



**POSTGRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF DOCTOR OF PHILOSOPHY IN**  
**MANAGEMENT AND LEADERSHIP**

**DHC 903: ADVANCED HUMAN CAPITAL**

**DATE: 7<sup>TH</sup> APRIL 2026**

**DURATION: 3 HOURS**

**MAXIMUM MARKS: 50**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

## **QUESTION ONE**

**Read the following case carefully and answer the questions that follow:**

RiftWorks Manufacturing Ltd. (RML) is a medium-sized manufacturing firm based in East Africa, established in 2008. The company specializes in the production of steel-based construction materials, including reinforcement bars, roofing sheets, and prefabricated components used in commercial and residential buildings. RML employs approximately 420 employees across production, engineering, quality assurance, procurement, sales, and administration. Over the past decade, the company has experienced steady growth driven by increased infrastructure development and government-backed construction projects. However, despite investments in modern machinery and expanded production capacity, RML has recently faced declining productivity, rising defect rates, and increased operational downtime. Senior management suspects that these challenges are not purely technical but are closely linked to weaknesses in human capital management and knowledge management practices.

RML's workforce is characterized by a mix of long-serving technicians and relatively young engineers and supervisors. Nearly 35% of the production workforce has been with the company for more than ten years and possesses extensive tacit knowledge related to machine calibration, fault diagnosis, and process optimization. However, most of this knowledge resides in individuals' experience rather than in formal documentation or systems. Human capital management practices at RML have traditionally focused on recruitment based on technical qualifications and prior manufacturing experience. Training is largely reactive and conducted mainly when new machinery is installed or when performance problems become severe. There is no structured competency framework, succession planning system, or formal mechanism for identifying critical knowledge holders within the organization.

Performance appraisal focuses primarily on output targets such as tonnage produced, machine uptime, and cost reduction. Knowledge sharing, mentoring, and learning behaviors are not included in performance evaluation criteria. As a result, employees are rarely incentivized to document processes, share best practices, or coach junior staff. One of the most critical challenges facing RML is the loss and fragmentation of organizational knowledge. In the past three years, the company has experienced high turnover among senior technicians due to retirement, illness, and poaching by competitors. When experienced employees exit, their knowledge leaves with them, leading to repeated operational errors, longer machine setup times, and frequent quality inconsistencies.

Although RML has an enterprise resource planning (ERP) system, it is primarily used for inventory control, procurement, and payroll. The system does not capture process knowledge, troubleshooting guides, or lessons learned from past production failures. Maintenance logs are handwritten, inconsistently filled, and rarely analyzed for learning purposes. Knowledge transfer between departments is weak. Engineers design production improvements, but their insights are not effectively communicated to machine operators. Similarly, operators often develop informal workarounds to deal with machine inefficiencies, yet this experiential knowledge is not shared upward or across shifts. This has resulted in inconsistent practices, safety risks, and dependency on specific individuals to “fix problems.”

RML’s leadership culture is predominantly hierarchical and production-driven. Supervisors prioritize meeting daily output targets, often discouraging reflection, experimentation, or learning discussions that could slow production. As a result, employees are reluctant to report mistakes or near-misses, limiting opportunities for organizational learning. Knowledge hoarding has also emerged as a cultural issue. Some experienced employees perceive their specialized know-how as a source of job security and power. Without clear HR policies promoting

collaboration and knowledge sharing, these behaviors have gone largely unchallenged.

Middle managers acknowledge the importance of knowledge management but lack the skills and tools to embed it into daily operations. There is no dedicated KM role, community of practice, or structured learning forum within the organization.

The combined weaknesses in human capital management and knowledge management have begun to affect RML's competitiveness. Production downtime has increased by 18% over two years, while customer complaints related to product quality have risen significantly. New employees take longer to reach full productivity due to the absence of standardized operating procedures and mentoring systems.

Additionally, innovation has slowed. Although the company invests in new machinery, it struggles to fully exploit technological capabilities because employee learning and knowledge integration are weak. Strategic decisions are often made based on incomplete or outdated operational knowledge, increasing the risk of costly errors.

Recognizing these challenges, RML's executive team is considering a strategic shift toward integrating human capital management with a formal knowledge management approach. Proposed initiatives include structured training and development programs, documentation of critical processes, mentorship schemes, and linking knowledge-sharing behaviors to performance management.

However, management is uncertain about where to begin, how to balance production pressures with learning initiatives, and how to change entrenched cultural behaviors. The company must decide how to leverage its existing human capital to build a sustainable knowledge base that supports operational excellence, innovation, and long-term competitiveness.

**Required:**

- a) Using relevant Human Capital Management and Knowledge Management theories, analyze the key factors contributing to the

knowledge management challenges at Rift Works Manufacturing Ltd. **(10 Marks)**

- b)** Drawing on the case, demonstrate how integrated Human Capital Management practices can be applied to address the knowledge loss, weak knowledge sharing, and declining productivity at RiftWorks Manufacturing Ltd.

**(10 Marks)**

- c)** Critically evaluate the extent to which knowledge management can be a source of sustained competitive advantage for RiftWorks Manufacturing Ltd.

**(10 Marks)**

## **QUESTION TWO**

- a) Using relevant theory and practical organizational examples, explain FIVE key components of a Human Capital Strategy contribute to organizational effectiveness.

**(5 Marks)**

- b)** A Human Resource Audit is a systematic evaluation of an organization's human resource policies, practices, systems, and functions. Explain to the board of directors the significance of introducing HR audit in the organization you have recently been hired as a Human Resource Manager. **(5 Marks)**

## **QUESTION THREE**

- a) Demonstrate how a learning organization strategy would support continuous improvement and organizational effectiveness.

**(5 Marks)**

- b) Despite human capital being recognized is a key source of competitive advantage, describe FIVE challenges organizations face

in establishing a clear and measurable link between human capital and business strategy. **(5 Marks)**

#### **QUESTION FOUR**

a) A firm's Human Capital Strategy is built on several interconnected factors that shape how people contribute to organizational performance. Using appropriate organizational examples, explain FIVE key factors that constitute a firm's human capital strategy.

**(5 Marks)**

b) Advanced workforce analysis enables organizations to make evidence-based decisions on how leadership, engagement, knowledge, and learning capacity influence workforce performance. Using relevant theory and organizational examples, analyze how advanced workforce analysis can be used to improve workforce performance with reference to the following areas.

- i. Leadership practices **(1 Mark)**
- ii. Employee engagement **(1 Mark)**
- iii. Knowledge accessibility **(1 Mark)**
- iv. Workforce optimization **(1 Mark)**
- v. Learning capacity **(1 Mark)**