

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER, 2006

COURSE TITLE : HUMAN RESOURCE MANAGEMENT
COURSE CODE : BA – 413 & (I.D.E. – BA – 413)
TIME ALLOWED : THREE HOURS
DEGREE AND YEAR : BACHELORS OF COMMERCE (YEAR – 4)

INSTRUCTIONS:

- 1. There are two sections in this examination: SECTION – A & SECTION – B**
- 2. Marks awarded are indicated at the end of each question**
- 3. Marks will be awarded for good communications and for the orderly presentation of your answer**
- 4. Wrong and incorrect answer will not get marks**
- 5. Write the sub – heading and explain your answer clearly**

SPECIAL REQUIREMENT: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION – A

INSTRUCTIONS: THIS IS A COMPULSORY SECTION (40 MARKS)

READ THE CASE STUDY AND ANSWER THE QUESTIONS GIVEN BELOW.

CASE STUDY: IMPLEMENTING A NEW COMPENSATION PROGRAM

The changing nature of jobs in organizations has led to companies redesigning their compensation programs to reflect the changes. One approach being used by some employers is competency-based pay. One firm has had success with using a knowledge-based program to measure and reward employees.

This medium-sized manufacturing firm has about 5000 employees in one location, and none are represented by unions. As a result of continuing efforts by the firm's management to examine and apply innovative organization and management practices, the senior managers at the company decided to redesign work processes and compensation in three production departments. A task force of employees analysed the work in each of the production departments and recommended some changes.

First, individual jobs and job descriptions were changed to using a team-work approach. In the new system, workers were expected to become skilled in several tasks and rotate throughout the different tasks, depending upon the production schedule and workflow. Workers also were expected to perform their own quality control. Finally a pay-for-performance program was developed to encourage workers to broaden their capabilities and to reward them as they did so.

A series of "skill blocks" was identified by HR specialists and others familiar with the jobs, with each skill block containing what a worker was required to know and do. Skill blocks were developed for all processes in the production departments. As employees mastered a skill block, they received pay increases of 20 cents per hour, except for the basic skill block mastery, which provided a 30-cent per hour increase. Because pay is based on the number of skill blocks mastered, no maximum pay levels were set. These increases were granted on top of the entry-level pay rate of \$ 9.81 per hour.

Following the communication of the new program, employees could choose to convert to the new program or transfer to other departments still using the traditional job-based pay plan. Only one production worker opted to transfer out of the new production compensation program and the department. HR specialists and production managers spent considerable time meeting with workers on the processes to be used to assess their competencies. Also, extensive training support had to be implemented so that employees could develop additional mastery of other skill blocks. Other coordination and program administration issues had to be addressed as well.

As a result of the changes to the new program, production technicians are rewarded continually for learning more and enhancing their capabilities. Also greater workforce flexibility has resulted, so that workers can move between jobs and tasks as production needs dictate. Productivity has increased and production employees have become more knowledgeable about the linkage between compensation, their capabilities, and productivity

QUESTIONS -1

Discuss how changing the compensation program was consistent with the strategic shifts occurring in the organization. (20 Marks)

QUESTION – 2

What difficulties can you identify with shifting to the new compensation program from the traditional ones used in many production settings? (20 Marks)

SECTION – B

INSTRUCTIONS: ANSWER ANY THREE QUESTIONS ONLY (60 MARKS)

EACH QUESTION CARRIES (20 MARKS)

ESSAY TYPE ANSWERS

QUESTION – 3

What are the major sets of Human Resource Activities, and what activities fall within each set? (20 Marks)

QUESTION – 4

Explain the term “Productivity” (5 Marks)

What do organizations need from employees to succeed? (15 Marks)

QUESTION – 5

Describe the various forms of internal recruitment sources available in organization. (20 Marks)

QUESTION – 6

Describe three methods of analyzing jobs, including some advantages of each method.

(20 Marks)

QUESTION – 7

Who conducts performance appraisals of individual employees in organization – Discuss?

(20 Marks)

QUESTION – 8

Describe the various types of benefits offered by employers to their employees.

(20 Marks)