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**Human Resource Management (WS 2001/2) - Final Exam**  
 Course No.: 1272 / 5076; Lecturer: Prof. Dr. Birgitta Wolf

**Final Exam**

In the Final Exam to this class, you will have 2 hours to solve the problems with a maximum of 70 points. There are a few pieces of general advice we can offer at this stage:

1. Use the theoretical tools and terminology you have learned in class and from the textbook.
2. Make sure there is a clear structure in your argument. (Use some time to sort your ideas before you start writing the version you want to submit, esp. if you answer B).
3. Use the time you have! If you are ready much earlier than we planned you should wonder if you forgot something.
4. Remember: people have to be able to decipher what you write.
5. Leave a margin for our comments, so we can give you a more detailed feed-back than just the number of points.

Here is the set of problems:

**Please solve either problem(s) A or B (maximum 70 points):**

You are welcome to use a dictionary and a calculator.

**A) Answer 7 of the following 9 questions:**

1. **Screening of the Employees (max. 10 points)**  
 Under which conditions will a screening of employees add value to the firm? Explain the principle and use a quantitative example to illustrate it.
2. **The Job as a Bundle of Tasks (max. 10 points)**  
 Explain "Multitasking" and "Multiskilling" and discuss the pros and cons of each. You are welcome to use examples to illustrate your explanations.
3. **The Job as an Area of Decision-Making and Responsibility (max. 10 points)**  
 Assume you and five friends have started a firm to develop a new E-learning tool. Your shared dream is to make your company the "Microsoft of the Education Industry". To organize your internal decision-making assume you have the choice between a hierarchical structure, a second opinion structure, and a flat structure.  
 Explain each of these alternative authority structures and choose the most appropriate one for your firm. Which variables determine your choice?
4. **Up-or-Out: One Use of Evaluation (max. 10 points)**  
 Explain the logic of up-or-out systems and discuss their pros and cons.

5. **Duration of Probationary Periods (max. 10 points)**  
 How do you decide about the duration of a probationary period?
6. **Job Enlargement, Job Enrichment, Job Rotation, and TQM (max. 10 points)**  
 Explain Job Enlargement, Job Enrichment, and Job Rotation.

**7. Effects of Institutional Frameworks (max. 10 points)**  
 Find and explain three examples of institutional rules that influence the efficiency and, thus, the choice of the components of compensation schemes.

**8. Seniority Wages (max. 10 points)**  
 Why can we claim that, under a seniority wage scheme, young workers give an implicit loan to their employers? Explain.

**9. Team Management (max. 10 points)**  
 A car-producer with his own distribution network offers the following compensation scheme to all sales people:  

$$\text{Payment} = \frac{\text{Profit of the Distribution Unit}}{\text{Number of Salespeople}}$$

Discuss the advantages and potential problems of this compensation scheme. Consider assumptions that are necessary for your discussion.

**B) Essay (max. 70 points):**

Discuss the global staffing policy of General Electric. Explain individual elements of this strategy and the mechanisms behind them. Where do you see potential problems of such a strategy? Explain from a personnel economics perspective.