**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2021/22 ACADEMIC YEAR**

**FOUR YEAR, SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BUSINESS ADMINISTRATIONS**

**COURSE CODE: BBM 469**

**COURSE TITLE: STRATEGIC HUMAN RESOURCE MANAGEMENT**

**DATE: TIME: 2 HRS**

**INSTRUCTIONS TO CANDIDATES**

* The examination has five questions
* Question one (1) is compulsory
* Choose any other two (2) questions from the remaining four (4) questions
* Use sketch diagrams to illustrate your answer whenever necessary
* Do not carry mobile phones or any other written material in examination room
* Do not write on this paper

**QUESTION ONE (COMPULSORY)**

**Read the case study and answer the question that follows:**

Understanding the environment within which the business has to operate is very important for running a business unit successfully at any place. Because, the environmental factors influence almost every aspect of business, be it its nature, its location, the prices of products, the distribution system, or the personnel policies. Hence it is important to learn about the various components of the business environment, which consists of the economic aspect, the socio-cultural aspects, the political framework, the legal aspects and the technological aspects etc. In this chapter, we shall learn about the concept of business environment, its nature and significance and the various components of the environment. In addition, we shall also acquaint ourselves with the concept of social responsibility of business and business ethics

As stated earlier, the success of every business depends on adapting itself to the environment within which it functions. For example, when there is a change in the government policies, the business has to make the necessary changes to adapt it to the new policies. Similarly, a change in the technology may render the existing products obsolete, as we have seen that the introduction of computer has replaced the typewriters; the color television has made the black and white television out of fashion. Again a change in the fashion or customers’ taste may shift the demand in the market for a particular product, e.g., the demand for jeans reduced the sale of other traditional wear. All these aspects are external factors that are beyond the control of the business. So the business units must have to adapt themselves to these changes in order to survive and succeed in business. Hence, it is very necessary to have a clear understanding of the concept of business environment and the nature of its various components.

The term ‘business environment’ connotes external forces, factors and institutions that are beyond the control of the business and they affect the functioning of a business enterprise.

These include customers, competitors, suppliers, government, and the social, political, legal and technological factors etc. While some of these factors or forces may have direct influence over the business firm, others may operate indirectly. Thus, business environment may be defined as the total surroundings, which have a direct or indirect bearing on the functioning of business. It may also be defined as the set of external factors, such as economic factors, social factors, political and legal factors, demographic factors, and technical factors etc., which are uncontrollable in nature and affects the business decisions of a firm.

On the basis of the above discussion the features of business environment can be summarized as follows.

Business environment is the sum total of all factors external to the business firm and that greatly influences their functioning. It covers factors and forces like customers, competitors, suppliers, government, and the social, cultural, political, technological and legal conditions. The business environment is dynamic in nature that means, it keeps on changing. The changes in business environment are unpredictable. It is very difficult to predict the exact nature of future happenings and the changes in economic and social environment. Business Environment differs from place to place, region to region and country to country. Political conditions in India differ from those in Pakistan. Taste and values cherished by people in India and China vary considerably.

There is a close and continuous interaction between the business and its environment. This interaction helps in strengthening the business firm and using its resources more effectively. As stated above, the business environment is multifaceted, complex, and dynamic in nature and has a far-reaching impact on the survival and growth of the business. To be more specific, proper understanding of the social, political, legal and economic environment helps the business in the following ways:

Determining Opportunities and Threats:The interaction between the business and its environment would identify opportunities for and threats to the business. It helps the business enterprises for meeting the challenges successfully. Giving Direction for Growth:The interaction with the environment leads to opening up new frontiers of growth for the business firms. It enables the business to identify the areas for growth and expansion of their activities.

Continuous Learning:Environmental analysis makes the task of managers easier in dealing with business challenges. The managers are motivated to continuously update their knowledge, understanding and skills to meet the predicted changes in realm of business.

Image Building:Environmental understanding helps the business organizations in improving their image by showing their sensitivity to the environment within which they are working. For example, in view of the shortage of power, many companies have set up Captive Power Plants (CPP) in their factories to meet their own requirement of power.

Meeting Competition:It helps the firms to analyze the competitors’ strategies and formulate their own strategies accordingly.

Identifying Firm’s Strength and Weakness:Business environment helps to identify the individual strengths and weaknesses in view of the technological and global developments.

**QUESTION ONE**

1. (i) What does the term ‘business environment’ connote? (2marks)

(ii) Describe factors and institutions that affect the functioning of a business enterprise.

(8marks)

1. Explain the importance of the business environment to the business enterprise. (10marks)
2. Describe how owners and managers of business contribute social responsibilities to the society. (10marks)

**QUESTION TWO**

1. Describe five features of business environment (10 marks)
2. Explain the five economic policies that affect business activities and operations.

(10 marks)

**QUESTION THREE**

1. Describe four levels of a strategy. (8 marks)
2. Discuss any six benefits of corporate strategy to an enterprise. (12 marks)

**QUESTION FOUR**

1. State the objectives of quality work life. (6 marks)
2. Explain five techniques used to improve quality work life. ( 10 marks)
3. Highlight four advantages of empowerment for employees. (4 marks)

**QUESTION FIVE**

1. State the need and importance of human resource planning to an organization.

(10marks)

1. Describe the problems/limitations of human resourcing planning to an organization.

(10marks)