

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION PAPER, 2006

COURSE TITLE : TRAINING MANAGEMENT

COURSE CODE : BA 514

TIME ALLOWED : THREE HOURS

DEGREE AND YEAR : BACHELORS OF COMMERCE (YEAR – 5)

INSTRUCTIONS:

- 1. There are two sections in this examination.**
- 2. Marks awarded are indicated at the end of each question**
- 3. Marks will be awarded for good communication and for the orderly presentation of your work.**
- 4. Wrong and incorrect answer will not get marks**
- 5. Write the side – heading and explain your answer in detail**

SPECIAL REQUIREMENT : NONE

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

SECTION - A

INSTRUCTION : THIS IS A COMPULSORY SECTION (40 MARKS)

**READ THE CASE STUDY AND ANSWER THE
QUESTIONS THAT FOLLOW**

CASE STUDY : DON'T CUT MY BENEFITS

Organizational mergers and acquisitions have been numerous during the last decade, and the trend shows little evidence of easing. Such combinations often are driven by the attraction of economies of scale and increased market share. The joined companies usually want to combine their benefit plans to reduce administrative costs and to provide the same benefits for all the employees. But often unnoticed in the atmosphere surrounding the merger or takeover are the difficulties and potential costs of merging benefits programs.

The difficulties are seen when Federal Mogul acquired Fel-Pro. Although both firms are auto parts manufacturers, they are very different in corporate culture. Federal Mogul, with 13,000 employees, has numerous unionized workers represented by the United Auto Workers and United Steel Workers. However, Fel-Pro, with 2,700 employees, had no unionized workers. The difference in culture and employee relations resulted in each firm having significantly different benefit plans.

Fel-Pro, as a family-owned firm based in Chicago, had established a broad range of highly employee-oriented benefits. For example, Fel-Pro had a company-owned summer camp for employees' children and funded college scholarships now worth \$3,500 per child in grants for employees' children. As a result, Fel-Pro had employee loyalty, low employee turnover, and a highly team-oriented environment.

Federal Mogul's culture and benefits program did not include many of the Fel-Pro benefits. Instead, having a union-dominated environment, the benefits plan for Federal-Mogul employees had been gained through years of union-management negotiation and bargaining. Therefore, its benefits program contained few of the family-friendly and flexible benefits offered by Fel-Pro.

The acquisition of Fel-Pro made strategic sense for Federal Mogul. But executives at Federal Mogul had to confront two worries: (a) that Federal Mogul employees might want to add the Fel-Pro benefits; and (b) that the Fel-Pro employees would react very negatively if some benefits were discontinued, thus affecting productivity and morale.

To address these issues, Richard Snell, chairman of Federal Mogul, had to reassure Fel-Pro employees that the combined companies would continue to provide good benefits. But he stated that the scholarships would continue for five years and might be discontinued after that. Also, it was decided that the summer camp would operate for two more years. But the Fel-Pro

employees have recognized that the organizational culture and job security, as special benefits they had, are likely to be diminished as a result of the acquisition. There is real concern that the benefits changes may diminish the success of the acquired firm.

QUESTIONS:

1. From your own point of view, why should evaluating benefits programs be a crucial part of planning for Federal Mogul and Fel-Pro. (20 MARKS)
2. Suggest how the different benefits plans in this case study can be harmonised between employer costs and employee morale. (20 MARKS)

SECTION – B

INSTRUCTIONS:

ANSWER ANY THREE QUESTIONS ONLY

EACH QUESTION CARRIES (20 MARKS)

(ESSAY TYPE ANSWERS)

QUESTION – 3

Define learning, explain the principles of learning. (20 Marks)

QUESTION – 4

Describe the major values of training contributions. (20 Marks)

QUESTION – 5

What is training procedure? Discuss the important steps in training procedure. (20 Marks)

QUESTION – 6

Explain the steps in implementing organizational strategy for Human Resource Development. (20 Marks)

QUESTION – 7

Describe the decision points in planning training evaluation. (20 Marks)

QUESTION – 8

Discuss the various steps in organizational development process.

(20 Marks)