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3808/205
EMPLOYEE RELATIONS
July 2014
Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL
HIGHER DIPLOMA IN HUMAN RESOURCE MANAGEMENT
EMPLOYEE RELATIONS

3 hours

INSTRUCTIONS TO CANDIDATES

*Write your name and index number in the spaces provided at the top of this page.
 Write the date of the examination and sign in the spaces provided above.
 This paper consists of **SIX** questions.
 Answer question 1 which is **COMPULSORY** and any other **THREE** questions.
 Question 1 carries 40 marks and the rest carry 20 marks each.
 Do **NOT** remove any pages from this booklet.
 Candidates should answer the questions in English.*

For Examiner's Use Only

Question	1	2	3	4	5	6	TOTAL SCORE
Candidate's Score							

This paper consists of 20 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

1. *Read the case below and then answer the questions that follows.*

MC-SWEETS LTD (MSL)

MC-Sweets Limited (MSL) is one of the biggest beverage and confectionery companies in Kenya with a market capitalization of 500 million. The company has a history stretching back over 20 years. Its heritage starts back in 1989 when Malcolm sweetos perfected his process of manufacturing carbonated mineral water and formed MC-sweets. Since then the business has expanded throughout the country by a programme of organic and acquisition led growth. Among the acquired companies includes those dealing with confectioneries. Today MSL employs over 4000 people and its brands are enjoyed in many countries in the region.

MC-sweets' employees are members of Production, Distributive and Allied Workers Union (PDAWU), with the exception of the management staff. The union was recognized three years ago by the management of the company. Previously the idea of a union was foreign in the company. The company's decision to recognize the union was influenced by a bench marking exercise which revealed that MSL was among the least efficient companies in its sector but with the best paid staff. Cost comparisons revealed high levels of waste within the company and a business need to tighten production methods. Before the union recognition the rate of absenteeism was rather high and general dissatisfaction within the company was above average. This was revealed by a survey carried out by a human resource consultant who attributed this state of affairs to the way management executed company policies. The management pursued policies of casualization, tight supervision and dictatorial impersonal communication which alienated employees from employers. This created the 'them and us' attitude between management and employees over the years.

Many cases had been instituted at the industrial court mostly concerning unfair dismissal and sexual harassment especially of female employees. However the most disturbing employee relations issue that had arisen involved the production staff although there were knock-on implications on other grades. The production attendants had been concerned about new working patterns that management had put in place without consultations. The staff had tried to raise a collective grievance through some selected representatives but the matter was not resolved to either sides' satisfaction. There were also rumours of staff cuts which were to be carried out due to budgetary pressure. Most of these cuts were to affect the production staff. The management had not communicated this proposal and the staff knew without a trade union any employee trying to raise a complaint may be targeted for the staff cuts.

At that point most employees felt that if a union had been in place then they would have balloted for industrial action. It was against this background that the employees formed a trade union and agitated for its recognition. According to them this was a right provided for in the Labour Relations Act, 2007, Laws of Kenya and no employer could deny them this right.

Since the recognition of the union, the union-management relationship has been contentious and conflictual. In the last twelve months it has deteriorated even further. The parties could not agree on the redundancy selection matrix to be included in the proposed redundancy policy. The union had proposed that the skills and qualifications be the basis for redundancy while the management proposed; Length of service, disciplinary records, absence rates and performance appraisal as criteria for selection. The union argued that performance appraisal tools used were biased and most of the long serving employees had not been recruited competitively. Most of them also had 'god fathers' who protected them in case of disciplinary issues. Lack of a disciplinary policy had led to issues of discipline being dealt with in an adhoc manner.

This situation had led to an impasse in the union-management negotiations. As a result the union recently balloted and gave a 21 day strike notice as required by law. The management on their part had made some efforts to avert the impending industrial action. Several conciliation talks had been held with the union at which enhanced severance terms were offered by management. The union rejected them and vowed to continue with the industrial action. The management has since moved to the industrial court to stop the strike. They have also notified the labour cabinet secretary about the trade dispute.

- (a) Analyze the employee relations challenges facing MC-sweets. (10 marks)
- (b) Advise the management of MSL on the measures they may take to improve the employee relations in the company. (10 marks)
- (c) Explain the ways in which the cabinet secretary in charge of labour may intervene in resolving the disputes at MSL. (10 marks)
- (d) Advise the management on the conditions that they should meet before carrying out the intended staff cuts. (10 marks)
2. (a) One employee at Kelo Limited has complained to the management of being bullied by another work colleague. Advise the management on the importance of invoking the disciplinary procedure in resolving the matter. (10 marks)
- (b) A trade union which was registered five years ago recently had its registration cancelled. Explain the circumstances that may have led to such a cancellation. (10 marks)
3. (a) The ILO Convention No.182 on the worst forms of child labour, 1999; is one of the conventions that have been ratified by Kenya. Examine the measures that the government of Kenya has taken to comply with the provisions of the convention. (10 marks)
- (b) Analyze the features of an effective communication strategy in an organization. (10 marks)
4. (a) The Human Resource Manager at WEBB Limited recently introduced counselling services for employees in the organization. Explain the benefits that may accrue to an organization from the introduction of such a service. (10 marks)
- (b) The trade union and management of Sukky Limited are scheduled to hold a collective bargaining session. Explain the measures that the management may take to ensure effective negotiations. (10 marks)

