



POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION

HCO 504: EMPLOYEE RELATIONS

DATE: 31ST JULY 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the following case study carefully and answer the questions that follow:

REBUILDING EMPLOYEE RELATIONS

Savannah Agro-Processing Ltd is a premier agricultural manufacturing firm headquartered in Nakuru, Kenya, specializing in the mass production of export-quality packaged foods. Over the past decade, the organization experienced unprecedented market expansion, dominating the regional supply chain and significantly increasing its workforce. However, this rapid operational scaling was not matched by a proportional development of human resource frameworks. The management team remained heavily focused on output targets, inadvertently neglecting the relational dynamics on the factory floor. Consequently, the once-vibrant organizational culture began to deteriorate, paving the way for severe internal friction.

The deterioration of the working environment has manifested in historically low levels of employee engagement and plummeting daily productivity metrics. Floor supervisors frequently report that workers feel entirely undervalued, leading to a profound absence of mutual respect and trust across the organizational hierarchy. Furthermore, the company is currently grappling with skyrocketing employee turnover, as highly skilled technicians continuously abandon the firm for competing manufacturers. The complete breakdown of internal communication channels has left the management entirely disconnected from the realities facing the frontline workers. This toxic atmosphere has ultimately transformed the factory into a breeding ground for persistent workplace conflicts.

Recognizing the systemic failures, the local agricultural workers' trade union has aggressively intervened to represent the marginalized employees. The union officials have established a continuous presence at the factory, formally mediating the mounting disputes between the frustrated workers and the defensive management team. They are actively shielding the vulnerable staff from arbitrary disciplinary actions

and demanding equitable treatment across all operational departments. Additionally, the union is providing critical guidance to the workers, ensuring they fully comprehend their labor rights during the ongoing grievance hearings. Through their persistent monitoring, the union is forcing the management to remain accountable for implementing the newly agreed-upon workplace resolutions.

The executive board has finally acknowledged the sheer gravity of the crisis and the urgent need for a comprehensive cultural overhaul. They recognize that merely increasing financial compensation will not repair the deeply fractured relationships between the floor workers and the supervisory teams. The organization must intentionally design open lines of communication that actually encourage constructive feedback rather than punitive reactions. There is also a critical mandate to introduce robust recognition programs and flexible scheduling options to restore a basic sense of work-life equilibrium. Developing a collaborative work atmosphere is no longer viewed as a luxury, but rather an absolute necessity for the company's survival.

In response to these escalating challenges, you have been officially appointed as the new Director of Human Resources for Savannah Agro-Processing Ltd. The executive board has granted you complete autonomy to redesign the entire labor relations framework from the ground up. Your primary directive is to bridge the massive disconnect between the corporate office and the production floor while ensuring strict compliance with progressive labor practices. You are expected to present a highly detailed, actionable blueprint to the board of directors by the end of the fiscal quarter. The future viability of the entire manufacturing operation currently rests on your ability to cultivate a harmonious and highly productive workforce.

Required:

- a)** As the newly appointed HR Director, formulate a critical analysis of how establishing a positive relational climate will salvage Savannah Agro-Processing Ltd's current operational crisis, detailing five specific contributions to organizational recovery.

(10 Marks)

- b)** The local agricultural workers' union has heavily intervened in the recent disputes. Critically determine five fundamental roles this trade union is executing to manage the existing grievances and restore a harmonious working environment at the factory.

(10 Marks)

- c)** To prevent future unrest, the Board requires a proactive approach. Propose five comprehensive strategies that the management team must implement to rebuild trust, enhance collaboration, and foster mutual respect across all factory departments.

(10 Marks)

QUESTION TWO

Nile Tech Solutions, a rapidly expanding software development firm based in Nairobi, is currently experiencing severe project delays due to escalating internal strife. Management has observed a sharp rise in missed deadlines, frequent absenteeism, and a noticeable lack of clarity regarding daily project expectations among the coding teams. Furthermore, the company's broader industrial relations framework appears highly fragmented, leading to continuous disputes that threaten the firm's overall economic stability. The software engineers frequently express deep dissatisfaction with the current performance evaluation metrics, feeling entirely disconnected from the company's strategic goals. As the lead organizational development consultant, the executive committee has tasked you with diagnosing these behavioral and structural anomalies to restore operational efficiency.

Required:

- a)** The executive committee is concerned about the broader economic impact of the ongoing disputes. Discuss five critical dimensions of industrial relations that Nile Tech Solutions must optimize to ensure uninterrupted project delivery and sustained organizational progress.

(10 Marks)

- b)** The coding teams are exhibiting concerning behavioral trends affecting project timelines. Investigate five underlying drivers of this

workplace indiscipline and recommend corresponding corrective measures the firm should deploy to reinstate a constructive work culture.

(5 Marks)

QUESTION THREE

Kipepeo Aviation, a prominent regional airline operating across East Africa, is currently preparing for intense contract renegotiations with the independent pilots' and cabin crew associations. Historically, the airline's executive management has maintained a highly centralized decision-making structure, leaving the flight crews feeling marginalized and emotionally detached from the company's strategic direction.

The upcoming negotiations are expected to be highly contested, with the associations prioritizing comprehensive revisions to existing compensation frameworks, complex flight scheduling, and stringent safety protocols. Recognizing the growing internal resentment, the newly appointed Chief Operating Officer intends to dismantle the autocratic culture and integrate the flight crews more deeply into daily operational planning. You have been retained as the lead labor relations strategist to guide Kipepeo Aviation through this critical transition period and orchestrate a mutually agreeable bargaining outcome.

Required:

a) The upcoming contract renegotiations with the aviation associations are highly critical. Examine five primary subject-matter domains that your negotiation team must carefully navigate during the collective bargaining process to safeguard both crew welfare and flight operations.

(5 Marks)

b) The Chief Operating Officer wishes to dismantle the centralized decision-making culture. Formulate an argument demonstrating five essential characteristics of employee participation that will effectively

integrate the flight crews and enhance overall organizational commitment.

(10 Marks)

QUESTION FOUR

Mara Safari Enterprises manages a vast network of luxury tourist camps across various ecologically sensitive conservation areas throughout the Kenyan savannah. Recently, the organization has faced mounting criticism from global environmental watchdogs regarding its heavy reliance on diesel generators, poor waste disposal mechanisms, and excessive utilization of single-use plastics. The board of directors recognizes that maintaining their premium market position requires a rapid and comprehensive transition toward environmentally sustainable operational frameworks.

They are actively seeking to overhaul their entire supply chain, optimize their energy consumption patterns, and instil a pervasive culture of environmental responsibility among all camp staff. As the newly hired Director of Sustainability, you are strictly mandated to champion this ecological transformation and meticulously align the enterprise's daily practices with global environmental standards.

Required:

a) The board of directors requires convincing evidence to justify the heavy capital investment in sustainability. Critically examine five long-term organizational and societal advantages that Mara Safari Enterprises will realize by fully institutionalizing green management paradigms.

(10 Marks)

b) To operationalize the board's new environmental vision, you must develop a concrete action plan. Propose five strategic methodologies

the enterprise should integrate to successfully execute these eco-friendly management transformations across all its luxury camps.

(5 Marks)