

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**Final Year First Semester Examination in Bachelor of Business**  
**Administration Honours in Human Resource Management –**  
**2021/2022 [February/March, 2024] (Proper)**  
**HRM 4143 Ethical and Social Responsibility of Human Resource Management**

Answer all questions.

Time: 03 Hours

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**Q1. Read the following Article and answer the questions given below.**

We live in a world undergoing rapid and profound transformation. Changes have an impact on the economy and on companies, and affect the ways in which they compete, work and interact. In this context, companies frequently react with short-term strategies, focusing on efficiency and growth parameters. Work's worth is equated to financial results and regarded as a mere means to economic rewards. Thus, under these assumptions, people are treated as a commodity, a 'human resource' that is rigid and quantifiable.

The short-term and instrumental approach pushes organizations away from their responsibilities to the various stakeholders affected by their decisions. But it is impossible to generate sustainable value with such a limited view of the business and the world. Moreover, considering social responsibility and sustainable development only from an economic, social and environmental perspective leaves aside certain essential variables that affect what is most important for people: their well-being and their families, their quality of life and the future of society at large.

Sustainable development is closely linked to human ecology as it is the person who, with his or her decisions, can enhance or deplete the ecosystem in which he or she lives. Responsibility is born out of a more global and anthropological vision of the company which takes into account the interdependence of the people and the environment, and considers the benefits of other aspects that are not purely economic. To understand and study the human ecosystem, the International Center for Work and Family (ICWF) at the Instituto de Estudios Superiores de La Empresa

(IESE) Business School proposes the 'triangle of sustainability', a construct that consists of the family, company and society, putting the person in the centre.

The company is without doubt the institution with the greatest impact on the human ecosystem of people, families and society. It influences its employees' quality of life and their ability to satisfy other vital roles. Therefore, it is crucial that companies contribute so that work, family and personal life enrich each other, since they are fundamental, indispensable and complementary dimensions in the lives of men and women.

To make this possible, companies must respond with flexibility to the personal and family needs of their workers. Without time, energy or adequate compensation, employees are not only less productive, but also incapable of raising children, caring for their elderly and participating as active citizens to improve society. And that loss has great repercussions both for the person and for the whole of society.

Hence the necessity for a new responsibility arises: Corporate Family Responsibility (CFR) as the internal, essential and nuclear dimension of Corporate Social Responsibility (CSR). CFR, a term coined by the ICWF of IESE, indicates that a company counts on the leaders, culture and policies of flexibility that foster the integration of work, family and personal life. A company with CFR has managers that:

- make sure every decision made takes people into account
- create flexible and equal opportunity policies and practices
- foster worker commitment and satisfaction
- increase the competitiveness and sustainability of the company.

In 1999 ICWF created the IESE Family Responsible Employer Index (IFREI) to measure CFR and its impact on people, society and the results of the company. It is a model based on a system that puts the person at the centre of the company. IFREI diagnosis, which is used in 21 countries on five continents, contrasts information provided by the managers with that provided by its collaborators.

The CFR level is determined according to three dimensions: policies, supervisor support and the organizational culture, which affect whether or not the worker may reconcile their professional, personal and family life. These factors make up and contribute to the environment in which the employee works.

A low level of CFR hinders the systematic integration of professional-family-personal life. This situation produces what we call a 'polluted environment' that in turn creates a high degree of dissatisfaction, stress and loss of motivation in employees, leading to the desire to leave the company.

On the other hand, companies that promote CFR create 'enriching environments' that foster satisfaction with the reconciliation of work and family; this in turn creates high commitment, higher quality of life and a higher level of general health. CFR also facilitates a greater amount of time dedicated to raising small children, caring for the elderly and other dependent people, and tending to different commitments in various fields of social life.

The IFREI study analyses the environment in which people work. Our data demonstrate that, within the same organization, some employees may develop their tasks in an environment that allows them to integrate work and family life, while others find that their environment systematically makes it difficult for them to achieve this integration. What are the causes of this contrast? The data of 16,000 people from all five continents, who so far have participated in the study and represent a universe of more than 100,000 people, indicate a lack of flexibility policies available to workers, as well as the poor communication of them or difficulty in accessing them. Diverse management styles among supervisors mean that, while some may facilitate employees' ability to reconcile, others in the same company may hinder it. The data also pointed to the existence of cultures, or subcultures, which generate different microclimates within the same organization that may value and respect family to a different extent.

Less than half of the population surveyed in the study (46 per cent) find themselves in an environment that promotes the integration of work and family (15 per cent in

an enriching environment, 31 per cent in a favourable environment). The remaining 54 per cent work in environments that are difficult and hostile towards family and integration (41 per cent in an unfavourable environment and 13 per cent in a polluted environment). The results around the world confirm that people who have their supervisor's support, access to conciliatory policies and an environment culture that is favourable to CFR.

**Questions:**

(a) *Identify* the main argument or theme incorporated in this Article based on your understanding.

(02 Marks)

(b) Families of Employees are main stakeholders of HRM as well as organizations. In this context, *discuss* the role of HRM in balancing needs of employees' families and organizational needs.

(05 Marks)

(c) *Why* HRM needs to take a leading role in Corporate Family Responsibility of the business organizations?

(06 Marks)

(d) *Analyze* how HRM can play an active role in filling the needs or gaps specified in the above Article?

(07 Marks)

(Total 20 Marks)

Q2. (a) Critically *explore* and *evaluate* the ethical nature of human resource management.

(10 Marks)

(b) *Identify* and *define* current ethical issues/challenges confronting HR managers in global context.

(10 Marks)

(Total 20 Marks)

Q3. (a) *Discuss* the contributions of HRM functions in creating and sustaining 'corporate sustainability' and 'sustainable organizations'.

(10 Marks)

(b) *Identify* in which ways CSR can impact on HRM and HRM can impact on CSR with appropriate examples.

(10 Marks)

(Total 20 Marks)

Q4. (a) “Nowadays, many HRM Researchers try to connect Human Resource Management with Sustainable Development and its goals”.

In *which ways* HRM is associated with Sustainable Development and its goals? *Explain* your views.

(10 Marks)

(b) *Identify* key diversity management challenges of the organizations and briefly *explain* how those challenges can be managed effectively through HRM while achieving diversity management objectives.

(10 Marks)

(Total 20 Marks)

Q5. (a) *Explain* how HRM can exercise social responsibility in the following circumstances (situations) with examples. Your answers should be very specific and realistic.

1. Downsizing a large number of employees
2. Recruiting a large number of employees
3. Evaluating employees performance
4. Automating and digitalizing jobs and works
5. Handling grievances of employees

(10 Marks)

(b) Assume that you are working as HR-Intern of a well-established company in Sri Lanka. Your company is located in a remote area. You are assigned to implement some CSR activities in that remote area with the support of all other employees of that company.

- i. How would you *plan* to implement a key CSR activity in considering various social needs of that remote area?
- ii. *Propose* two strategies you can use to get higher level of support from the employees of that organization.

(10 Marks)

(Total 20 Marks)