



PAN AFRICA CHRISTIAN UNIVERSITY
MASTER OF BUSINESS ADMINISTRATION
END OF TERM EXAMINATION
MAY-AUGUST 2017

DEPARTMENT: BUSINESS

COURSE CODE: MBA609

COURSE TITLE: STRATEGIC HUMAN RESOURCE MANAGEMENT

EXAM DATE: WEDNESDAY 26th JULY 2017

TIME: 9.00AM-12.00PM

INSTRUCTIONS

- Read all questions carefully before attempting.
- Answer Question One(Compulsory) and any other four questions
- Write your **student number** on the answer booklet provided

QUESTION ONE (COMPULSORY)

The Luna Hotel

The Luna is part of a large UK hotel chain. It has 201 rooms, is 4-star rated and employs 128 members of staff. It serves both the commercial marketplace – albeit without conference facilities – and the typically short-stay tourism market. The hotel was subject to an acquisition six months ago and is in a period of transition, not least in the way in which HRM is conducted. Again, two-thirds of the workforce is full-time, but the current management are seeking to significantly reduce this figure and claimed they are overstaffed with permanent employees. They plan not to replace leavers in certain departments or replace them by offering workers flexible contracts and express a willingness to rely heavily on casuals and agency staff to plug gaps in the workforce. Even permanent employees are now employed on significantly less favourable terms than prior to the takeover. Management claimed that this provided ‘working-time flexibility’ for both employer and employee. The number of hours and shift patterns are adjusted and planned on a weekly basis according to business levels with both parties able to request more or less hours in a given period. No attempt had been made to train employees across a range of tasks to provide greater skills flexibility nor is there any intention to do so given the stated desire to keep training costs to a minimum.

Employee communication at *The Luna* is predominantly one-way. General manager briefings are held for all staff every quarter to inform them about organisational and establishment strategy and managerial decisions. Managerial meetings and communication between heads of department and employees is limited to one-to-one meetings as and when required, instigated by either party, usually to deal with grievance or disciplinary issues. There is no dedicated structure or schedule to these intra-departmental meetings although some departments imposed some formality by holding five-minute ‘chats’ between departmental heads and staff every month. Other departmental managers preferred employees to approach heads of department to raise issues. These one-to-one meetings appeared to be the only means of upward communication. There is no other provision for employee consultation, suggestion or participation in decision-making. It appeared that even the general manager’s briefing is merely a communicative device with little provision for employee feedback.

The hotel had experienced high levels of labour turnover since the takeover, some of which is likely to be as a result of the upheaval caused. Regardless, labour turnover is

reported to be both problematic and beneficial at *The Luna* depending on the staff involved. On the one hand, employee turnover is considered undesirable because of the costs involved in recruiting new members of staff, especially skilled workers such as chefs and maintenance workers. On the other hand, however, employee turnover is considered a source of employment flexibility and ‘natural wastage’ of staff viewed as positive especially where poor performing staff are concerned. The general manager claimed that the large labour market in which the hotel operated meant that staff are readily available, albeit often lacking required skills. Management coped with this apparent skills shortage by minimising a reliance on particular skills or providing rudimentary training. The high level of staff turnover often required management to adopt expedient approaches to filling vacancies, even in important frontline operational (for example, waiting and front-of-house) or skilled areas of work.

Questions

- a) Critically examine the ways in which the internal and external environmental context of the hotel has influenced the HR strategic interventions. (8 Marks)
- b) In what ways has the type of communication in the Hotel undermined efforts to create a high involvement organization. (10 Marks)
- c) As a strategic Human Resource Management specialist, how would you ensure HR adds value to every step of the strategic acquisition process? (10 Marks)
- d) How has employee turnover strategy affected Luna’s effectiveness? (6 Marks)
- e) Explain three ways in which the Management of Luna could carry out effective human resource demand forecasting under the environmental situation in which it operates. (6 marks)

QUESTION TWO

Forecasting human resource demand is an integral part of the process of human resource planning

- a) Explain the use of succession/ replacement analysis as an HR supply forecasting technique (5 marks)
- b) Discuss five organizational factors that affect the human resource forecasting process (10 marks)

QUESTION THREE

Despite its well documented benefits, strategic human resource management often fails. Critically examine the barriers to strategic human resource management. (15 Marks)

QUESTION FOUR

- a) Succession management is the process connected with the development of persons to fill key positions in the organization hierarchy as vacancies arise. Justify the need for succession management to an organization (10 marks)

- b) Highlight the 5 Cs of evaluating Human resource management (5 marks)

QUESTION FIVE

- a) Identify and explain any five contrasts between strategic human resource management and traditional human resource management (10 marks)
- b) Describe five alternatives to ways staff downsizing (5 marks)

QUESTION SIX

- a) Describe three ways in which Human Resources can be aligned to business strategy (7 marks)
- b) Explain any four characteristics of the high commitment approach to strategic human resource management (8 marks)