



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF

BUSINESS ADMINISTRATION

BHM 830: INDUSTRIAL RELATIONS AND LAW

DATE: WEDNESDAY 22ND NOVEMBER 2017

TIME: 9.00 A.M. – 12.00 P.M.

INSTRUCTIONS

Answer Question ONE and any other THREE

Read the case below

EPZ is a private company making clothing for export in Kenya. The industry is located in Athi River outside of Nairobi, labour management relations were cordial. They have three years wage agreement renewed periodically without any strike or lockout for the last ten years. There were three main unions, ENTUC, AITUC and CITU. Owing allegiance to respective political parties, current wages agreement is likely to expire shortly.

Mr. Joseph, Director, HR was holding negotiations with union leaders for the last three months. During this period, he sorted out differences on all seven out of 8 points. The 8th point was in regard to the wages increase. Union originally demanded a wage increase of 30% whereas the management was prepared to go only for 15%. After a series of discussions, union leaders agreed to come down to 25% and the management has agreed to increase to 17%. The settlement continued for the next 20 days. Finally the management has accepted 18% increase. Union leaders did not agree and called for a strike.

Even after one week of strike, the management did nothing. The union gave a public advertisement stating its side and the management has also given an advertisement that the strike is unwarranted and they have no other alternative except to go for a lockout.

It also stated that their offer of present agreement will remain valid only for the next three days.

Questions

- a) Explain whether the unions were justified to call for an industrial action (5 marks)
 - b) Explain the reasons for the management Action (5 marks)
 - c) Predict the outcome of this dispute. (5 marks)
 - d) Suggest additional Questures from management or the union to break the stalemate (5 marks)
 - e) Discuss the ways of managing conflict as described by stoner (10 marks)
- Q.2 Explain the scope and objectives of workers participation in management. (10 marks)
- Q.3 The functions and responsibilities of Trade unions in Kenya are being reduced. Discuss this statement in light of the current industrial disputes situation. (10 marks)
- Q.4 Briefly discuss the essentials of a good disciplinary system (10 marks)
- Q.5 Discuss the collective bargaining process. (10 marks)