

The
Management
University
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CERTIFICATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
CERTIFICATE ENTREPRENEURSHIP

CES 103 : PEOPLE MANAGEMENT IN SMEs

DATE: 27TH JULY 2026

DURATION: 2 HOURS

**MAXIMUM
MARKS: 70**

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.

7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

Sunrise Bakers Ltd is a small and growing SME that produces bread, cakes, and other bakery products for local supermarkets and schools. Due to the increasing demand for its products, the company expanded its operations and hired several new employees within a short period. However, the management has started experiencing a number of people management challenges that are affecting the smooth running of the business.

The company does not have a formal recruitment policy, and most employees are hired through recommendations from friends and relatives without proper interviews or skills assessment. As a result, some workers lack the necessary competence to perform their duties effectively. New employees are rarely inducted into the organization, and many do not clearly understand their duties and reporting procedures. This has created confusion, delays in production, and frequent mistakes in customer orders.

In addition, employee training is rarely conducted due to limited planning and budget allocation. Workers have complained that they are not given opportunities to improve their skills, especially in customer service, hygiene standards, and machine handling. Performance evaluation is also poorly managed because supervisors only assess workers when problems occur, leading to accusations of favoritism and unfair treatment. Furthermore, communication between management and employees is weak, and workers often complain about long working hours, delayed salaries, and lack of recognition for hard work. Recently, some employees have threatened to resign due to poor working conditions and lack of motivation. Management now realizes that effective people management

practices are necessary to improve employee morale, productivity, and business performance.

Required:

- a) Identify and explain three recruitment and selection problems facing Sunrise Bakers Ltd.

(6 marks)

- b) Explain five effects of poor induction and unclear job responsibilities on employee performance in the company.

(5 marks)

- c) Describe four weaknesses in the training and development practices at Sunrise Bakers Ltd.

(4 marks)

- d) Explain five negative effects of poor performance appraisal on employee motivation and productivity.

(5 marks)

- e) Discuss five consequences of poor communication and employee dissatisfaction on the operations of the company.

(5

marks)

- f) Recommend two people management strategies that Sunrise Bakers Ltd should implement to improve employee performance and organizational effectiveness.

(5 marks)

QUESTION TWO

- a) Explain five importance and benefits of training and development in organizations.

(5

marks)

- b) Describe five ways through which organizations determine the training needs of their employees.

(5 marks)

QUESTION THREE

- a) Explain five causes of poor industrial relations in organizations.
(5 marks)
- b) Describe five roles of trade unions in employee relations. **(5 marks)**

QUESTION FOUR

- a) Analyze five key qualities that an effective manager must demonstrate when managing people in an organizational setting.
(5 marks)
- b) Explain five strategies a manager can use to build a productive people-based organization.
(5 marks)

QUESTION FIVE

The effectiveness of Training and Development (T&D) in SMEs depends not only on the training methods used but also on how well these methods align with organizational goals and individual performance gaps.

- a) Analyze how an SME can use the training evaluation levels to assess whether its training interventions are delivering value. Choose any two levels of evaluation and explain how each would be applied in a real work environment.
(6 marks)
- b) Based on the challenges of rapid technological change and workforce diversity, evaluate the suitability of e-learning as a training method in SMEs. Your answer should highlight both two potential benefits and limitations in applying this method.
(4 marks)

QUESTION SIX

- a) Training and development are essential functions in Small and Medium Enterprises (SMEs) as they help improve employee performance and organizational growth. State any five benefits of employee training and development in an SME.

(5 marks)

- b) Explain five challenges faced by SMEs when implementing employee training and development programmes.

(5 marks)