

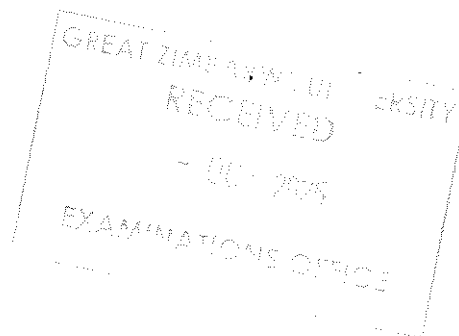


JULIUS NYERERE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
MASTER OF SCIENCE DEGREE IN HUMAN RESOURCES MANAGEMENT
LEVEL 1 SEMESTER 1
EXAMINATION QUESTION PAPER

MODULE CODE	HRMM511
MODULE NARRATION	EMPLOYMENT RELATIONS
DATE	
DURATION	3 HOURS

INSTRUCTIONS TO CANDIDATES:

- 1. Answer question one in section A and any two questions in section B.**
- 2. Section A carries 40 marks and each question in section B carries 30 marks.**
- 3. Questions may be answered in any order.**



SECTION A

1. Employment Relations and Retrenchment Disputes at Kariba Mines Ltd

Background

Kariba Mines Ltd (KML), a leading mining company in Zimbabwe, has been operating for over three decades, extracting and processing minerals such as lithium, gold, and nickel for both local and international markets. At its peak, KML employed over 5,000 workers and was considered one of the most stable employers in the industry. However, due to a combination of falling global commodity prices, high operational costs, and inconsistent government mining policies, the company has struggled to remain profitable.

In 2023, KML announced a major restructuring plan aimed at cutting costs and improving efficiency. As part of the strategy, 1,200 workers were retrenched, with management citing economic challenges and the need to streamline operations. However, the retrenchment process was met with strong opposition from workers, trade unions, and government authorities, leading to an industrial dispute that remains unresolved.

Retrenchment Process and Legal Challenges

The retrenchment exercise at KML was marred by allegations of unfair dismissal, inadequate severance packages, and procedural irregularities. Employees claimed that:

1. **Selection Criteria:** The Company failed to use objective selection criteria, instead targeting unionized workers and employees who had previously engaged in industrial action.
2. **Compensation Issues:** Many workers received incomplete or delayed severance payments, while others were offered retrenchment packages well below what is mandated under Zimbabwe's Labour Act (Cap 28:01).
3. **Lack of Consultation:** The Mining and Allied Workers' Union of Zimbabwe (MAWUZ) accused KML of failing to consult employee representatives before implementing the retrenchment, violating collective bargaining agreements.

In response, the retrenched workers, supported by MAWUZ, took the matter to the Labour Court, demanding either full reinstatement or enhanced compensation packages. The company argued that reinstatement was not financially viable and insisted that the severance terms were fair given the company's financial constraints.

After months of legal battles, the court ruled that KML must compensate the retrenched workers within six months, but as of early 2024, many employees had still not received their full payments. This led to further worker protests, legal appeals, and increased government scrutiny of the company's employment practices.

Collective Bargaining and Union Resistance

Before the retrenchments, MAWUZ had been actively engaging in collective bargaining with KML, pushing for inflation-adjusted salaries and improved safety conditions. However, KML resisted many of these demands, citing financial constraints and arguing that wage increases would jeopardize the company's survival.

During negotiations, KML's management frequently bypassed union representatives, opting for direct communication with employees. This strategy weakened union influence, creating internal divisions within the workforce. Many non-unionized workers feared that aligning with MAWUZ would put their jobs at risk, especially as management allegedly targeted union leaders for retrenchment.

Following the mass layoffs, MAWUZ escalated its demands, calling for:

- Government intervention to halt further job losses in the mining sector.
- A full audit of KML's retrenchment process to determine if the company violated labour laws.
- International solidarity campaigns, seeking support from regional and global labour organizations.

Despite these efforts, KML maintained that union pressure was making the situation worse, arguing that government-imposed solutions could discourage foreign investment in the mining sector.

Employee Relations and Industrial Democracy

The dispute at KML also raised questions about employee participation in decision-making. The company had established:

- A Workers' Committee, but it lacked real influence and was accused of favouring management interests.
- A Works Council, which employees claimed was rarely consulted on key decisions such as retrenchment and wage negotiations.

- An Employment Council for the mining industry, which was largely ineffective in resolving the dispute due to political interference.

Workers reported low trust in industrial democracy mechanisms, arguing that decisions were unilaterally made by management, with little room for genuine consultation.

In an attempt to restore confidence, KML introduced a "Employee Engagement and Transparency Plan," which included:

1. Regular town hall meetings with senior executives.
2. Anonymous grievance reporting mechanisms to encourage worker feedback.
3. A digital portal where employees could track their severance payments.

However, many dismissed these efforts as public relations tactics, arguing that the fundamental issues of fair retrenchment and job security remained unresolved.

Alternative Dispute Resolution (ADR) and Government Involvement

Given the ongoing legal battles and worker protests, KML and MAWUZ were encouraged by the government to explore Alternative Dispute Resolution (ADR) mechanisms, including conciliation and arbitration.

1. Conciliation Efforts: The Ministry of Public Service, Labour, and Social Welfare appointed mediators to facilitate discussions between KML and the retrenched workers. However, the process was slow, and neither side was willing to compromise.
2. Arbitration Attempts: Some disputes were referred to independent arbitrators, but KML often appealed decisions that favoured employees, leading to further delays.
3. Government Pressure: The Zimbabwean government, concerned about rising unemployment and social unrest, threatened to revoke KML's mining license if the company failed to resolve the dispute amicably.

Despite these efforts, ADR mechanisms failed to achieve a lasting resolution, highlighting weaknesses in Zimbabwe's labour dispute system.

Future Implications

The KML case highlights an ongoing employment relations challenge in Zimbabwe's mining sector, including:

- Legal uncertainties surrounding retrenchment and employment security.
- Tensions between economic sustainability and workers' rights.
- The weakening role of trade unions in industrial relations.
- The need for stronger dispute resolution mechanisms.

With ongoing protests, legal cases, and international scrutiny, the future of employment relations at KML remains uncertain. Should the company engage in genuine reforms, or will it continue prioritizing financial survival over employee welfare?

Questions

- a). Assess the role of dispute resolution mechanisms in the KML case. **(20)**
- b) To what extent has formal legal processes and internal mediation strategies been effective in addressing worker grievances and restoring industrial harmony? **(20)**

SECTION B

2. Evaluate the impact of government intervention in employment disputes in Zimbabwe.
3. Assess the effectiveness of industrial conflict mechanisms in Zimbabwe in shaping dispute outcomes and their implications for industrial relations stability.
4. To what extent can Zimbabwean organizations enhance employee engagement without formal trade union representation?
5. Assess the psychological contract in Zimbabwean organizations highlighting how employee perceptions of fairness and reciprocity impact retention and productivity amid economic and policy uncertainties.

END OF EXAMINATION

