



*"Investing in Africa's Future"*

## **FACULTY OF MANAGEMENT & ADMINISTRATION**

**MMS 302: HUMAN RESOURCE MANAGEMENT-CONV**

**END OF FIRST SEMESTER EXAMINATIONS: (NOVEMBER/DECEMBER 2016)**

**LECTURER: (A D MUSHONGA)**

**DURATION: (3 HRS)**

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### ***INSTRUCTIONS***

1. You are required to select and answer any 5 questions.
2. Each of your answers should not exceed 3 A4 sides.
3. Conceptual models and frameworks will earn you marks
4. Each question carries 20 marks

1. 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?
2. 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.
3. 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'?
4. The authors of 'Hiring For The Organisation, Not The Job', suggest that hiring for person-organisation fit will become the only effective selection model for the typical business environment. Discuss fully, the person-organisation fit approach to organizational entry
5. 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?

- 6. 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

END OF PAPER