

The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND
LEADERSHIP

HRM 406/HRM 312: STRATEGIC HUMAN RESOURCE
MANAGEMENT

DATE: 29TH JULY 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

Upendo Manufacturing Limited is a medium-sized Kenyan company that has grown rapidly over the last five years. The company has expanded from one production plant to three branches and is planning to introduce digital production systems, regional distribution channels and a new customer-service platform. Although the growth strategy has created new opportunities, the organisation is experiencing serious human resource challenges that threaten its long-term competitiveness. The human resource department still operates mainly as an administrative unit dealing with attendance records, payroll, leave forms and disciplinary letters, while strategic decisions are made by senior managers without adequate HR input.

Recent internal reports show that employee turnover has increased, especially among skilled technicians, supervisors and young professionals. Some employees complain that promotion decisions are unclear, training opportunities are irregular, and performance appraisal is treated as a routine annual form rather than a tool for development and accountability. Line managers also argue that the HR department does not provide timely workforce data to support staffing decisions, succession planning, productivity improvement or change management. In addition, the new technology requires digital skills that many employees do not yet possess.

The changing business environment has increased pressure on the company. Competitors are investing in automation, customers are demanding faster delivery and better quality, labour costs are rising, and employees are requesting flexible work arrangements, wellness support and fair reward systems. The Board is concerned that unless HR strategies are aligned with the company's business plan, the organisation may fail to attract, develop, motivate and retain the human capital needed for growth. The Board has therefore directed the HR Director to

develop a comprehensive strategic human resource management plan that links employee resourcing, human resource development, performance management, reward strategy, employee relations, quality of work life and teamwork to the company's expansion strategy. The plan must also identify implementation barriers and propose practical measures for overcoming them.

Required:

- a) Discuss Strategic Human Resource Management (SHRM) and explain the importance of HR strategy to Upendo Manufacturing Limited. **(6 Marks)**
- b) Analyse how the changing business environment may affect the development and implementation of HR strategy in the company. **(8 Marks)**
- c) Explain how employee resourcing, human resource development, performance management and reward strategy can be aligned with the company's growth plan. **(8 Marks)**
- d) Propose practical measures that management can use to overcome barriers to HR strategy implementation. **(8 Marks)**

QUESTION TWO

Strategy provides the direction through which organisations align resources, structures and people with long-term objectives.

- a) Explain the meaning of strategy and distinguish between corporate, business and functional levels of strategy. **(6 Marks)**
- b) Discuss any three approaches to Strategic Human Resource Management and show how each may support organisational competitiveness. **(6 Marks)**
- c) Describe any three criteria for evaluating the effectiveness of an HR strategy. **(3 Marks)**

**(3
Marks)**

QUESTION THREE

Developing a successful HR strategy requires systematic review, planning, implementation and monitoring.

- a) Explain any three steps involved in developing a human resource strategy.

**(6
Marks)**

- b) Analyse any three barriers that may hinder successful implementation of HR strategies in organisations.

(6 Marks)

- c) Identify three ways in which human capital contributes to organisational performance and competitive advantage.

(3 Marks)

QUESTION FOUR

The components of HR strategy must fit organisational structure, quality of work life and team-based performance systems.

- a) Explain any three major components of human resource strategy and show their relevance to organisational performance.

(6 Marks)

- b) Analyse how organisational structure, quality of work life and teamwork influence effective strategy implementation.

(6 Marks)

- c) Propose three interventions that can improve quality of work life and team effectiveness in a modern organisation.

(3 Marks)

QUESTION FIVE

The changing social contract between employers and employees has reshaped expectations about work, flexibility, wellbeing, career growth and organisational commitment.

- a) Explain the meaning of the social contract and discuss its relevance to Strategic Human Resource Management.

**(6
Marks)**

- b) Analyse any three emerging trends in employment relationships and show how they affect HR strategy in modern organisations.

(6 Marks)

- c) Discuss three ways in which organisations can manage employee expectations and strengthen the psychological contract. **(3 Marks)**

QUESTION SIX

Strategic Human Resource Management requires continuous monitoring, evaluation and improvement to ensure that HR practices contribute to organisational effectiveness and competitive advantage.

- a) Explain the meaning of HR metrics and discuss their importance in evaluating the effectiveness of HR strategy. **(6 Marks)**

- b) Analyse any three strategic HRM challenges commonly experienced by organisations in Kenya.

(6 Marks)

- c) Propose three practical ways in which HR managers can use HR information and evaluation results to improve organisational performance. **(3 Marks)**