

Name: \_\_\_\_\_

Index No: \_\_\_\_\_ / \_\_\_\_\_

3808/206

**PERSONNEL ADMINISTRATION**

**November 2013**

**Time: 3 hours**

Candidate's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**HIGHER DIPLOMA IN HUMAN RESOURCE MANAGEMENT**

**PERSONNEL ADMINISTRATION**

**3 hours**

**INSTRUCTIONS TO CANDIDATES**

*Write your name and index number in the spaces provided above.*

*Sign and write the date of the examination in the spaces provided above.*

*This paper consists of SIX questions.*

*Answer question 1 and any other THREE questions.*

*Question 1 (Compulsory) carries 40 marks.*

*All the other questions 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 following case carefully and then answer the questions that follow.* (40 marks)

### **CHOMA CONSTRUCTION COMPANY LTD (TRIPPLE C)**

Tripple C was established five years ago by Mr. Kibelenge and three other colleagues. The four are the directors of the firm. It was established in response to the growing demand for construction services in the rapidly growing building sector. Mr. Kibelenge has many years experience in all aspects of building construction. He has a diploma from the polytechnic in building construction.

The firm specializes in building construction work, landscaping and other relevant earthworks. Over the last few years the firm has earned a good reputation among its clients due to their reliability, quality work and timely delivery of projects. But this has been achieved through Mr. Kibelenge's no-nonsense, authoritarian approach in dealing with workers.

Apart from the four directors, the firm has ten permanent employees. Mr. Kabaco is in charge of the human resources, although he has no specific job title as such. For the one year he has been in employment with the firm, he has been asking for a job description in vain, as none of the directors seems to know what it is. He has not been issued with a formal contract of employment to date, as only a verbal agreement was made with the board at the time of his employment. Mr. Kibelenge has however been promising him that he would soon look into the matter. Mr. Kabaco suspects that this could be the case with many of the other employees supposedly enjoying permanent terms.

Tripple C, which usually has many different work engagements at the same time, relies mainly on contract employees and workers. It does not enter into any formal employment contracts with these workers. The contract workers serve mainly as supervisors at various sites. Terms are agreed upon individually and no supervisor knows what the other earns. The firm has a deliberate policy of creating mistrust among the supervisors in its covert pursuit of a policy of divide and rule. The casual workers are paid the minimum possible daily wages that can be negotiated. They are paid at the end of every week or when their services are terminated.

The firm carries out most of the foundry and engineering works requirements from the many sites at its factory headquarters in an industrial area at one of the estates in Nairobi. The factory site is cluttered with all types of obsolete, unserviceable and damaged equipment and machinery. In the course of carrying out these duties, workers have to be raised or lowered on suspended beams using various types of ropes. These ropes are usually bought at the local kiosks. There are burst pipes that spill water all over the place, with various drums and appliances stacked

anyhow wherever space allows. The factory is dimly lit and workers usually have to grope their way around. Some of the appliances that the workers use have to be coaxed to work as they have various defects. However, this situation does not seem to bother Mr. Kibelenge who doubles up as the supervisor at this factory.

Two weeks ago, the firm received a visit from an official from the ministry of labour. The official was on an inspection tour of various factories to establish the state of the working conditions in the factories. He also wanted to establish the extent of compliance by the firms with various statutory requirements, especially as regards payment and remittance of taxes by the workers. Mr. Kibelenge at first tried to play hide and seek with the official but he finally had to give him audience. Among the employment related documents that the labour official wanted to be shown were:

- the employment contracts for various employees;
- the NSIF payment receipts for the employees;
- The employment policies and procedures manual.

The Managing Director was clearly at a loss. He could not understand the relevance of these things that the labour official was demanding. After the labour official had gone, Mr. Kabaco was prevailed upon to give direction on the way forward.

- (a) Explain the reasons that may account for the reluctance by Mr. Kibelenge to provide the employees with contracts of employment. (10 marks)
  - (b) Describe the types of statutory deductions that Tripple C would have to make on the employees' salaries once it streamlined their employment terms. (10 marks)
  - (c) Explain the provisions that the firm should comply with when raising and lowering workers using ropes, according to the stipulations of the occupational safety and health Act 2007 Laws of Kenya. (10 marks)
  - (d) Explain the reasons that may make the factory a dangerous place to work in. (10 marks)
2. (a) There are certain types of expenditure that are allowed to be set off against employment income in the calculation of income tax for an employee. Outline these types of expenditure. (12 marks)
- (b) The Health and safety Administration requires that certain types of occupational injuries be reported by employees. Highlight these types of occupational injuries. (8 marks)

