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KIRIRI WOMEN'S UNIVERSITY FOR SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2021 / 2022 ACADEMIC YEAR
END OF SEMESTER TWO EXAMINATION FOR THE DIPLOMA IN HUMAN
RESOURCE MANAGEMENT
UNIT CODE : DHR1008 : EMPLOYEE RELATIONS
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Instructions

Answer Question One (Compulsory) and any other Two

Time: Two Hours

QUESTION ONE

Read the case study below and answer the questions that follow

MICE Limited Company having been registered on 15th June 2016 with Mr. Waweru as its CEO started her operations on 13th July 2016. The main objective of the company was to sell electrical equipments in South Eastern Africa with its head quarters in Johannesburg. The marketing management team embarked on aggressive market research to find out the prices of KAMI and JESMA who were her rival companies and doing very well with a large market share in South Africa. The marketing team set out to price the company's products slightly below those of KAMI and JESMA, who were her rival competitors.

During the first year after launching the company's products, the company was able to break even in regard to sales. The initial task for Mr. Waweru was to build a team of workers who were to ensure realization of the Company's goals. This he did by putting in place a number of strategies such as allowing workers to Join Trade Unions and ensured they were presented by Madam Omosa from sales department; meeting workers regularly in order to get feedback so as to address the

challenges they faced. This made Mr. Waweru to address employee grievances on time. In addition the CEO Mr. Waweru used to pay employee bonuses and allowances based on employee's performance. This saw the company make significant increase in profits as opposed to previous due to improved employee climate and employee morale.

Mr. Waweru also used recognition letter to acknowledge employees who had outstanding performance and used to allow Mrs. Omosa to make briefs during staff meetings.

By the end of year 2020 the financial statements of MICE revealed that the company had made a profit of Ksh 30 million. However the CEO Mr. Waweru saw green pastures in KAMI Co. Ltd one of the rival companies who promised to triple his salary coupled with attractive fringe benefits as opposed to MICE. After thorough consideration of the attractive benefits package Mr. Waweru decided to quit the company by the end of year 2020. The Board of Directors of MICE decided to replace Mr. Waweru with Mrs. Amina Noor who was a lecturer at the Department of Mathematics at the University of Mapamba.

During the first quarter of year 2021, Mrs Amina Noor introduced several changes such as pay cuts for all employees, slashed all the allowances for all employees in order to decrease cost of operations. The new CEO viewed the regular staff meetings with the workers, staff allowances, non financial rewards and union representation as wasteful expenses. Infact she directed the human resource manager not to deduct employees union dues and those who had been deducted the dues were not submitted to workers union. Mrs. Omosa was no longer recognized as workers representative to the union. Workers who attempted to join any workers union were threatened with sack letter. In addition Mrs. Amina Noor refused to approve leave for 5 employees who were due for annual leave in 2021 including Mrs. Matano who was due for maternity leave. The new change made all the company employees went to street chanting "Mrs. Amani must go" "Mrs Amina Noor must go". This resulted to high labour turnover and significant decline in sales from sh 25 million to 1 million. The Board of Directors have given Mrs. Amima Noor an ultimatum to reverse the trend with immediate effect failure to which she will be fired.

- (a) Discuss the secret behind Mr. Waweru's success **(6 marks)**
- (b) Explain the causes of sharp decline in profits during the tenure of Mrs. Amina Noor. **(6 marks)**
- (c) Advice Mrs. Amina Noor on the strategies she should put in place to improve employee climate so as to return the company to its glory. **(6 marks)**
- (d) Explain the **six** ways of improving industrial relations **(6 marks)**
- (e) Discuss the components of recognition agreement **(6 marks)**

QUESTION TWO

- (a) Discuss the benefits of a grievance system **(10 marks)**
- (b) Examine the nature of collective bargaining **(10 marks)**

QUESTION THREE

- (a) Explain the reasons which makes workers to join Trade Unions **(10 marks)**
- (b) Discuss the objectives of the International Labour Organization **(10 marks)**

QUESTION FOUR

- (a) Explain the aims of Employee Involvement and Participation **(10 marks)**
- (b) Discuss the organizational strategies for managing employee stress **(10 marks)**

QUESTION FIVE

- (a) Discuss any **five** best employee relations practices which HR department in an organization can put in place to help manager employee – employer efforts. **(10 marks)**
- (b) Examine circumstances under which the registration and certificate of registration of a registered Trade Union may be cancelled or suspended by registrar of trade unions. **(10 marks)**