVGA

(5x1 = 5 Marks)

(b) Explain each of the following:

- (i) Smart Card System
- (ii) Data Warehouse
- (iii) Compiler
- (iv) File Maintenance
- (v) Incremental Backup

(5x1 = 5 Marks)

Answers

- (a) (i) DDL : DDL or Data Definition Language defines the conceptual schema providing a link between the logical and physical structures of the database. Some of the DDL functions define the physical characteristics of each record, field in the record, field's data type, its length, its logical name and also specify relationships among the records, describe the schema and subschema, provide means for associating related records or fields, provide for data security measures and logical and physical data independence.
- (ii) Multiprogramming: Multiprogramming is defined as execution of two or more programs that reside in primary storage. The CPU can execute only one instruction at a time, but can however, execute instructions from one program, then from second program then from first again, and so on. This type of processing is referred as "Concurrent Execution."
- (iii) MODEM: It stands for Modulator/Demodulator and is an encoding as well as decoding device used in data transmission that converts a digital computer signal into an analog telephone signal (i.e. it modulates the signal) and converts an analog telephone signal into a digital computer signal (i.e. it demodulates the signal) in a data communication system.

- (iv) Cache Memory: Cache memory is a high speed memory capable of keeping up with the speed of CPU. It is similar to RAM from the access point of view and acts as a buffer between the CPU and the slower main memory.
- (v) SVGA: SVGA or Super Video Graphics adapter is an improvement on the VGA. Two combinations of resolutions and colors provided by SVGA are:
  - 640 x 480 pixels with 256 colors.
  - 1024 x 480 pixels with 16 colors
- (b) (i) Smart Card System: Smart cards resemble credit cards in size and shape and contain a microprocessor chip and memory, where as some include a keypad as well. These cards are used most frequently to make electronic purchases and to electronically transfer funds between accounts. These cards could contain digitized fingerprints of the cardholder, which could be compared at a security checkpoint to fingerprints of people who are authorized to enter a secure area.
- (ii) Data Warehouse: It is a computer database that collects, integrates and stores an organization's data with the aim of producing accurate and timely management information and supporting data analysis. The data warehouses bring in data from a range of different data sources such as mainframe computers, micro computers as well as personal computers and office automation software such as spreadsheets and integrate this information in a single place.
- (iii) Compiler: A compiler translates the entire program written in high-level languages such as COBOL, FORTRAN, and PASCAL into machine language before the program is executed. Compilers typically result in programs that can be executed much more swiftly than those handled by interpreters.
- (iv) File Maintenance: File maintenance includes the updating of a file to reflect the effects of periodical changes by adding, altering data, eg. the addition of new programs to program library on magnetic disk.
- (v) Incremental Backup: This uses the DBBACKUP utility to copy the transaction log file since the most recent full backup. When incremental backup is performed, the mirror log is not backed up. When the user takes the backup and rename the log files, the transaction and mirror log file is renamed and new log files are created.

## Question 2

Answer any two of the following:

- (a) Briefly explain various functions of Communication Software.
- (b) Describe various features of Data Centers.
- (c) Explain the basic functions of an operating system. (2 x 5 = 10 Marks)

## Answers

- (a) Various Functions of Communication Software: Communication software manages the flow of data across a network. It performs the following functions:

- (i) Access control: Linking and disconnecting different devices; automatically dialing and answering telephones; restricting access to authorized users and establishing parameters such as speed, mode, and direction of transmission.
  - (ii) Network management: Polling devices to see whether they are ready to send or receive data; queuing input and output; determining system priorities; routing messages and logging network activity, use, and errors.
  - (iii) Data and file transmission: Controlling the transfer of data, files, and messages among various devices.
  - (iv) Error detection and control: Ensuring that the data sent is indeed the data received.
  - (v) Data security: Protecting data during transmission from unauthorized access.
- (b) Data Center is a centralized repository for the storage, management and dissemination of data and information. Data centers can be defined as highly secure with fault-resistant facilities and hosting computer equipment that connects to telecommunication networks.

#### Features of Data Centers

- (i) Size: Data centers are characterized foremost by the size of their operations and require a minimum area of around 5,000 to 30,000 square meters. A financially viable data center could comprise of a hundred to several thousand servers.
  - (ii) Data Security: It should ensure maximum data security and 100 per cent availability. Data centers have to be protected against intruders by controlling access to the facility and by video surveillance. They should be able to withstand natural disasters and calamities, like fire and power failures. Recovery sites must be well maintained.
  - (iii) Availability of Data: The goal of a data center is to maximize the availability of data, and to minimize potential downtime. To do this, redundancy has to be built into all the mission critical infrastructure of the data center, such as connectivity, electrical supply, security and surveillance, air conditioning and fire suppression.
  - (iv) Electrical and power systems: A data center should provide the highest power availability with uninterrupted power systems (UPS).
  - (v) Security: Physical security and systems security are critical to operations. Thus, it should provide both types of security measures to ensure the security of equipments and data placed at the data center.
- (c) The operating system may be defined as an integrated system of programs which supervises the operation of the CPU, controls the input/output functions of the computer system, translates the programming languages into the machine languages and provides various support services.

There are six basic functions that an operating system can perform. These are:-

- (i) **Schedule Jobs:** Operating systems can determine the sequence in which jobs are executed, using priorities established by the organization.
- (ii) **Manage Hardware and Software Resources:** Operating systems cause the user's application program to be executed by loading it into primary storage and then cause the various hardware units to perform as specified by the application.
- (iii) **Maintain System Security:** They may require users to enter a password - a group of characters that identifies users as being authorized to have access to the system.
- (iv) **Enable Multiple User Resource Sharing:** They can handle the scheduling and execution of the application programs for many users at the same time, a feature called multiprogramming.
- (v) **Handle Interrupts :** An interrupt is a technique used by the operating system to temporarily suspend the processing of one program in order to allow another program to be executed. Interrupts are issued when a program requests an operation that does not require the CPU, such as input or output, or when the program exceeds some predetermined time limit.
- (vi) **Maintain Usage Records :** Operating systems can keep track of the amount of time used by each user for each system unit - the CPU, secondary storage, and input and output devices.

**Question 3**

- (a) Explain the various types of Internet servers.
- (b) Explain the management problems that exist in File Processing system. (7 + 3 = 10 Marks)

**Answers**

**(a) Types of Internet Servers:**

- (i) **File server:** It manages requests from clients for files stored on the server's local disk. A central file server permits groups and users to share and access data in multiple ways.
- (ii) **Mail server:** A mail server is the most efficient way to receive and store electronic mail messages for a community of users. A central mail server runs 24 hours a day. The mail server can also provide a global email directory for all community and organization's users, as well as email gateway and relay services for all other mail servers.
- (iii) **DNS server:** Domain Name Service is an Internet-wide distributed database system that documents and distributes network-specific information, such as the associated IP address for a host name, and vice versa.
- (iv) **Gopher server:** Gopher is an Internet application that uses multiple Gopher servers to locate images, applications, and files stored on various servers on the Internet.

Gopher offers menu choices to prompt users for information that interests them, and then establishes the necessary network connections to obtain the resource.

- (v) Web server: The World Wide Web (WWW) is a very popular source of information on the Internet. Web browsers present information to the user in hypertext format. When the user selects a word or phrase that a Web page's author has established as a hypertext link, the Web browser queries another Web server or file to move to another Web page related to the link.
  - (vi) FTP server: File Transfer Protocol (FTP) is an Internet-wide standard for distribution of files from one computer to another. The computer that stores files and makes them available to others is a server.
  - (vii) News server: Usenet News is a world wide discussion system consisting of thousands of newsgroups organized into hierarchies by subject.
  - (viii) Chat server: Some organizations choose to run a server that will allow multiple users to have real-time discussions, called chats on the Internet. Most chat servers allow the creation of private chat rooms where participants can meet for private discussions.
  - (ix) Caching server: A caching server is employed when the number of accesses to the Internet is to be restricted. A caching server sits between the client computer and the server that would normally fulfill a client's request. Once the client's request is sent, it is intercepted by the caching server. The caching server maintains a library of files that have been requested in the recent past by users on the network. If the caching server has the requested information in its cache, the server returns the information without going out to the Internet.
  - (x) Proxy server: A proxy server is designed to restrict access to information on the Internet. If, for example, the organization does not want its users to have access to pornographic materials, a proxy server can be configured to refuse to pass the request to the intended Internet server.
- (b) File processing in Information systems consist of using separate computer programs that update these independent data files and use them to produce the documents and reports required by each separate user application. However, many management problems are observed with File Processing Systems that limit the efficiency and effectiveness of end user applications:
- (i) Data Duplication: Independent data files include a lot of duplicated data that causes problems when data is to be updated, since separate file maintenance programs have to be developed and coordinated to ensure that each file is properly updated.
  - (ii) Lack of Data Integration: Data in independent files makes it difficult to provide end users with information for ad hoc requests that require accessing data stored in several different files. Special computer programs have to be written to retrieve data

from each independent file. This is difficult, time consuming, and expensive for the organizations.

- (iii) **Data Dependence:** In file processing systems, major components of a system i.e., the organization of files, their physical locations on storage, hardware and the application software used to access those files depend on one another in significant ways. Thus, if changes are made in the format and structure of data and records in a file, changes have to be made in all the programs that use this file. This program maintenance effort is a major burden of file processing systems.
- (iv) **Other Problems:** In file processing systems, data elements such as stock numbers and customer addresses are generally defined differently by different end users and applications. This causes serious inconsistency in the development of programs which access such data. In addition, the integrity (i.e. the accuracy and completeness) of the data is suspected because there is no control over their use and maintenance by authorized end users.

#### Question 4

A Book Publisher offers discount to customers on the basis of customer type and number of copies ordered as shown below:

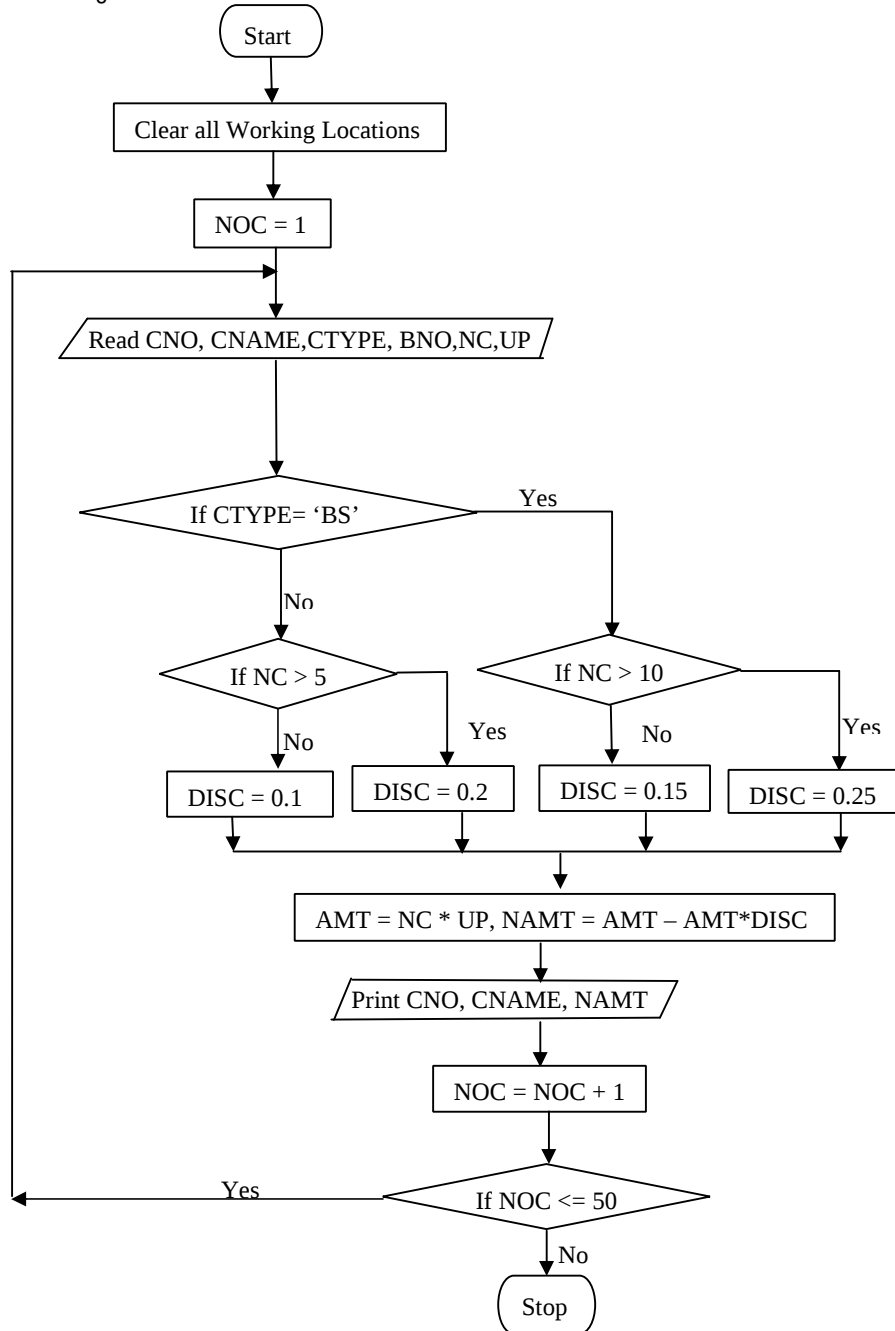
| Customer Type | Number of Copies Ordered | % of Discount |
|---------------|--------------------------|---------------|
| Book Seller   | More than 10             | 25            |
|               | Less than or equal to 10 | 15            |
| Library       | More than 5              | 20            |
|               | Less than or equal to 5  | 10            |

Customer number, name, type, book number, number of copies ordered and unit price are given as input. Draw a flowchart to calculate the net amount of the bill for each customer and print it. The above is to be carried out for 50 customers. (10 Marks)

Answer

|                   |       |   |                                  |
|-------------------|-------|---|----------------------------------|
| Symbols Used Are: | CNO   | - | Customer Number                  |
|                   | CNAME | - | Customer Name                    |
|                   | CTYPE | - | 'BS' Book Seller / 'LIB' Library |
|                   | NC    | - | Number of Copies                 |
|                   | BNO   | - | Book Number                      |
|                   | UP    | - | Unit Price                       |
|                   | DISC  | - | Discount                         |
|                   | AMT   | - | Total Amount                     |
|                   | NAMT  | - | Net Amount                       |
|                   | NOC   | - | Number of Customers              |

The flowchart is given below:



Question 5

Write short notes on the following:

- (a) Star Network Topology
- (b) Advantages of Electronic Data Interchange (EDI) (2 x 5 =10 Marks)

Answer

- (a) Star Network Topology

The geometrical arrangement of computer resources, remote devices and communication facilities is known as Network Structure or Network Topology. Star Network topology is characterized by communication channels emanating from centralized computer system as shown in figure given below:

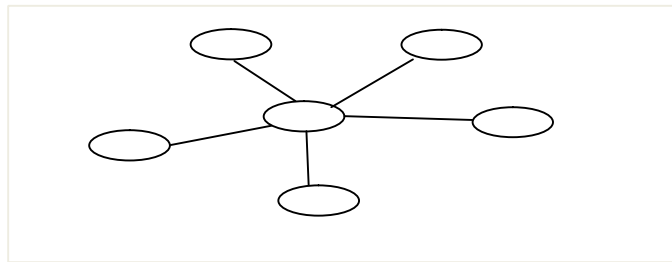


Figure: Star Network Topology

The processing nodes in a star network interconnect directly with a central system. Each terminal, small computer, or large main frame can communicate only with the central site and not with other nodes in the network. If it is desired to transmit information from one node to another, it can be done only by sending the details to the central node, which in turn sends them to the destination.

Advantages:

- It is easy to add new and remove nodes.
- A node failure does not bring down the entire network.
- It is easier to diagnose network problems through a central hub.

Disadvantages:

- If the central hub fails, the whole network ceases to function.
- It costs more to cable a star configuration than other topologies.

- (b) Electronic Data Interchange (EDI) is computer to computer communication using a standard data format to exchange business information electronically between independent organizations.

The following are the advantages of EDI:

- (i) Issue and receive orders faster - Since most purchasing transactions are routine, they can be handled automatically, utilizing the staff for more demanding and less routine tasks.
- (ii) Make sales more easily - Quotes, estimates, order entry and invoicing will proceed more smoothly and efficiently. Orders received electronically ensure that information is available immediately, so that an organization can respond faster and be more competitive.
- (iii) Get paid sooner - Invoices received electronically can be reconciled automatically, which means they are earmarked for payment in one's trading partner's accounting department sooner. In turn, the purchasing department negotiate for better terms including faster payment.
- (iv) Minimize capital tied up in inventory - For manufacturing organizations with a just-in-time strategy, the right balance is crucial but every organization stands to benefit from reducing order lead times.
- (v) Reduce letters and memos - Letters and memos do not follow rigid rules for formatting. They can be handled by an electronic mail system.
- (vi) Decrease enquiries - Customers or suppliers can make direct on-line enquiries on product availability, or other non-sensitive information instead of consuming the staff's precious time.
- (vii) Make bulk updates of catalogues and parts listings - One can provide updates of data files, such as catalogues to customers or part listings to franchises.

#### Section–B: Strategic Management

##### Question 6

State with reasons which of the following statements is correct/incorrect (Attempt any three)

- (a) Strategy is a substitute for Sound, Alert and Responsible management.
- (b) Strategic management is not needed in non-profit Organisations.
- (c) All strategies emerge from Corporate vision.
- (d) A company's strategy has always to be proactive in nature.
- (e) An Organisation's culture is always an obstacle to successful strategy implementation.

(3 × 2 = 6 Marks)

##### Answer

- (a) Incorrect – Strategy is not substitute for sound, alert and responsible management. Strategy can never be perfect, flawless and optimal. Strategies are goal-directed decision and actions in which capabilities and resources are matched with the opportunities and threats in the environment. A good management at the top can steer the organizations by adjusting its path on the basis of the changes in the environment.

- (b) Incorrect – Strategic management applies equally to profit as well as non-profit organizations. Though non-profit organizations are not working for the profit, they have to have purpose, vision and mission. They also work within the environmental forces and need to manage strategically to stay afloat to accomplish their objectives.
- (c) Correct – Vision explains where the organization is headed, so as to provide long-term direction, delineate what kind of enterprise the company is trying to become and infuse the organization with a sense of purpose. All strategies need to be drawn in the light of corporate vision, which is what the firm ultimately wants to become.
- (d) Incorrect – A company's strategy is a blend of proactive actions and reactive actions by the management. Reactive actions are required to address unanticipated developments and environmental conditions. Thus, not every strategic move is the result of proactive and deliberate management actions. At times, some kind of strategic reaction or adjustments are required.
- (e) Incorrect – A company's culture is manifested in the values and business principles that management preaches and practices. The beliefs, vision, objectives and business approaches and practices underpinning a company's strategy may be compatible with its culture or may not. When they are compatible the culture becomes a valuable ally in strategy implementation and execution.

**Question 7**

Briefly answer any two of the following:

- (a) Logistics Strategy
- (b) Difference between Strategy formulation and Strategy implementation
- (c) Components of a Value chain. (2 × 2 = 4 Marks)

**Answer**

- (a) **Logistics Strategy:** Management of logistics is a process which integrates the flow of materials into, through and out of an organization to achieve a level of service that the right materials are available at the right place at the right time, of right quality and at the right cost. For a business organization effective logistics strategy will involve raising and finding solutions to the questions relating to raw material, manufacturing locations, products, transportation and deployment of inventory. Improvement in logistics can result in saving in cost of doing business.

When a company creates a logistics strategy it is defining the service levels at which its logistics systems are highly effective. A company may develop a number of logistics strategies for specific product lines, specific countries or specific customers to address different categorical requirements.

- (b) Distinction between strategy formulation and strategy implementation: Although inextricably linked, strategy implementation is fundamentally different from strategy formulation in the following ways:
- (i) Strategy formulation is positioning forces before the action. Strategy implementation is managing forces during the action.
  - (ii) Strategy formulation focuses on effectiveness whereas strategy implementation focuses on efficiency.
  - (iii) Strategy formulation is primarily an intellectual process whereas implementation of strategy is primarily an operational process.
  - (iv) Strategy formulation requires good intuitive and analytical skills while strategy implementation requires special motivation and leadership skills.
  - (v) Strategy formulation requires coordination among a few individuals while strategy implementation requires organization wide coordination.
- (c) Value chain refers to separate activities which are necessary to underpin an organization's strategies and are linked together both inside and outside the organization. Organizations are much more than a random collection of machines, money and people. Value chain of a manufacturing organization comprises of primary and supportive activities. The primary ones are inclusive of inbound logistics, operations, outbound logistics, marketing and sales, and services. The supportive activities relate to procurement, human resource management, technology development and infrastructure.

Value chain analysis helps in maintaining the long-term competitive position of an organization to sustain value for-money in its products or service. It can be helpful in identifying those activities which the organization must undertake at a threshold level of competence and those which represent the core competences of the organization.

#### Question 8

What is meant by a Global Company? Explain briefly different strategic approaches for Globalisation by a Company. (4 + 6 = 10 Marks)

#### Answer

In simple economic terms globalization refers to the process of integration of world into one huge market. At the company level globalization means two things: (a) the company commits itself heavily with several manufacturing locations around the world and offers products in several diversified industries and (b) it also means ability to compete in domestic markets with foreign competitors.

A company which goes global is also called a Multinational Company (MNC). The global company views the world as one market minimizes the importance of national boundaries. A global company has three attributes:

- (i) It is a conglomerate of multiple units located in different parts of the globe but all linked with common ownership.
- (ii) Multiple units draw a common pool of resources such as money, credit, patents, trade name, etc.
- (iii) The units respond to common strategy.

Strategic approaches:

International economic dynamics accompanied by geographical changes have changed the paradigm of global business. A firm / company which wishes to go global will be guided by the following four types of strategies:

- (i) **Multi-domestic strategy:** A multi-domestic strategy focuses on competition within each country in which the firm operates. This Strategy is adopted when a company tries to achieve a high level of local responsiveness by matching their products and services offerings to national conditions prevailing in the countries they operate in. The organization attempts to extensively customize their products and services according to the local conditions of different countries.
- (ii) **Global strategy:** A global strategy assumes more standardization of products across country boundaries. Under this strategy, the company tries to focus on a low cost structure by leveraging their expertise in providing certain products and services and concentrating the production of these standard products and services at a few favourable locations around the world. Competitive strategy is centralized and controlled by the home office.
- (iii) **Transnational strategy:** Many large multinational firms, particularly those with many diverse products, may use a multi-domestic strategy with some product lines and a global strategy with others. A transnational strategy seeks to combine aspects of both multi-domestic and global strategies. Thus there is emphasizes on both local responsiveness and global integration and coordination. Although the transnational strategy is difficult to implement, environmental trends are causing multinational firms to consider the needs for both global efficiencies and local responsiveness.

When a firm adopts one or more of the above strategies, the firm would have to take decisions on the manner in which it would commence international operations. The decision as to how to enter a foreign market can have a significant impact on the results. Expansion into foreign markets can be achieved through following options:

- ◆ Exporting.
- ◆ Licensing/ Franchising.
- ◆ Joint Venture.
- ◆ Foreign Direct Investment.

**Question 9**

What is Benchmarking? Explain briefly the elements involved in Benchmarking process.

(3 +7 = 10 Marks)

**Answer**

Benchmarking is an approach of setting goals and measuring productivity based on best industry practices. It developed out of need to have information against which performance can be measured. Benchmarking helps businesses in improving performance by learning from the best practices and the processes by which they are achieved. Thus, benchmarking is a process of continuous improvement in search for competitive advantage. It measures company's products, services and practices against those of its competitors or other acknowledged leaders in the industry.

**The Benchmarking Process**

Some of the common elements of benchmarking process are as under:

- (i) Identifying the need for benchmarking: This step will define the objectives of the benchmarking exercise. It will also involve selecting the type of benchmarking. Organizations identify realistic opportunities for improvements.
- (ii) Clearly understanding existing decisions processes: The step will involve compiling information and data on performance.
- (iii) Identify best processes: Within the selected framework best processes are identified. These may be within the same organization or external to them.
- (iv) Comparison of own process and performance with that of others: Benchmarking process also involves comparison of performance of the organization with performance of other organization. Any deviation between the two is analysed to make further improvements.
- (v) Prepare a report and implement the steps necessary to close the performance gap: A report on benchmarking initiatives containing recommendations is prepared. Such a report also contains the action plans for implementation.
- (vi) Evaluation: Business organizations evaluate the results of the benchmarking process in terms of improvements vis-à-vis objectives and other criteria set for the purpose. It also periodically evaluates and reset the benchmarks in the light of changes in the conditions that impact the performance.

**Question 10**

Read the following case and answer the questions given at the end:

Sahni Auto Industries is a manufacturer and exporter of Auto parts with an annual turnover of Rupees one thousand crores. It employs about 2,000 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 were 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.

#### Questions

- (a) Identify and discuss the major issues raised in the case. (6 Marks)
- (b) Comment on the recruitment of the two Chief Personnel Managers. (4 Marks)
- (c) Would you justify Mr. Vikas's argumentative tendency with the Chief Personnel Managers? Give reasons for your answer. (4 Marks)
- (d) Do you agree with suggestion offered by Mr. Vikas to link\* Human Resources Management with the company's strategic goals? If yes, suggest prominent areas where Human Resources Department can play role in this regard. (6 Marks)

#### Answer

- (a) The first major issue raised in the case pertains to failure of the administration to realize the significant role Personnel Administrative and Human Resources Department can play in corporate strategy. This is evident from the remarks made by Mr. Amit Kapoor – the Chief Personnel Manager that the role of his department was only peripheral to company business and the strategic role playing was beyond its purview. He advised his Personnel Manager Mr. Vikas to confine his functions to routine personnel and industrial relation matters.

The company has also failed to follow the principle of matching an appropriate candidate to the job requirements when it comes to appointment of Chief Personnel Manager. The company decided to send Mr. Amit Kapoor an automobile engineer from manufacturing department to Personnel Administration and Human Resources Department as head without realizing that latter job needed a person with qualification and experience in management of human resources. The company had almost adopted a similar attitude when it appointed Mr. Balram as replacement of Mr. Amit Kapoor.

Even there seems to be lack of clarity in the career development plans of the company as Mr. Amit Kapoor a qualified automobile engineer is transferred to the personnel department. The whole idea behind career development plans is to develop a person's skills to match with his present job with the job he would be expected perform in future.

The company has also failed to pay attention in developing organization culture in which superior-subordinate relationship, team work are strengthened to contribute to professional well-being, motivation and pride of employees. This become clear when the Personnel Manager's frequent arguments with the Chief Personnel Manager are not

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\* In question paper it is printed as "like".

taken seriously and Mr. Vikas is just let off free without any strictures or warning for his behaviour by the higher authorities.

There is also need for a system to encourage social networking amongst different employees in the organization which can help to create "Social Capital" as was made clear by Mr. Vikas when he suggested Mr. Amit Kapoor to take necessary measure in building 'Social Capital'.

Even the transfer policies of the company need improvement. Mr. Amit Kapoor is transferred to Personnel Administration and Human Resources Department, and later to different assignment at company's overseas office. Even the General Manager had agreed to transfer Mr. Vikas to another office of company outside Punjab simply at the insistence of Mr. Balram, the Chief Personnel Manager.

- (b) On the matter of appointment of Chief Personnel Manager and in particular of Mr. Amit Kapoor the company ignored to match the qualification, experience and merit of the candidate with the job description and profile. The company should have recruited a person with degree in human resource management with adequate work experience to the position of the Chief Personnel Manager. Practically, the same mistake was committed in the appointment of Mr. Balram who had essentially experience of working as a Training Manager. In both the cases persons appointed lacked the needed qualification and experience for the top job in the personnel department. The direct fallout of this was that Mr. Vikas, the Personnel Manager did not have faith in the competence of his superior and he had frequent arguments whenever he differed with them in manner in which they handled some important issues relating to the industrial relations.
- (c) Mr. Amit Kapoor the Chief Personnel Manager did not possess any formal degree in personnel management and industrial relations. However, this did not give any right to Mr. Vikas, Personnel Manager who reports to him to have frequent arguments on the manner of handling issues relating to personnel and industrial relations. If at all Mr. Vikas had some serious differences with Mr. Amit Kapoor and later with Mr. Balram who succeeded Mr. Amit Kapoor, he should have brought his view points to their notice in a more dignified manner keeping in view the hierarchy of the department. There could be two possible reasons for this tendency of Mr. Vikas. First, he appears to have complex that he is superior on account of his relevant qualification and as a result he developed ego. Secondly, it also seems that Mr. Vikas was rather impatient to rise in the career ladder and become the Chief Personnel Manager without gaining much work experience. To achieve this end, he wanted to belittle the Chief Personnel Managers on every opportunity that came his way. In any case, the argumentative tendencies tantamount to indiscipline and insubordination and cannot be justified. On the contrary, the top management should have sought his explanation on his frequent arguments with Chief Personnel Managers.

- (d) Human resources policies and plans deal with the most precious resources of an organization. It is the people who carry out the various functions in production marketing, finance, etc. and the success of an organization depends upon the quality of people selected to their functions. This presupposes an integrated approach towards human resources functions and overall business functions of an organization.

The human resources management practices of an organization can be important sources of competitive edges. In this context human resources manager / department can play an important strategic role in the following important areas.

- (i) The human resources management must be able to lead people and organization towards desired goals and direction involving people right from the beginning.
- (ii) The human resources management can also help developing core competency by the firm.
- (iii) A significant role can also be played in building a highly committed and competent work force.
- (iv) The human resources management can also help in developing healthy work ethics and culture and create an atmosphere of trust and goodwill to encourage creative and innovative ideas. Jobs can be redesigned to make them more challenging and rewarding.