



**STRATHMORE INSTITUTE
DIPLOMA IN ENTREPRENEURSHIP
END OF SEMESTER EXAMINATION
DE 1304: HUMAN RESOURCE MANAGEMENT AND SUCCESSION PLANNING**

DATE: 10th September 2021

Time: 2 Hours

Instructions

1. This examination consists of **SECTION A & B** questions.
2. Answer **all** questions in SECTION A and any **TWO** questions in SECTION B.
3. Do not write on the question paper.

SECTION A- Answer all Questions

Question One

You are the founder and CEO of Company TCL Limited, specialising in distributing vegetables to all the supermarkets in your city. You have successfully operated the company for 5 years and are now ready to recruit more people to join your company.

- a) Name and describe the type of business structure you would develop for your business. (2 marks)
- b) Draw a business structure which your organization can use to support your next 5 years' business plan. (5 marks)
- c) Identify and explain any 3 methods you can use to effectively recruit for the position of Operations Manager (3 marks)
- d) Name and describe 5 steps you will follow to select an employee for the position of Operations Manager. (5 marks)

(Total 15 marks)

Question Two

- a) Discuss any four internal factors that an entrepreneur should consider in determining the salary and benefits of his employees. (8 Marks)
- b) Using relevant examples, describe the following terms as used in Human Resource Management. (7 Marks)
- i. Fixed-term contracts:
 - ii. Contract for service:
 - iii. Employee Empowerment:
 - iv. Job Specification:
 - v. Performance evaluation:
 - vi. Job satisfaction:
 - vii. Outsourcing:

(Total 15 marks)

SECTION B – Answer any TWO questions

Question Three

You have founded a company with 2 other business partners. You are in a boardroom meeting with the business partners to discuss the way forward for your business. One of the partners insists that the organisation should put in place HR policies.

- a) Discuss any 4 reasons why it is essential for your company to prepare Human Resources policies (8 marks)
- b) Draw up a health and safety policy for the organisation. (7 Marks)

(Total 15 Marks)

Question Four

- a) Delegation is an important skill for entrepreneurs as the business grows. Identify any five advantages of delegation to a growing business. (5 Marks)
- b) Discuss 5 ways in which entrepreneurial firms (Small and Medium-Sized enterprises) are different from large organisations. (10 Marks)

(Total 15 Marks)

Question Five

- a) Elisabeth recently launched a start-up has so far recruited 10 employees. She is worried that the employees may leave the organisation. Explain any five strategies Elisa can use to retain employees. (10 marks)
- b) Name and describe five barriers that SME's experience in training employees. (5 Marks)

(Total 15 Marks)