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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY  
UNIVERSITY EXAMINATION, 2019/2020 ACADEMIC YEAR  
THIRD YEAR, SECOND SEMESTER EXAMINATION  
FOR THE DEGREE OF BACHELOR OF SCIENCE  
(BUSINESS ADMINISTRATION)**

**KGM 304 - INDUSTRIAL RELATIONS**

Date:  
Time:

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

The Pan African Paper Mills (EA) Limited was established in 1969 as a joint-venture between the government of Kenya and an Indian company, with the ownership structure of 49-51 per cent. The company supplied about 50 per cent of the total paper products consumption in the country, and had generous access to the supply of raw materials. At the time it collapsed, the paper mill employed about 2000 permanent workers and over 30,000 dependent casuals and suppliers to the factory.

Early in 2009, the company began to experience difficulty in paying for recurrent production costs, such as electricity, oil and spare parts. It sought permission to increase the prices of its products, but the government declined the request. It was also unable to secure further bank loans or guarantees. In this quandary, the company approached the workers' union and subsequently negotiated an agreement by which the workers were paid only 30 per cent of wages, while they stayed at home for 3 months, with effect from February 2009. The union willingly agreed to these proposals in the belief that the concession would help bring the company out of its financial crisis. The agreement was executed, and the workers waited to return to work thereafter. However, before the expiration of the stay at home period, the foreign partners had abandoned the factory and quietly left the country.

What was unknown to the workers and other stakeholders was that the company was already in the hands of Receivers, whose advertisements in national and regional newspapers were the source of information to them and the general public that the company had failed, and worse that the foreign managers had secretly left the country. In the advertisements, the company offered for sale its stock of spare parts and other assets to the general public. Thus the over 32,000 workers and dependent suppliers suddenly became jobless. While the failure of the company to secure bank credit and its ultimate collapse might be associated with the global financial crisis, it was most probably also a case of bad management.

- a) Describe the relationship between the workers and the employer in reference to the case. (5 Marks)
- b) Discuss the unattended industrial relations matters that could have led to the closing of the company. (5 Marks)
- c) Explore on the rights of workers that were ignored in this case. (6 Marks)
- d) The management has certain exclusive rights to enable them execute their tasks successfully. Review the management's rights that were abused in this case. (6 Marks)
- e) Tripartite relationship in Industrial Relations is an important economic systems of democratic societies. Identify missing party in the above case. (2 Marks)
- f) Explain the role of the party named in (e). (6 Marks)

**QUESTION TWO (20 MARKS)**

- a) Identify suggestions on how to improve Industrial Relations. (4 Marks)
- b) The management has a responsibility towards the workers of facilitating contact with workers and their respective bodies. Explore the ways in which the management can achieve this objective. (10 Marks)
- c) Discuss the various management styles in terms of the extent and nature of collective employee participation in decision making. (6 Marks)

**QUESTION THREE (20 MARKS)**

- a) Describe the importance of harmonious industrial relations. (10 Marks)
- b) Structural Adjustment Programmes (SAPs) were introduced in Africa in the 1980s; they involved radical reductions in the role of state. It was assumed that the Structural Adjustment Programmes would be mechanisms for economic recovery. Elaborate the results experienced by the close of that decade. (10 Marks)

**QUESTION FOUR (20 MARKS)**

- a) Summarize the guidelines for contract awards – according to the industrial court. (6 Marks)  
The court set up four fundamental concerns to be applied when reviewing contract disputes:
- b) Outline the roles of trade unions in the society and workplace. (6 Marks)
- c) Name and expound the different types of trade unions. (8 Marks)

**QUESTION FIVE (20 MARKS)**

- a) Discuss the application of Marx and Lenin theory in the contemporary world of Industrial Relations (10 Marks)
- b) Evaluate the factors influencing the willingness of union members to participate in union activities. (10 Marks)