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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2022/2023 ACADEMIC YEAR
FIRST YEAR ,FOURTH SEMESTER END OF SEMESTER EXAMINATION
FOR THE DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DHR 1008-EMPLOYEE RELATIONS**

Date: 1st August 2022
Time: 11.30am-1.30pm

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE COMPULSORY (30 MARKS)

Read the case study below and answer the questions that follow

KENGA LIMITED COMPANY

KENGA Limited Company was registered on 10th October 2015 with Mrs. Mwamba as its CEO. The company started its operations on 13th Jan 2016. The main objective of the company was to sell agricultural equipments in Eastern Africa. The marketing management team embarked on aggressive market research to find out the prices of NONO and ZAY who were her rival competitors and doing very well with a large market share in Eastern Africa. The marketing team set out to price the company's products below those of NoNo and ZAY by 10%.

During the first year after launching the company's products, the company was able to equate her sales incomes with total costs. The initial task of Mrs. Mwamba was to build a team of workers who were to ensure realization of the Company's goals. She did this by putting in place a number of strategies such as allowing workers to Join Trade Unions and ensured they were represented by Mr. Matumbo from ICT department; meeting workers regularly in order to get feedback so as to address the challenges they faced. This made Mrs. Mwamba address employee grievances and challenges on time. In addition the CEO Mrs. Mwamba 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.

Mrs. Mwamba also used recognition letters to acknowledge employees who had outstanding performance and used to allow Mr. Matumbo to make briefs during staff meetings. Mrs. Mwamba involved employees in decision making due to trust she placed on them.

By the end of year 2017 the financial statements of KENGA revealed that the company had made a profit of Ksh 30 million. However the CEO Mr. Mwamba saw green pastures in ZAY Co. Ltd one of the rival competitors who promised to double her salary coupled with attractive fringe benefits as opposed to KENGA. After thorough

consideration of the opportunity for attractive benefits and salary package Mrs. Mwamba decided to quit the company by the end of year 2017. The Board of Directors of KENGA decided to replace Mrs. Mwamba with Mr. Zongoi who was a Credit Manager in Bank of Africa.

During the first quarter of year 2018, Mr. Zongoi 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 he 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. Mr. Matumbo was no longer recognized as workers representative to the union. Workers who attempted to join any workers union were threatened with sack letter. The new CEO no longer involved employees in decision making since he did not see the importance of involving them. In addition, Mr. Zongoi refused to approve leave for 5 employees who were due for their annual leave in 2018 including Mrs. Mboga who was due for maternity leave. The new change made all the company employees went to street chanting “Mr. Zongoi must go” “Mr. Zongoi must go”. This resulted to high labour turnover and significant decline in sales from sh 30 million to 18 million. The Board of Directors have given Mr. Zongoi an ultimatum to reverse the trend within six months failure to which she will be fired.

- (a) Discuss the secret behind Mrs. Mwamba’s success (6 marks)
- (b) Explain the causes of sharp decline in profits during the tenure of Mr. Zongoi (6 marks)
- (c) Advice Mr. Zongoi on the strategies he should put in place to improve employee climate so as to return the company to its glory. (6 marks)
- (d) Explain the six ways Mr. Zongoi should embrace to improve industrial relations in KENGA company limited. (6 marks)
- (e) Discuss the components of recognition agreement in reference to case study (6 marks)

QUESTION TWO (20 MARKS)

- (a) Discuss five best employee relations practices which HR department in an organization can put in place to help manager employee – employer efforts. (10 marks)
- (b) Explain the organizational strategies for managing employee stress (10 marks)

QUESTION THREE (20 MARKS)

- (a) Examine the various levels under which employee involvement and participation takes place in an enterprise. (10 marks)
- (b) Explain the reasons which makes workers to join Trade Unions (10 marks)

QUESTION FOUR (20 MARKS)

- (a) Examine the functions of collective bargaining (10 marks)
- (b) Discuss the types of disciplinary action that can be administered to an indisciplined employee. 10 marks)

QUESTION FIVE (20 MARKS)

- (a)Assess the benefits of Grievance System (10 marks)
- (a) Analyze the functions of Federation of Kenya Employers (FKE) (10 marks)