



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

DOCTOR OF PHILOSOPHY

BHR 6101: HUMAN RESOURCES THEORY

END OF SEMESTER EXAMINATION

MARKING SCHEME -2

SERIES: AUGUST 2019

TIME: 3 HOURS

DATE: Pick Date Jul 2019

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

Attempt **Question One (Compulsory)** and Any Other **THREE** Questions

This paper consists of **FIVE** questions. Attempt **Choose** instruction.

Do not write on the question paper.

Question One

Last year, Kadjo replaced Hellen, CEO of Nairobi leading financial services company Investment Corporation of Kenya (ICK). Immediately after taking charge, Kadjo introduced massive changes in the organizational structure and the emphasis of the organization changed - from a development bank mode to that of a market-driven financial conglomerate.

Kadjo's moves were prompted by his decision to create new divisions to tap new markets and to introduce flexibility in the organization to increase its ability to respond to market changes. Necessitated because of the organization's new-found aim of becoming a financial powerhouse, the large-scale changes caused enormous tension within the organization. The systems within the company soon were in a state of stress. Employees were finding the changes unacceptable as learning new skills and adapting to the process orientation was proving difficult.

The changes also brought in a lot of confusion among the employees, with media reports frequently carrying quotes from disgruntled ICK employees. According to analysts, a large section of employees began feeling alienated. The discontentment among employees further increased, when Kadjo formed specialist groups within ICK like the 'structured projects' and 'infrastructure' group. He has found it necessary to implement strategic changes in five areas: the organization structure, employee rewards and incentives, management information system, allocation of resources, and managerial leadership. As a result the service areas and products are being reorganized. Managers who Kodjo felt are incompetent and lack commitment are being replaced. Unproductive and mediocre employees are being encouraged to look for jobs elsewhere. Authority for staffing and compensation decision has been decentralized to units. Managers in this units have been informed that authority went with responsibility for reducing costs and increasing profits. A management-by-objectives program is being developed to establish standards and monitor performance. Performance contracting is required of all employees. To encourage more aggressive behavior Kodjo promised to give bonuses and commissions.

Kodjos' leadership style has represented the most traumatic change for employees. Internal competition is formally mandated policy throughout the company. He believes he has been brought to ICK to achieve results and not to ensure that employees remain secure and happy in their work. Don't let a few crybabies unable to adjust changes lead you to believe that problems take precedence over profits. Does it mean I am not people oriented? Thought Kodjo, as he mumbled to himself in deep thought...

Doubts were soon raised regarding whether Kadjo had gone 'too fast too soon,' and more importantly, whether he would be able to steer the employees and the organization through the changes he had initiated.

Required:

- a) **Using ADKAR Change Model discuss how the changes could have been implemented in ICICI Ltd. (15 Marks)**

The name **ADKAR** is an acronym that is based on five building blocks that bring about successful change. The letters stand for **Awareness, Desire, Knowledge, Ability and Reinforcement**.

Change occurs on two dimensions: the organization and the employees. Change can only be successful if the change takes place simultaneously on both dimensions. If stagnation surfaces in one of the building blocks in the ADKAR model, then it is advisable to take action with respect to this element. This targeted approach focuses on the element with the highest chance of success.

- b) **“Human Resource strategies can enhance organization performance”. Discuss (10 Marks)**
- a) Plans That Builds Commitment. ...
 - b) Make Employees Comfortable. ...
 - c) Keep Employees Happy and Contented. ...
 - d) Employee Appraisal. ...

- e) Keep the Company's Goals and Objectives in Mind.
- f) Plan Incentive Programs...

Question TWO

- a) **You have been contracted by STG Limited to analyze the exit interview programs of the organization. As a HR expert, analyze areas of concerns. (15 Marks)**

The reason that companies have exit interviews is to gain valuable information which can prove to be useful in all aspects of the work environment, including aspects such as the work culture, day to day concerns, processes, issues around management style, workplace ethics and employee morale. Exit interview practices and policies vary widely according to company size and industry, but human resource professionals agree on at least three points:

The company should have a formal policy regarding exit interviewing.

Exit interviews should be reserved for voluntary separations, because issues raised by layoffs and terminations for cause will require a special approach.

Exit interviews should be extended to all departing employees—not just key performers or long-timers.

- b) **Despite the significant barriers and resistance to change, organizational cultures can be managed and changed over time. Discuss how this can be achieved. (10 Marks)**
- c) Assess the current culture
 - d) Set realistic goals that impact on the bottom line
 - e) Recruit outside personnel with industry experience, so that they are able to interact well with the organizational personnel
 - f) Make changes from the top down so that a consistent message is delivered from all management team members
 - g) Include employees in the culture change process, especially when making changes in rules and processes
 - h) Expect to have some problems and find people who would rather move than change
 - i) Move quickly and decisively to build momentum and to defuse resistance to the new culture
 - j) Stay the course by being in charge
 - k)

Question THREE

- a) **The defining features of HRM is popularly known as Models. These models provide analytical framework for studying HRM. Discuss the Harvard HRM model and its contribution to studying HRM. (15 Marks)**

- The **Stakeholders interests** recognize the importance of 'trade offs' between the interests of the owner and those of employees. Trade offs also exists among other interest groups. But this is the challenge of HR manager, who needs to balance the interests of all stakeholders.

- The **Situational Factors** influence management's choice of HR strategy. the contingent factors included in the model include work force characteristics, management philosophy, labour market, task, technology and laws and social values.
- **HRM Policy Choices emphasize** the management's decisions and actions in terms of HRM can be fully appreciated only if it is recognised that they result from an interaction between constraints and choices. This model outlines four HR Policy areas:
 - Employee Influence - delegated levels of authority, responsibility, power etc.
 - **HR Flows** - recruitment, selection, promotion, appraisal, termination etc.
 - **Reward System** - Pay system, motivation etc.
 - **Work System** - design of work and alignment of people
- **Outcomes:** These HRM policy choices lead to 4 Cs of HR Policy Outcomes, that have to be achieved: Commitment, Congruence, Competence, Cost Effectiveness
- Beer et al (1984) proposed that **long term Consequences** both benefits and costs of HR policies should be evaluated at three levels: Individual, Organizational and Societal. These in turn should be analyzed using the 4 Cs.
- **The Feedback Loop** is the sixth component of the Harvard Model. as was stated above, situational factors influence HRM policy and choices, and are influenced by long-term consequences. Similarly, stakeholders interests influence HRM policy choices, and in turn, are impacted by long-term consequences

b) Talent retention and Management is crucial for the survival of any organization in the current labor market today. Citing examples, discuss the various factors contributing to talent retention in organizations. (10 Marks)

1. Engaged employees make the best business partners
2. Create a great work environment
3. Develop strong middle managers
4. Show employees that you value them
5. Pay competitively.

Question FOUR

Differentiate between the following strategic HRM models citing their implications for organizational performance. (25 Marks)

- a) **High performance work systems** = High Performance Work System is a name given to a set of management practices that attempt to create an environment within an organization where the employee has greater involvement and responsibility
- b) **High commitment work systems** – High-commitment management emphasizes personal responsibility, independence, and empowerment of employees across all levels instead of focusing on one higher power; it always intended to keep commitment at high level “calling all the shots”. A high commitment system is unusual in its job design and cultural structure.

Guest sees high employee commitment as a vital HRM outcome, concerned with the goals of binding employees to the organization and obtaining behaviour outcomes of increased effort, cooperation, involvement, and organizational citizenship.

- c) **High involvement work systems** - The term high-involvement work practices refers to a set of practices aimed at improving employee performance by increasing employees' skills and motivation
- d) **Competitive Advantage** - Competitive advantages are conditions that allow a company or country to produce a good or service of equal value at a lower price or in a more desirable fashion
- e) **Distinctive Capability** = A distinctive capability is a valuable business capability that one firm possesses but all other firms have difficulty replicating

Question FIVE

- a) **Human Resources are the most difficult resources to maintain and the most expensive to retain in relation to the statement, Discuss the challenges facing Human resource Managers in Kenya today.** (15 Marks)

- a) Globalization
- b) High unemployment
- c) Skills Gap
- d) Poverty
- e) Gender
- f) Aging Population
- g) Economic factors

- b) **Organizational change is often overcomplicated by bad execution and lack of clarity and a plan. Discuss the Challenge for Successful Organization change.** (10 Marks)

- 1) Planning and managing change
- 2) Cultural and technological
- 3) Degree of change
- 4) Organization's structure
- 5) Degree of learning