

# KASNEB

## CS PART III SECTION 5

### HUMAN RESOURCE MANAGEMENT

WEDNESDAY: 25 May 2016.

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

#### QUESTION ONE

##### XYZ CONSULTANTS

Mr. Sharp is the Chief Executive Officer (CEO) of XYZ Consultants, a medium sized auditing firm. Currently, the firm's wage bill is the highest in the industry and at the same time, the firm is among those with excellent employee benefits. Mr. Sharp does all the managerial and administrative work in order to cut costs; thus the positions of the Human Resources Manager, Finance Manager and Sales and Marketing Manager are non-existent.

The firm has been experiencing the problem of punctuality by staff members. The employees take time off during working hours to attend to personal matters resulting in loss of working hours which has led to increased overtime claims. The situation has deteriorated over time and some clients have started withdrawing their work which has not been delivered on time.

There are no clear human resource management policies and procedures to deal with employee relations but the CEO has put in place stringent measures to deal with staff matters. In this regard, indisciplined employees are punished without according them a chance to defend themselves. XYZ Consultants has also installed an automated employee monitoring and control system.

One of the employees went to the CEO to seek permission to be leaving office early in order to pursue further studies but the CEO declined to grant the permission. Another employee who had a good reputation in the firm approached the CEO with a request to be assisted with a salary advance to settle a hospital bill, which was declined. The two affected employees resigned within a span of one week. When the CEO realised the situation was getting out of hand, he sought the services of a human resource specialist to make recommendations on the best way to handle employee issues.

After investigations, the human resource specialist discovered the following:

- There was no recognition of hard work and efficient delivery of services. All employees, regardless of their performance, were treated the same. Promotion of employees was not based on performance, rather, it was based on length of service in the firm.
- The firm lacked a staff canteen and staff took their lunch from a place that was far from the firm's offices. The lunch break was only for 30 minutes.
- Employees were placed randomly in any department with no regard to their qualifications and experience.
- The work environment was not conducive.
- Training was infrequent and was not based on a training needs analysis.

#### Required:

- (a) Explain eight measures that XYZ Consultants need to put in place in order to improve the work-life balance of employees of the firm. (8 marks)
- (b) Analyse five benefits that could accrue to XYZ Consultants from installing an automated employee monitoring and control system. (10 marks)
- (c) The human resource specialist recommended the introduction of a performance appraisal system for XYZ Consultants.  
Discuss six ways in which a performance appraisal system could be made effective in XYZ Consultants. (12 marks)
- (d) In the context of the above case, discuss the importance of linking human resource strategies to the business strategy of an organisation. (10 marks)

(Total: 40 marks)

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**QUESTION TWO**

(a) Business strategy is all about achieving competitive advantage.

Discuss five ways through which an organisation could use its human resources to achieve competitive advantage. (10 marks)

(b) As a human resource manager, illustrate five ways you could apply Vroom’s expectancy theory to advance employee performance. (5 marks)

**(Total: 15 marks)**

**QUESTION THREE**

(a) Distinguish between “placement” and “induction”. (2 marks)

(b) Employee resourcing in today’s organisations is being affected by various factors.

Examine four of these factors. (8 marks)

(c) Explain the five steps to be followed in the process of succession planning. (5 marks)

**(Total: 15 marks)**

**QUESTION FOUR**

(a) Evaluate five measures that a human resource department could put in place to manage under-performance in an organisation. (5 marks)

(b) “If you want one year of prosperity, grow grain, if you want 10 years of prosperity grow trees, if you want 100 years of prosperity, grow people”.

Justify this statement in line with the talent development strategy in any organisation. (10 marks)

**(Total: 15 marks)**

**QUESTION FIVE**

(a) “Retaining good employees is essential for an internal labour-oriented company”.

Defend the above statement clearly showing the importance of retaining good employees. (5 marks)

(b) Discuss five advantages of collective bargaining in employee relations. (10 marks)

**(Total: 15 marks)**

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