



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

HCO 507: CONSULTING IN HUMAN CAPITAL DEVELOPMENT

DATE: 7TH APRIL 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

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 **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:

THE INNOVATE FORWARD DILEMMA

Innovate Forward Inc. is a seven-year-old technology firm that experienced explosive growth, expanding from a team of four founders in a garage to a 400-employee company with international clients. The company's success was built on a dynamic, aggressive, and entrepreneurial culture, driven largely by its charismatic CEO and co-founder, Elena Vance. This environment, best described as a power culture, prioritized rapid innovation and individual initiative over formal processes. For years, this was the company's greatest strength. Recently, however, significant problems have emerged. Employee turnover among senior software engineers has climbed to 35% annually, threatening project timelines and product quality.

The finance department has noted a sharp increase in recruitment costs and a decline in productivity metrics. While business leaders believe their HR teams are underperforming, the reality at Innovate Forward is that the Human Resources department is a small, administrative-focused unit, primarily handling payroll and basic compliance. It operates as a traditional personnel function, treating employees as a significant cost to be managed rather than a strategic asset to be developed. Elena Vance, the CEO, acknowledges the turnover problem but is deeply suspicious of any "bureaucracy" that she feels will stifle the company's entrepreneurial spirit. She believes the issue is simply about hiring more "right-fit" people. In contrast, the CFO, David Chen, argues that the lack of standard systems and strategic people management is making the company unstable and inefficient. The growing tension between their perspectives has led to a stalemate, prompting them to seek external help.

Dr. Anya Sharma, a seasoned external consultant specializing in organizational transformation, is engaged to diagnose the problem and recommend a solution. Her credibility comes from a broad business perspective and specific expertise in change management. During the Entry Phase of the consultancy cycle, Dr. Sharma conducts a preliminary problem diagnosis through interviews and data analysis. In the Diagnosis Phase, her findings are stark: Cultural Friction, Strategic HR Gap, Communication Breakdown, and Ethical Concerns. In the Planning Phase, Dr. Sharma develops a comprehensive proposal. Her plan avoids a "quick fix" and instead outlines a phased organizational change program based on Kurt Lewin's Unfreeze-Change-Refreeze model. The proposal includes: Unfreezing: A targeted communication campaign to create a sense of urgency about the need for change, challenging the belief that the old ways are still effective. Changing: Restructuring the HR department into a strategic HCM partner, introducing clear performance management systems, developing a talent management program, and implementing transparent hiring policies. Refreezing: Embedding these new practices into the company's daily operations and reward systems to institutionalize the change and prevent regression.

When Dr. Sharma presents her proposal, Elena Vance pushes back. "This is a massive overhaul," she states. "You're trying to turn my agile start-up into a slow-moving dinosaur. This will destroy our culture. I need a solution for the turnover, not a two-year transformation project." Elena demands a more direct, prescriptive solution focused solely on recruitment tactics. Dr. Sharma is now at a critical juncture. She must gain the CEO's trust and commitment, navigate the ethical minefield of the hiring practices, and convince leadership that the "invisible" aspects of culture are the root cause of their very visible problems.

Required:

- a) Drawing on the principles of the consultancy cycle and the different consulting styles, critically evaluate the challenges Dr. Sharma faces

with her client, Elena Vance. Which consulting style (e.g., Catalytic, Confrontational, and Prescriptive) should she adopt in her next meeting to gain commitment for the comprehensive change program? Justify your recommendation by explaining how your chosen style would effectively manage the CEO's resistance and build the necessary trust.

(10 marks)

- b) Using Kurt Lewin's three-stage change model (Unfreeze, Change, Refreeze) and the "culture iceberg" analogy, develop a strategic action plan for the "Unfreezing" stage at Innovate Forward. Your plan should detail specific interventions to address both the *visible* (behaviors, slogans, physical settings) and *invisible* (underlying beliefs, values, assumptions) aspects of the company's culture to effectively overcome resistance and prepare the organization for transformation.

(10 marks)

- c) Analyze how a strategic shift from traditional Human Resource Management (HRM) to Human Capital Management (HCM) would address Innovate Forward's core problems of high turnover and inconsistent performance. Furthermore, evaluate the ethical dilemma of the informal hiring practices based on the Principles for Ethical Consulting. How should Dr. Sharma address this issue with the leadership team while balancing the principles of "do no harm to your client" and maintaining confidentiality?

(10 marks)

QUESTION TWO

- a) Drawing on the "Doctor-Patient" consultancy model, analyze how a failure to rigorously conduct the Diagnosis Phase—including purpose identification, problem analysis, and fact-finding—could lead to significant risks during the Implementation Phase. Discuss at least

three specific risks and propose how they could be mitigated by a more thorough diagnostic process. **(5 marks)**

- b) Evaluate how a consultant's proficiency in interpreting non-verbal communications could be a decisive factor in successfully executing a "Confrontational" consulting style, which forces a client to acknowledge problems they have been avoiding. Provide specific examples of non-verbal cues and how their correct interpretation could de-escalate potential conflict and build trust.

(5 marks)

- c) To excel in their roles, consultants must possess a diverse set of competencies that enable them to provide value-driven solutions to their clients. Critically evaluate five key competencies that a consultant must develop to succeed. Support your discussion with practical examples from the field of consulting.

(5

marks)

QUESTION THREE

- a) Imagine you are a consultant hired by a company experiencing rapid, chaotic growth due to technological disruption. The leadership team is divided, with some demanding immediate, directive solutions and others advocating for a more collaborative approach. Justify which two consulting styles you would blend in your engagement with this client and explain how this combination would address the dual needs for decisive action and long-term organizational learning.

(5 marks)

- b) A consultant discovers that the CEO is engaging in activities that could harm the company. The consultant's contract includes a strict confidentiality clause. Evaluate the consultant's potential course of action by weighing the principle of "Do no harm to your client"

against the duty of confidentiality. Which ethical principle should take precedence and why? **(5 marks)**

- c) Imagine a client is deeply dissatisfied with a consultant's work midway through a project. Critically evaluate whether the client should first invoke the Warranty clause to demand corrections or proceed directly to invoking the Cancellation clause. Your analysis should consider the potential risks and benefits of each path, including financial penalties, project timelines, and the professional relationship.

(5 marks)

QUESTION FOUR

- a) A company has conducted a strategic analysis using Porter's Five Forces model and identified an urgent threat from new entrants and substitute products. Evaluate the suitability of a Directive Strategy versus a Participative Strategy in this high-pressure scenario, weighing the advantages and disadvantages of each in terms of implementation speed, employee resistance, and long-term commitment.

(5 marks)

- b) Critically evaluate why a strategy relying solely on "Top leadership drive" and communication is likely to fail in a public sector organization, and explain how integrating it with changes to selection and reward systems is essential for making cultural transformation sustainable.

(5 marks)

- c) Human capital theory posits that investments in people generate returns. It also distinguishes between human capital (individual skills), social capital (networks), and organizational capital (institutionalized knowledge). Critically analyze how a strategic focus

on developing social capital could mitigate the risk highlighted in the sources that some "developmental training tends to be associated with lower shareholder value".

(5 marks)