



"Investing in Africa's Future"

COLLEGE OF BUSINESS, PEACE, LEADERSHIP & GOVERNANCE

**COURSE CODE AND TITLE: MPM118: HUMAN RESOURCE MANAGEMENT IN THE
PUBLIC SECTOR**

END OF FIRST SEMESTER EXAMINATIONS: (2019/2020)

LECTURER: (A D MUSHONGA)

DURATION: (3 HRS)

INSTRUCTIONS

- 1. You are required to select and answer any 5 questions.**
- 2. Conceptual models and frameworks will earn you marks**
- 3. Each question carries 20 marks**

1. Mullins considers motivation to be a driving force through which people strive to achieve their goals and fulfill some need or uphold their values. Discuss fully, the four theories which succinctly capture Mullins' basic building blocks of motivation

2. Case Study

150 high-potential middle managers from 40 different operating companies of a multinational telecommunications company were sent, in groups of 25, on a three-day management conference. The management conference consisted of group discussions to work out how the company values could be practically implemented and how change was taking place within the organisation to achieve the strategic business objectives, together with exercises to identify and share best practice. The direct cost per three-day programme (including travel and accommodation) was \$60,000. After the management conference, it was noticed that the turnover for this highly mobile group dropped from 12% to 8% (50% were replaced from outside – generally it was reckoned that the replacement of a middle manager from outside cost about nine months' salary). Also, motivation levels of two thirds of the group perceptibly increased. This was supported by anecdotal and written evidence from appraisals (managers often reported gaining 'significant motivation' from the programme) and was also measured as an increase in productivity of the teams being led. 50% of the managers were from sales teams whose annual revenues before the programme averaged \$500,000 per team. The average cost centre had total costs of \$200,000 per year. The productivity changes were an average of 10% per employee for the sales teams, and for the cost centres a decrease in 5% costs per employee. The average managerial salary (including benefits and bonuses) was \$100,000. The average sales margin on revenues was 12%.

Using the information above:

- a. calculate the value of the financial benefits,
- b. calculate the return on investment, and
- c. list other non-financial benefits that were probably achieved

3. Consider the following scenarios and answer the questions after them.

- a. A company has for many years offered a wide range of fringe benefits to its employees, including a subsidized canteen, company cars and free Christmas hampers. In reviewing its policy, the company conducted a survey which revealed that employees would have preferred to have received the cash value of the perks, which they could then spend at their discretion. In the light of this finding, the company instituted a profit sharing

policy, whereby all 10 000 employees received an annual cash payment equal to between zero and 10% of their annual salary, depending on the financial performance of the company.

- b. A manufacturing company has always believed in treating all employees the same in terms of their employment contracts and pay structure. While the workers at the main plant seem to be generally happy with how they are treated, the sales force, which consists of individuals operating largely independently, working from home and pursuing their own leads, has been complaining that its pay is too low. After a steady stream of resignations, the company responded by offering to pay commission of 1% on the sales increase which any individual sales person manages to achieve over the previous year's sales.
- c. Members of a small, closely knit team -Blue team - greatly enjoyed the weekend they spent together last year at a country hotel, courtesy of their employer, as a result of being the team which achieved the lowest number of defects during the year. This year they were told that the company would not be operating the 'top team treat' policy because of financial stringencies introduced in the face of a difficult trading environment - but the firm did say that the scheme would be reintroduced next year. This decision was accepted as fair by the employees. In the event, the company had a better year than expected, and so the managing director made a surprise announcement at the end of the year that the award would be made. He announced simultaneously that Blue team had won for the second year running.
- d. A public sector organization recently introduced a performance related pay scheme. Basic pay in the organization was below that offered by the private sector companies, but staff were highly committed to their work. Although managers could not offer everyone more money, they calculated that, by offering the prospect of higher pay, they would increase both satisfaction and effort. Accordingly, a scheme was introduced which paid an annual cash bonus based on the performance of each employee, assessed through the performance appraisal system.

- i. In each of the cases above, what can you say about expectancy, instrumentality and valence?
- ii. According to expectancy theory, in which case was motivation likely to be highest, why?

- 4. Many organisations espouse the 'soft' version of HRM, which focuses on treating employees as valued assets, and a source of competitive advantage. The 'Hard' model of HRM stresses HRM's focus on the crucial importance of the close integration of human resource policies, systems and activities with business strategy. Discuss fully, the Soft and Hard models of HRM
- 5. In thinking about jobs, in making comparisons between them, and in considering movements from one to another, we should bear in mind all of the nine principal job features (Peter War) Use War's nine-feature

framework to discuss the nine principal aspects of jobs which can enhance or impair mental health.

6. A group of idealistic young people start a co-operative business, recycling or disposing usefully, of various waste and surplus products from industry. They start off sharing the different sorts of work, and paying themselves equally. The business is successful, grows, and develops new lines, eventually running an innovative, technically complex, waste re-processing centre.
 - a. What difficulties would the system of equal pay cause?
 - b. In the arguments about whether to change the reward system, which employees would you expect to base their arguments on 'fairness'?
7. Consider the following information and answer the questions below it. At a board meeting of a large international engineering company, the Human Resources Director gave a review of the year. He reported that labour turnover rate in its key pool of 2000 graduate engineers was 20% per year, and that the average graduate engineer was staying with the company for three- and-a half years. The Director went on to record that keeping the employees in this group equipped with the latest skills in their specialisms had cost on average \$25 000 per person (in terms course fees and cost-chargeable time during the training). The board considered these figures to be satisfactory and passed on to the next item on the agenda.
 - a. How many graduate engineers were leaving the company each year?
 - b. What was the average cost of the training invested by the company in each departing engineer?
 - c. What was the loss of human capital for this group in the year in question?