

3808/206

PERSONNEL ADMINISTRATION

November 2011

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

HIGHER DIPLOMA IN HUMAN RESOURCE  
MANAGEMENT

PERSONNEL ADMINISTRATION

3 hours

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of SIX questions.*

*Answer question 1 and any other **THREE** questions.*

*Question 1 is **COMPULSORY** and carries **40** marks.*

*All the remaining **FIVE** questions carry equal marks each.*

**This paper consists of 4 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 answer the questions that follow.*

(40 marks)

### **UZIMA SUPERMARKET COMPANY**

Uzima Supermarket Company limited (USC) is a locally incorporated company located along Kimathi road in Naivasha town. The company was established in 2002 with a workforce of 50 employees. The company is involved in the selling of household goods to the final consumers. The company management team consists of Mr. Collins Juma, the personnel manager, Mrs Mary Oloo, director of finance and administration and Mr. Johnson Kungu the director of operations assisted by six supervisors. The rest of the workforce consists of cashiers, recording clerks, data entry clerks and drivers.

Due to the economic boom of the area, the demand for its products rose forcing the management of the company to open three more outlets in the same town. At the moment the number of employees stands at 100 and it's able to meet 50 per cent of the customers' demand in Naivasha town. The expansion of the company's operations coupled with the increase of employees made the administration of employees more complex. The company had to maintain a large volume of records for staff recruitment, promotions, wages, salaries and appraisal reports among other records. This made it cumbersome for the management to operate effectively due to the paperwork involved.

Hiring of staff is done by the Director of Operations through an elaborate network of friends and relatives. There are no formal interviews and staff are hired and dismissed at will. The employees are not given letters of appointment nor are they allowed to join any trade union. The directors insist that their company is an equal opportunity employer. They reiterate that hard work would be used as a criteria for promotion from one grade to another. This policy caused resentment among the employees, especially men who argued that women employees close to senior staff were favoured in promotions.

The problems in the personnel office were revealed during the annual general meeting of the company. One of the shareholders of the company wanted to be informed about the position of the shares held by the directors. The Personnel Manager requested the information to be retrieved from the data of the company within the shortest time possible. To their amazement the records clerk could not avail the information needed. The executive chairman of the company ordered an investigation to be carried out to ascertain the cause of the problem and report the findings within the next six weeks.

Upon carrying out the investigation, the Personnel Manager summarized the problem as use of the manual system in the records office. He recommended the computerization of the records management system and implementation of a centralised office system.

The decision to computerize the operations triggered resentment by the employees who felt that they would be laid off once the recommendations were implemented, since majority of the employees were computer illiterate. Their fears were confirmed when it became official that 50 employees were to go home. The fact that the employees were not members of any trade union made the situation worse for them as they could not negotiate with the employer.

Uzima supermarkets does not have an elaborate Health and Safety programme, though employees have been assisted especially those who have been incapacitated. The employees have been complaining to the management due to the high rate of injuries. The company is faced with a number of pending compensation court cases arising from such injuries. In one of the recent cases fire broke out in one of the branches despite the availability of fire extinguishers, none was in working condition. To make matters worse, none of the employees knew how to use them and as a result a number of employees were injured. To address this issue, the management, appointed a Health and Safety Committee to look into the causes of accidents and draw a plan of action.

Due to the pressure from the employees the company started a group welfare service three years ago that consists of sports and social activity clubs for staff and a benevolent scheme. The youthful employees however felt that the company needed to do more especially for individual services that included child day care. Most of them had families and their children needed to go to school. The management of the company felt that with the increased cost of doing business it may not be able to offer such facilities until funds become available.

In the recent past, Uzima Supermarket employees have been complaining about lack of structured recruitment and promotion procedures. Some cases of sexual harassment had occurred but the complaint had not been addressed. Since the cases involved supervisors and managers, the management has kept on promising to act on them. So far nothing has been done. This has caused a lot of resentment among the employees with some looking for better opportunities elsewhere.

- (a) Evaluate the appropriateness of using network as a policy for recruiting employees at Uzima Supermarket Company. (10 marks)
- (b) The consultant recommended the computerization of operations at Uzima Supermarket Company. Highlight the benefits of such a move. (10 marks)

- (c) Explain the policies that Uzima Supermarket may put in place in order to maintain an effective Health and Safety programme. (10 marks)
- (d) Explain the measures that need to be put in place to prevent accidents at Uzima Supermarket Company. (10 marks)
2. (a) Santos Company limited intends to centralize its records in the personnel department. Explain the benefits of such a move. (10 marks)
- (b) A Human Resource Expert was tasked with the role of computerizing the personnel department at Akili Enterprises. Explain how implementation of the Expert's task would assist in age analysis of the employees for the purpose of promotion. (10 marks)
3. (a) It has been observed that many organizations have established welfare services programmes for their staff. Justify this trend. (10 marks)
- (b) The female employees of quick quarry enterprises have been complaining of bullying at the work place by the male employees. Advise the Human Resource Manager on the features which should form the basis of organizational culture to address the problem. (10 marks)
4. (a) Describe the general provisions of Health and Safety in factory premises as stipulated in Occupational Health and Safety Act of 2007. (10 marks)
- (b) Kawira Enterprises intends to computerize the personnel information system due to inefficiency experienced in the personnel department. Advise the owner on the challenges that the company is likely to experience. (10 marks)
5. (a) Examine the advantages that will accrue to Shamto Enterprises as a result of using policy and procedure manuals. (10 marks)
- (b) The Human Resource Manager at Madafu Enterprises has invited an external consultant to give a speech to the employees on NSSF statutory deductions. Examine the aspects which should form the contents of the consultant's speech. (10 marks)
6. (a) ABC company limited has established a sports gymnasium in the organization to address stress among the workers. Analyze how setting up such a facility would minimize stress among the workers. (10 marks)
- (b) The Human Resource Manager at Ambok Company intends to formulate employment policies for the company. Advise him on the sources of information to accomplish the tasks. (10 marks)