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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR ONE**

**FIRST SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**COURSE CODE: MBA 850**

**COURSE TITLE: HUMAN RESOURCE DEVELOPMENT**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 04/04/2021 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

Read the case study below and answer the question that follows.

 **PICASSO HOLDING LIMITED**

Picasso Holdings limited (PHL) is a company that deals in the manufacture of plastics and allied products. It was founded in Kenya in 1993 and has branches in the major towns of Mombasa, Kisumu, Nakuru, Nyeri and Meru. Its Headquarters is at Industrial Area in Nairobi. The company has grown from a small enterprise employing 20 workers to the current workforce of more than 5,000. The company’s managing Director is based in Nairobi. Each branch has a Branch Manager representing the Managing Director at the local level. The training department of Picasso Holding Ltd was until recently a section of the main Human Resource Department. The department was started with the main aim of managing training requirements of the fast expanding company.

The company found it necessary to hire a training manager to take charge of the training functions of the whole company network. The training manager is assisted by training officers who are based at the branch level. The training manager Mr. Njeru is a trained engineer with a post graduate Diploma in Education from Moi University. Mr. Njeru was hired on the strength of his Diploma in Education and training are similar concepts that complement each other. The training budget for the financial year 2016/2017 ran in excess of Kshs. 100 million. This covered general administration costs, running costs and professional charges. During the actual implementation of training, an excess of Kshs 150 Million resulted from instructional support services provided by Britex Training Consultants.

An assessment carried out by Training of Trainers (TOT) Association on the benefits of training revealed that critical issues such as identification of training priorities, training strategies and application of relevant instructional techniques needed to be revisited for tangible benefits to be realized. Training of Trainers Association also recommended a new approach to training in general. As part of the new approach to training, PHLintroduced a self-directed learning program for all employees including managers. The program began by introducing the concept of personal awareness and its relevance to training. An inquiry tool was also developed to help participants identify their own training needs. This was popularly known as The Needs Analysis Process (NAP) which allowed individuals to decide the training goals that would yield the greatest benefit for them and the business as well. The NAP focused attention on the impact that the business strategic and operational objectives had on each employee’s current and future level of performance.

Once the employees identified their training needs, they were organized into groups of five members drawn from across the organization. The group served as a support structure for the trainees. The group members were then made aware of the wealth of learning resources available through books and e-learning. After training the members would meet regularly for three weeks to discuss how to transfer the training in the workplace. These meetings would also help members to analyze the effects of the training. During the first year of implementing the new approach, each group had two facilitators, one drawn from an external training provider and another drawn internally from the company. The internal facilitator guided the participants with regard to individual career path progression within the organization.

According to the Training Manager, guidance was instrumental to the employee’s assessment for further training needs in line with their career progression. The Training Manager designed a Management Development program to build talent and capacity so as to ensure that learning and development was holistic at PHL. The program was meant to link strategy and organizational performance with individual managers. This program had many components including coaching and benchmarking, mentoring, counseling and collaboration. The company did not have a formal Learning and Development policy in spite of the fact that very useful approach was being adopted to aid in employee training and development, which shocked the Managing Director. He also discovered that the training officers at the branch level were not suitable for the positions since they did not have any qualifications in Human Resource Management, Training Education or Training of Trainers’ certification. As a result of this discovery, the Managing Director terminated the services of Mr. Njeru so as to provide room for hiring a professional who would transform the training function.

Mr. Shah was hired as the training manager and his first comment was “our first step is to develop a learning and development policy to guide all the activities in relation to training, development and career management. Mr. Shah constituted a committee to draft the learning and Development policy. When the draft policy was presented to the management, it was rejected because it was perceived to be over ambitious and too costly to implement Mr. Shah was directed to revise the policy to fit the 100million per year budget. He was shocked and discouraged since he knew anything short of implementing that policy would affect the achievement of organizational goals.

1. Highlight the Training and Development challenges faced by PHL Company since its inception. (5marks)
2. Explain ways in which career guidance would benefits the organization. (5marks)
3. PHL Company is making use of e- learning. Examine the reasons that may justify this decision. (5marks)
4. Advice PHL company on the importance of conducting Training Needs Analysis before commencement of training programs. (5marks)

**QUESTION TWO**

1. Justify potential benefits that accrue after investing in learning and development in an organization and individual employees. (8marks)
2. Explain aims of strategic learning and development in an organization (4marks)
3. Explain the contribution of human resource to knowledge management in an organization. (8marks)

**QUESTION THREE**

1. “Human Resource Development plays a vital role in the success and growth of an organization. Discuss (10marks)
2. Describe the principles that could lead for successful implementation of Human Resource Development plans in an organization. (10marks)

**QUESTION FOUR**

1. Describe in detail three constituents of Human Capital. (6marks)
2. Explain the significance of Human Capital theory (8marks)
3. Discuss reasons for the interest in measuring the value and impact of Human Capital. (6marks)

**QUESTION FIVE**

1. (i) Define psychological contract. (2marks)

(ii) Discuss aspects of employment relationship covered by psychological contract. (6marks)

1. (i) Explain the characteristics/elements of a positive psychological contract. (8marks)

(ii) Explain the steps required in developing and maintaining a positive psychological contract. (4marks)