



PAN AFRICA CHRISTIAN UNIVERSITY

**END OF SEMESTER EXAMINATION FOR THE DEGREE OF
MASTERS OF BUSINESS ADMINISTRATION**

MAY-AUGUST 2017

CAMPUS: ROYSAMBU

DEPARTMENT: BUSINESS

COURSE CODE: MBA502

COURSE TITLE: Human Resource Management

EXAM DATE: TUESDAY 25th JULY 2017

TIME: 9:00AM-12:00PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Write your **student number** on the answer booklet provided.
- Answer Question **One**(Compulsory) and any other **four** questions

QUESTION ONE (COMPULSORY)

Wilka Corporation's recruitment, selection and corporate culture

Wilka Corporation is a well-known IT training company with a highly centralized decision making system. Wilka provides IT solutions to many companies. The current average age of Wilka employees is 25 years. When the founders started the company, they established as one basic value that working at Wilka should be enjoyable as well as profitable. The directors believe that the culture of enjoyment at work creates competitive advantage when recruiting and retaining talented workforce in the challenging labour market of IT. The "fun" programs include; Football, pool tables, volleyball courts, assorted video games, pianos, ping pong tables, and gyms that offer yoga and dance classes as well as Healthy lunches and dinners for all staff. Theme parties are organized each month. Last month Wilka had its executives wearing animal costumes as part of a "jungle" party. These fun initiatives have a more important business purpose-to demonstrate that people are important at Wilka. Is all this fun profitable? Wilka answer is an unqualified yes.

In addition to the fun initiatives, five years ago, the HR unit started deliberately pursuing an aggressive policy of recruiting from within the organization. Over 70% of all Wilka's new promotions come from within the organization. The firm's Average hiring cost per employee is about 60% less than the industry average. Even more important, those hired stay longer as indicated by its retention rate of 42 months compared to the industry average of 20 months. Also, employee turnover is about 6% annually, significantly below the industry average.

Wilka's approach to HR management has hitherto paid off both in terms of an enjoyable company culture and in employee retention. However, despite these efforts, the organization's ability to attract new business has been reducing over the last three years and profitability has stagnated and now showing signs of declining. Wilka is now, among other actions, contemplating employee downsizing.

In view of the failure to attract new business, Wilka has hired a number of consultants including a human resource management consultant to advise it on how to turn around this stagnation. As the human resource management consultant, advise Wilka on the following;

- a) What are the pros and cons of the "fun at work" programmes? (8 Marks)
- b) Why in your view, did the HR team at Wilka decide to pursue a policy of internal recruitment? (12 marks)
- c) Examine the possible reasons why Wilka has been struggling to attract new business despite the fun at work and internal recruitment policies. (10 marks)
- d) Discuss five alternatives to downsizing that Wilka can pursue. (10 Marks)

QUESTION TWO

- a) By use of examples, distinguish between training and Management Development (5 Marks)
- b) As the head of a large commercial organization, describe 5 ways you would go about measuring the effectiveness of staff training programmes? (10Marks)

QUESTION THREE

- a) Asses the alternatives to recruitment that an organization has to explore before engaging in employee recruitment exercise? (10 marks)
- b) Describe five factors external to the organization that affect how recruitment is done? (5 marks)

QUESTION FOUR

- a) Remuneration is probably the single most important factor in determining the state of industrial relations in an organization. Describe any five factors that influence the determination of remuneration levels in an organization. (10 marks)
- a) Highlight the role of the various stakeholders in ensuring appropriate employee relations in a typical organization. (5 marks)

QUESTION FIVE

As a newly appointed Human Resource Manager of a rapidly growing small and medium enterprise, you have resolved to introduce performance evaluation as one of the tools for achieving improved employee performance.

- a) Highlight the process of performance evaluation. (5 marks)
- b) How would you justify the introduction of performance evaluation to the board of Directors? (10 marks)

QUESTION SIX

Of all the organizational issues, ethical considerations are the most difficult ones to deal with. In view of contemporary Human Resource Management concerns, examine the ethical issues that practitioners have to grapple with. (15 marks)

