

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF COMMERCE**

BCOM 452: STRATEGIC HUMAN RESOURCE MANAGEMENT

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: TUESDAY 20/7/2021

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: Answer question ONE and any other TWO

QUESTION ONE

Sally is a sales manager at a large pharmaceutical company. The fiscal year will end in one week. She is overwhelmed with end-of the year tasks including reviewing the budget she is likely to get for the next year, responding to phone calls of customers, and supervising a group of 10 salespeople. It's very hectic time, probably the most hectic time of the year. She receives a phone call from the HR department; 'Sally, we have not received your performance reviews for your 10 employees; they are due by the end of the fiscal year'. Sally thinks 'Oh, those performance reviews. What a waste of my time!' from Sally's point of view, there is no value in filling out those meaningless forms. She does not see her subordinates in action because they are in the field visting customers most of the time. All she knows about their performance is based on sales figures, which depend more on the products offered and geographic territory covered than the effort and motivation of each salesperson. And nothing happens in terms of rewards regardless of her ratings. These are lean times in her organization, and salary adjustments are based on seniority rather than merit. She has less than 3 days to turn in her forms. What is she going to do? She decides to go down the path of least resistance: to please her employees, she gives everyone the maximum possible rating. In this way, she believes they will be happy with their ratings, and Sally will not have to deal with complaints or follow-up meetings. Sally fills out the forms in less than 20 minutes and gets back to her 'real job'.

There is something. This case presents the reality of what happens in many public institution during the performance appraisal exercise in Kenya.

Required:

- (a) In reference to the case study, explain the factors that limit the usefulness of a performance appraisal activity and give strategies that can be put in place to make it more effective. [15 marks]
- (b) Explain the benefits of pegging an organizations reward system on individual performance [8 marks]
- (c) Explain the consequences that are likely to come as a result of Sally's action of giving all employees the maximum rating. [7 marks]

QUESTION TWO

- (a) Explain the barriers that organization face while implementing human resource strategies and suggest solutions that can be used to overcome the barriers [12 marks]
- (b) Explain the meaning and benefits of management by objective (MBO) [8 marks]

QUESTION THREE

- (a) Discuss the approaches that organizations should adopt in development and implementation of reward strategies [10 marks]
- (b) Discuss the assumptions and limitations of the resource based view in reference to an organization. [10 marks]

QUESTION FOUR

- (a) Strategic human resource management is anchored on three approaches namely high performance, high commitment and high involvement management. Explain the meaning of each approach and set out the key characteristics of a high performance culture. [15 marks]
- (b) Explain five characteristics of organizational development [5 marks]