

UNIVERSITY OF ESWATINI
INSTITUTE OF POST-GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2020-2021

TITLE OF PAPER: HUMAN RESOURCE MANAGEMENT

PROGRAMME AND SEMESTER: MBA SEMESTER II

COURSE CODE: BUS602

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY IN SECTION A IS COMPULSORY
3. ANSWER ANY THREE QUESTIONS FROM SECTION B

NOTE: you are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your responses.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

GOOD LUCK!!!

SECTION A (compulsory)

Read the case below and answer the questions that follow.

CASE STUDY: Remuneration strategy at the Standard Bank Group

Standard Bank's board-approved strategy includes a long-standing expansion into African markets, working in teams that have deep reach into global capital markets and clients. At the heart of our strategy is the value we place on our people as a primary differentiator.

The primary imperative of our remuneration strategy is to implement designs and practices that only reward value delivered, adjusted appropriately for risk assumed.

A second objective of the strategy is to be competitive in remuneration in the global marketplace for skills. We seek to reward all our people in a manner that is fair, both to the individual and to shareholders, while avoiding a bonus-centric culture that distorts motivation and may encourage excessive risk-taking.

Promoting effective teamwork is a third vital component of remuneration strategy.

Remuneration scheme designs and performance evaluation processes must motivate strong and sustained performance within teams.

The key principles that underpin our remuneration strategy, reward structures and individual reward are as follows.

- We reward sustainable, long-term business results.
- We do not discriminate against employees based on diversity or physical difference.
- The reward focus is on total reward, being fixed and variable remuneration, we seek to be competitive in both elements, but annual incentives are not a function of guaranteed package.
- We create an appropriate balance between the fixed and variable elements of total reward. A deferral policy affects annual incentives above predetermined levels. Deferred amounts are indexed to the group's share price and vesting is subject to specific conditions.

- Vesting conditions attached to deferral awards and long-term incentives make provision for claw back and forfeiture of unvested awards.
- We determine all elements of pay based on an understanding of market remuneration levels and internal relative remuneration.
- Remuneration structures encourage a focus on achieving agreed deliverables and behaviours, rather than hours worked.
- Individual performance appraisals identify talent at all levels in the organisation, enabling fair and competitive remuneration.
- Individual rewards are determined according to group, business unit and individual performance.
- We reward experience, performance relative to others doing similar work and performance against the market.
- The principles of individual reward differentiation are transparent and are based on quantitative and behavioural performance, as well as retention.
- We ensure that key senior executives are significantly invested in the group share price over time.
- Remuneration designs optimise corporate tax efficiency and comply with all legal and regulatory requirements.
- On-going oversight to eliminate any potential for irresponsible risk-taking by individuals and to ensure risk adjustment forms an intrinsic part of remuneration design.

Required to Answer Case questions

- a. Critically evaluate the remuneration strategy of the bank and compare it with common practice. (10 Marks)
- b. In designing a reward policy that facilitate effective execution of what is in the bank strategy, what are key remuneration policy areas that you would include?(10 marks)
- c. Can the policy work in the absence of an effective performance management system?. Please support your answer .(10 marks)
- d. Discuss major underlying principles of an effective performance management system that would support the bank's remuneration strategy. (10 marks)

Total

40 marks

SECTION B

(Answer three questions from this section)

QUESTION 2

With an aid of a diagram, discuss an integrative or strategic perspective to Human Resource Development. (20 marks)

QUESTION 3

"Organisations in an endeavour to align their staffing process with organisational strategy, they evaluate different options based on the gaps identified". Discuss the key considerations you would make in the choice of the different options. (20 marks)

QUESTION 4

Discuss how the contemporary developments and challenges such as virtual work, digitalisation, the growing incidence of robotics and the 4th industrial revolution likely to impact on the future of work; and the proposed responses to position our Human Resources accordingly. (20 marks)

QUESTION 5

"Staffing is a contentious terrain, no matter how much the remuneration committees can try to oversee the process". Discuss why that is the case and how as a Human Resource manager you can safeguard against that through adoption of fair staffing decisions/processes. (20 marks)