

KASNEB

CS PART III SECTION 5

HUMAN RESOURCE MANAGEMENT

WEDNESDAY: 25 November 2015.

Time Allowed: 3 hours.

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

QUESTION ONE

BIRD HOTELS GROUP LTD. (BHGL)

Bird Hotels Group Ltd. (BHGL) owns six hotels in Kenya and recently acquired a chain of hotels headquartered in Rwanda. BHGL's chief executive decided that half of the new hotels acquired will be rebranded and the other half will be sold. This will support BHGL's strategic objective of growing the organisation slowly to ensure that the new ventures are well supported and opened on time. BHGL's hotels are considered budget accommodations; they are functional, clean and reasonably priced. The hotels are strategically situated in downtown locations that are easily accessible by mass transit.

BHGL has decided to use an ethnocentric approach by sending some of their existing Kenya-based managers to Rwanda to lead the changeover and management of the new hotels. If this new venture is successful, BHGL might decide to acquire other small hotel groups in other African countries. BHGL would like to own fifteen hotels in the next five years as part of a ten year strategic plan to own thirty hotels across Africa. This is an ambitious target, so it is important that the organisation finds an effective formula to operate successfully in other countries.

BHGL has never owned hotels outside Kenya before and has hired a team of independent management consultants to advise them on how to go global. The top management of BHGL provided the consultants with the following information during their initial meeting:

- A majority of their existing managers are keen to cease the opportunity to work outside Kenya.
- They will allow four weeks to rebrand the hotels. The new hotels must be ready to operate after rebranding.
- They expect to recruit a large number of staff for the new hotels in Rwanda because more than 70% of the employees from the acquired chain of hotels left.
- They will require their managers to be flexible and move between countries if any problems arise.

BHGL's management decided that this being their first venture outside the country, they would want to engage Kenyans to set up the new hotels and only internal candidates should be considered. However, they believe that once the hotels are operational, Rwandese managers could be hired. The management vacancies in the new hotels must be filled as soon as possible. Twelve managers intend to apply for the five new positions which means that seven managers will remain in their current duty stations. The management team acknowledges that the application letters and panel interviews will not be adequate in deciding on the best candidates. BHGL might need a more robust selection process which reflects a strong sense of fairness because they do not want to demotivate the other existing employees. They want to select the right candidates because it is essential that the new hotels are successful and running efficiently.

Required:

- (a) Examine four disadvantages that BHGL might face in recruiting expatriate staff. (4 marks)
- (b) Analyse five non-monetary incentives that BHGL could offer its managers to motivate them to move to Rwanda. (5 marks)
- (c) Explain five labour laws that the human resource department of BHGL should be aware of when venturing into the new market. (5 marks)
- (d) Discuss four benefits that could accrue to BHGL as a result of an ethnocentric approach to international staffing. (8 marks)
- (e) Assess four on-the-job training techniques that could be used in training the new Rwandese members of staff. (8 marks)

- (f) The management team of BHGL may use a management assessment centre as a method of selection and testing in order to increase fairness in the selection process.

Evaluate five simulated exercises that could be used in the management assessment centre. (10 marks)
(Total: 40 marks)

QUESTION TWO

- (a) Analyse four types of costs that an organisation might incur as a result of high employee turnover. (4 marks)
- (b) Virtual working is a current trend adopted by some organisations.
Explain five benefits of virtual working to the organisation. (5 marks)
- (c) Discuss six objectives of human resource planning. (6 marks)
(Total: 15 marks)

QUESTION THREE

- (a) Summarise five functions of a human resource information system. (5 marks)
- (b) Evaluate five benefits of maintaining good health and safety practices to an organisation. (10 marks)
(Total: 15 marks)

QUESTION FOUR

- (a) Discuss seven limitations of performance related pay. (7 marks)
- (b) Evaluate four factors that might be considered when developing an appropriate staff appraisal system. (8 marks)
(Total: 15 marks)

QUESTION FIVE

- (a) (i) Explain the difference between "a group" and "a team". (2 marks)
- (ii) Most organisations have recently shifted their focus to team work and team building.
Evaluate seven conditions that have to be met by employees working together in order for them to be described as a team. (7 marks)
- (b) Discuss the following human resource management theories:
- (i) Herzberg two-factor theory. (3 marks)
- (ii) Equity theory. (3 marks)
(Total: 15 marks)
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