



# THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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**MAIN EXAMINATION**

**AUGUST - DECEMBER 2013 TRIMESTER**

**FACULTY OF COMMERCE**

**DEPARTMENT OF MARKETING AND MANAGEMENT**

**EVENING PROGRAMME**

**CMH 311: HUMAN RESOURCE MANAGEMENT**

**Date: DECEMBER 2013**

**Duration: 2 Hours**

**INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions**

**Q1. GM'S Employee separation Plan: Overwhelming Response from Employees**

General Motors Corporation (GM) the world's largest automaker was founded in 1908 in Flint, Michigan of US. In 2006, GM was in a horrible tangle as the company lost \$10.6 billion in the previous year (2005). To counter this GM initially planned for organizational restructuring. As a part of the organizational restructuring, the company planned 30,000 job cuts and the closure of 12 plants be 2007. The plan of manpower reduction included the reduction of 6,500 part-time workers.

GM management declared its plan expecting to reduce 30,000 blue-collar jobs by 1<sup>st</sup> January, 2007 which was about two years ahead of schedule. On Monday, 26<sup>th</sup> June, 2006 GM's management announced that 35,000 workers had already opted to leave the company voluntarily, surpassing the initial targets and allowing the outmaker to increase its targeted savings to \$8 billion annually by the end of 2006. The overwhelming response of the employees for the accelerated separation plan surprised many people, including GM's management.

- a) Using your knowledge of employee separation, discuss five factors that make firms to separate some of their workers. Further, list and briefly elaborate on five separation approaches that firms, such as GM, use to get rid of their excess workers. **(20 marks)**

- b) Given the financial implications involved, some firms cannot afford to employ full-time workers whenever vacancies arise. This implies that there is need to explore alternatives to full-time employment. Explain five approaches that a firm can use to meet its human resource needs without having to hire people on a permanent basis. **(10 marks)**

**Q2. Hiring CEO's: The Changing Paradigms**

For years, companies like General Electric (GE), Unilever and McDonald's had been grooming internal candidates to take on the responsibility of chief executive officers (CEO). At the same time, many other companies were finding that the experience of their top management candidates was not preparing them for the jobs they were expected to fill. With the increasing rate of failure among top executives, more and more companies were looking for outside candidates to manage the business enterprise successfully. The turnaround of international Business Machines (IBM) Corporation, under the leadership of Louis Geistner, an outsider, was one of the best examples. By 2004, the trend had been to prefer an outsider rather than an internal candidate at the top position. With the rising accountability to the shareholders and falling supply of able managers, the pressure was tremendous to select the right candidate.

**Required:**

Elaborate on five positive and five negative aspects of both internal and external recruitment of chief executive officers (CEOs). Base your response on suitable examples of companies operating in Africa. **(20 marks)**

**Q3. Labour Unrest at Toyota: The Decision Dilemma**

Toyota Motor Corporation (TMC), the world's second largest automobile manufacturer, had entered the Indian market in 1997 through a joint venture with Kirloskar Group. The new entity was called Kirloskar Motor Private Limited (TKM). TKM established its manufacturing facility at Bidadi near Bangalore in the Indian State of Karnataka. The workers of the plant went on strike, which was followed by a lockout by the company. The conciliation process failed to resolve the dispute. As a result, the government, in order to maintain its investor – friendly image, prohibited the strike. On receiving the news, the company lifted the lockout, but placed the condition that workers resuming duty would have to sign a good conduct – declaration. The declaration stated that the workers would, henceforth, maintain discipline in the plant and ensure full production. The union agreed to call off the strike, but declined to sign the declaration. The

company, however, strictly mentioned that if the workers did not sign the declaration, they would not be allowed to enter the plant. According to the union representatives, if both parties remained rigid on their stands, it would again lead to lockout. TKM management was in a dilemma over handling the situation.

- a) Advise TKM management on how to deal with the situation. **(5 marks)**
- b) Discuss **FIVE** reasons that make workers to strike and elaborate on **THREE** trade dispute resolution strategies. **(15 marks)**

Q4. With an aging population in a number of countries, particularly those in the West, there is need to train elderly employees. Differentiate between pedagogy and andragogy as you explain the implications of the differences on training. **(20 marks)**

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