



UNIVERSITI
TEKNOLOGI
PETRONAS

FINAL EXAMINATION MAY 2023 SEMESTER

COURSE : GEB3073 - HUMAN RESOURCE MANAGEMENT
DATE : 3 AUGUST 2023 (THURSDAY)
TIME : 2:30 PM - 5:30 PM (3 HOURS)

INSTRUCTIONS TO CANDIDATES

1. Answer **ALL** questions in the Answer Booklet.
2. Begin **EACH** answer on a new page in the Answer Booklet.
3. Indicate clearly answers that are cancelled, if any.
4. Where applicable, show clearly steps taken in arriving at the solutions and indicate **ALL** assumptions, if any.
5. **DO NOT** open this Question Booklet until instructed.

Note :

- i. There are **EIGHT (8)** pages in this Question Booklet including the cover page .
- ii. **DOUBLE-SIDED** Question Booklet.

Universiti Teknologi PETRONAS

1. **Performance management system in a Government-linked company**

In Malaysia, state-owned organisations, commonly known as government-linked companies (GLCs), are the main providers of utilities, postal services, airlines, airports, public transport, water and sewerage, and banking and financial services. Financial performance of the GLCs is always a major concern to the government. Many argued that GLCs are large in size but suffer from the problems of internal control and are lacking in strategic direction, resulting in a poorer return on capital and shareholders value, lower productivity and ineffective performance management systems.

Concerns have also been raised regarding the way GLCs evaluate and reward employees. There is a weak linkage between employees' performance and the reward scheme in GLCs. The GLCs employees are also prone to inflate their performance. Some key government officers found evidence that in some GLCs more than 90 per cent of their employees had been rated as excellent performers due to the practice of inflated performance. Hence, the government initiated a programme focusing on bringing the GLCs to be at par with their regional competitors. The programme was named the GLC transformation programme, specifically written up to intensify the commercial orientation culture among the GLCs.

Tripec (not real name) is one of the companies under the transformation programme. Being in a regulated industry, Tripec is subject to provide measures as indicators of performance. The reward and penalty system were not linked to the PMS when giving salary increments, bonus or promotion. Mostly, bonuses were based on company performance and given equally to all levels of employees irrespective of individual performance.

The government has made a special effort to appoint a new type of CEO to make sure the transformation programme proceeds as planned. Trinex received a new

CEO who was an accountant by profession. The new CEO concentrated on the formulation of a 20 year strategic plan linked to the KPIs. Second, he emphasised the inculcation of a performance-based culture, through the PMS, by linking individual performance directly to the reward. Under him, the importance of PMS in terms of managing the performance of employees was emphasised. During the institutionalisation process of the new PMS, Tripec set up new processes to ensure smooth implementation of the new systems for performance measurement.

The new PMS has resulted in some tensions in the workplace such as a lack of motivation, "pleasing the boss" scenario and low morale among the employees, especially due to the forced-ranking and implementation issues. At the individual level, the setting of the KPIs and the targets for lower levels were entirely up to the head of each unit. The individual is given 25% for self-evaluation while their superior is given 75% to award. The rules stated that discussions should be held between the head and his subordinates. However, some did not practice this. The PMS was also perceived as subject to some kind of favouritism issue. Many organisational members commented on this particular setback of the PMS. Hence, the employees view the PMS as an unfair assessment, which has basically failed to reward them fairly based on their performance.

Adapted: www.emeraldinsight.com/1832-5912.htm

- a. Evaluate the PMS at Tripec from the perspective of purposes. [5 marks]
- b. Based on the above case, discuss **TWO (2)** weaknesses that hampered the effectiveness of PMS at Tripec. [6 marks]
- c. Recommend **THREE (3)** key stages to be established for effective implementation of PMS at Tripec. [9 Marks]

2. Santapan operates 10 seafood restaurants in Malaysia, employing 120 people. When Santapan developed a new business strategy to focus on value and improve its image, it established a new vision, mission, and goals for the company. The restaurant chain simplified its menu with the highest-quality seafood it could offer at mid-range prices, traded its restaurants' themes for a modern look and added new creative menus. Executing the new mission and differentiation strategy requires hiring hospitality-minded people who shared its values. The key positions at Santapan restaurants are Restaurant Manager, Kitchen Manager, Chef, Cashier and Server (Waiter & Waitress). Although Santapan had not had much problem with hiring employees, the company felt that their restaurant managers and servers need to reflect Santapan's new values. It is important for them to ensure good person-organization fit. In addition, the right method of interviewing must be used to gauge true potential of the candidates. Santapan aims to relook its selection practices to meet its new business strategy.

- a. Propose **TWO (2)** suitable selection methods to ensure Person-Job fit in the employee selection process for the Chef position.

[6 marks]

- b. Recommend **TWO (2)** suitable selection methods to ensure Person-Organisation fit in the employee selection process for the Server position.

[6 marks]

- c. Behavioral description interview and situational interview can be adopted in employee selection. Justify which is a more suitable approach in the selection process of the Restaurant Manager position.

[8 marks]

3. Puan Haryanni is newly appointed as a Human Resource Director in a state-owned company in Perak. She has several tasks to be completed in September 2023. Her main priority now is to enhance the company's training practices. She discovered that the company has no structured employee orientation program and training needs analysis was not properly done.

- a. As an HR executive in the company, you have been tasked to develop an effective Orientation Program for new employees. Provide your recommendations.

[10 Marks]

- b. Puan Haryanni requested to see list of employees who need training. You are required to conduct the first **TWO (2)** levels of training needs analysis before the list can be provided.

[10 Marks]

4. Compensation package plays a major role in determining a candidate accepts or passes on a job offer. Employers should consider using compensation as part of their retention strategy.

- a. Develop the compensation package for attracting and retaining employees at managerial level.

[14 Marks]

- b. Explain **TWO (2)** key factors that HR professionals need to consider in developing company's salary package.

[6 Marks]

5. Encik Amin shook his head sadly. When he joined Mektech Sdn. Bhd., he never expected to encounter so many problems. He had only been with the company for three months, but clearly a lot of work needed to be done on the company's HRM practices. When he joined, his first major task was to evaluate whether the company's terms and conditions of service comply with Malaysia employment law, and whether the employees were generally satisfied with the compensation package. To carry out this assignment, Encik Amin had done two main things. He examined an example of the appointment letter and distributed employee satisfaction survey to all employees.

3 January 2023

Dear Mr Faiz,

It is our pleasure to offer you the position of a Data Analyst at Mektech Sdn. Bhd., Bota Kanan, Perak. This is a permanent position to commence on the 16th April 2023. Your terms and conditions of service are as follows:

Monthly Salary : RM 1400

Work Hours : 8am to 6 pm, Monday to Friday

Paid Annual Leave : 6 days per year

Paid Sick Leave : 18 days per year

EPF and SOCSO : Upon confirmation, the company will make all statutory payments necessary to EPF and SOCSO.

We would like to receive your response to the offer by 10 January 2023. Should you have any questions, feel free to contact me via email.

We look forward to having you in our company.

Regards,

Ainul Zaky

Talent Acquisition Manager

Encik Amin knew that some of the terms do not comply with the Malaysian Employment Law. The findings from the survey were even more worrying. Some of the comments he received were:

- The bosses always talk about how the company values its employees. If that is so, why paternity leave is not given to male employees?
- When I first joined this company, my starting salary was RM 2000. Now my salary is more than RM 4000. Why must I still contribute to SOCSO?

Encik Amin knows that he needs to act fast to improve the situation. As an HR consultant appointed by the company, he seeks your advice.

- a. Explain **TWO (2)** non-compliances with the Malaysian Employment Law in the letter of appointment and propose improvement for each.

[10 marks]

- b. Provide your constructive feedback to the **TWO (2)** comments from the survey findings.

[10 marks]

-END OF PAPER-