

**FACTORS AFFECTING INDUSTRIAL RELATIONS IN  
KENYA POWER AND LIGHTING COMPANY LIMITED**

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**DECLARATION**

I hereby declare that this research project is my original work and has never been presented to any other examining body. No part of this research project should be produced without my consent or that of University of Nairobi.

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## **DEDICATION**

I would like to dedicate this Research Project to family and my friends who have been a great motivator and inspiration through out this course.

## **ABSTRACT**

Harmonious relationship between management and workers must exist if the company is to meet its corporate objectives. Harmonious relationship ensures industrial peace, avoid strike, lock out and increase production. KPLC is no exceptional. It is in the interest of both the workers and management that good industrial relations are maintained. Society as a whole is also benefited. Good human relation creates an atmosphere in which positive attitude and motivation develop. Such good relation must exist among management and group of workers on one hand and management and individual workers on the other.

The purpose of this study was to determine the factors affecting industrial relations at KPLC. Case study design was used since the population of the study was small. The study used questionnaire to collect data from the respondents. The data was analyzed using descriptive statistics. Findings were interpreted and inferences made and presented using tables. The objective of the study was to establish the factors that affect industrial relations at KPLC. The study found out that the major factor affecting industrial relations was economic satisfaction of the workers. Other factors included negotiation skills of the management and union representatives, the trade union, attitude of both management and workers, social and psychological satisfaction, education background of the workers and public policy and legislation. The study also found out that the respondents were satisfied with most of the industrial relations processes apart from the dispute handling procedure, the role of government in enhancing industrial relations issues and training of industrial relations issues.

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## **ABBREVIATIONS**

|         |  |
|---------|--|
| KPLC    | Kenya Power & Lighting Company Limited |
| ESI     | Electricity Supply Industry            |
| MoE     | Ministry of Energy                     |
| KenGen  | Kenya Electricity Generating Company   |
| IPPs    | Independent Power Producers            |
| PPAs    | Power Purchase Agreements              |
| ERC     | Energy Regulatory Commission           |
| REA     | Rural Electrification Authority        |
| GDC     | Geothermal Development Company         |
| KETRACO | Kenya Electricity Transmission Company |

## **CHAPTER I: INTRODUCTION**

### **1.1 Background of the Study**

In today's business world competition is the name of the game. Quality and productivity are the critical improved areas where companies can improve their competitive edge. To attain this, however, they must first work out a cooperative and harmonious relationship between partners in production – workers and managers. The term of the working relationship must be defined and settled by collective bargaining with each other. Healthy companies with motivated and cooperative work forces survive and have a chance to overcome competition. Unhealthy firms with internal, debilitating conflicts between labour and management can lag behind a fall by the wayside (Aswathappa, 2005).

In the industrial field, people are concerned with one another as employers and employees, supervisors, workers, managers' etc. If the workers are to work whole heartedly, they must be satisfied. Good industrial relation is necessary to ensure industrial peace to avoid strike, lock-out and to increase production. For this, it is necessary that workers are treated as human beings and not as machines. They have their thoughts, feelings and emotions which must be properly understood to help the management to deal with the problems of workers more effectively. It is in the interest of both the workers and management that good industrial relations are maintained. Society as a whole is also benefited. Good human relation in industry creates an atmosphere in which positive attitude and motivations develop. Such good relation must exist among management and group of workers on one hand and management and 'individual' workers on the other (Verma, 1999).

#### **1.1.1 Industrial Relations**

Industrial relations is the study of the relationship between an organization and its employees. The relationship covers a whole range of collective and individual interactions and communication between employers and employees. He further explained industrial relations as a process by which employees and employers adjust to the needs and wants of each other. Generally, industrial relations are important to

organizations because they provide for industrial democracy by giving workers an opportunity to express themselves. Procedures also enable management of the organizations to identify trouble spots and problems within the organization and hence they provide for workers protest and an avenue for negotiation (Maund, 1997).

Essentially industrial relation is concerned with the relationship between management and workers and the role of regulatory mechanism in resolving any industrial dispute. A formal description is concerned with the systems, rules and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat employees. Specifically industrial relations cover the following areas; collective bargaining, role of management, union and Government, machinery for resolution of industrial disputes, individual grievance and disciplinary policy and practice, labour legislation and industrial relations training (Aswathappa, 2005).

According to Graham & Bennett (1995) industrial relations refers to all rules, practices and conventions governing interactions between management and their workforces, normally involving collective employee representation and bargaining. The rules of Industrial Relations procedures for settling wages and conditions of work, resolving disputes and dealing with conflicts, and for implementing a wide range of grievance and disciplinary processes. According to Verma (1999) industrial relation is that aspect of the management, which deals with the man power of the industry. The manpower includes all the workers, operators and managers. He continues to say cordial and peaceful relations are highly essential for increasing production and economic growth of the industry. Poor labour relations in the industry are responsible for troubles like strikes, protest, agitations, frustrations and labour turnover. The nature of the relationship that exists between an employer and employees in an organization is referred to as labour relations or industrial relations (Nzuve, 1997). A labour relation covers three areas; relations between managers and individual employees, the collective relations between employers and labour unions, trade unions and the role of government in the regulation of the two above (Nzuve, 1997).

### **1.1.2 Factors affecting Industrial Relations**

Social and psychological urges of workers affect industrial relations. It was felt long back that man does not exist by bread alone. It is necessary to develop a supportive climate around social and psychological rewards to employees. Workers are interested in participating in managerial decisions, suggesting some fruitful changes in organizations, helping in redressal of grievances, job enrichment and two way communications. Workers derive satisfaction from these schemes. For maintaining sound industrial relations it is necessary for management to identify the social and psychological needs of workers and try to fulfil these needs (Saleemi, 1997).

Existence of an enlightened and strong trade union goes a long way in maintaining smooth industrial relations. Trade unions members persuade workers to increase the productivity and force management to pay higher wages as a reward to increased productivity. Through collective bargaining a trade union can prevent strikes and lockouts. Industrial relations would be good only when both the management and trade unions have equally powerful negotiating skills. Generally speaking, well trained and experienced negotiators, who act as a bridge between management and trade unions, would be helpful in creating a bargaining atmosphere conducive to just and equitable agreement between management and trade unions. In a sharp contrast, an inexperienced and ill trained negotiator would spoil the relations between labour and management because he would not understand that collective bargaining is a difficult human activity affecting the emotions of employees and management. Collective bargaining is not a trick or gimmick. It must be carefully exercised by competent people and top notch executives. Both labour and management should have empathy and they should live in others shoes. Both should acknowledge the existing legal obligations and should avoid a tendency to make a mountain of a mole hill. Then only sound industrial relations prevail in the enterprise (Saleemi, 1997).

Industrial relations are a function of employer, employee and government policy and regulation. Government actively intervenes in management-union relationships by enacting labour laws and emphasizing the corporate social responsibility. By so intervening, the state is helping the corporations to check their capricious managerial actions on the one hand and helps the company in solving problems about labour

force before they become emergencies. Labour laws enacted by the state would also provide a formalized mean to the labour as well as employers to release their emotional dissatisfaction convening wages and incentives as well as working conditions. Indiscriminately, all organizations should follow labour laws. When workers are reasonably educated, it becomes very easy for the management to convince them about the corporate goals and motivate the workers towards these goals. Unfortunately, in Kenya workers are illiterate in general (rank & file workers) and perhaps that is the reason why labour unrest is high and industrial relations poor. Uneducated employees fall prey to the outside trade union leaders who have their own axe to grind, and trouble the organizations in which they are working. Better worker education results in sound industrial relations (Saleemi, 1997).

### **1.1.3 Kenya Power & Lighting Company (KPLC)**

The Kenya Electricity Supply Industry (ESI) is one of the sub-sectors in the energy sector over which the Ministry of Energy (MoE) exercises oversight on behalf of the Government of Kenya. The principal operators in the ESI are the Kenya Electricity Generating Company (KenGen) which accounts for close to 80% of generation, the balance being provided by five (5) Independent Power Producers (IPPs) namely Iberafrica Power (EA) Ltd, Tsavo Power Company Ltd, OrPower4 Inc and Mumias Sugar Company Ltd and Rabai Power Ltd. The Kenya Power and Lighting Company is responsible for transmission, distribution and retail supply of electrical energy to end users. KPLC purchases power in bulk from KenGen and the IPPs through bilateral contracts or Power Purchase Agreements (PPAs) approved by Energy Regulatory Commission. Under the Energy Act, MoE is responsible for formulation and articulation of policies through which it provides an enabling environment to all operators and other stakeholders in the energy sector.

The Energy Regulatory Commission (ERC) was established in 2007 under the Act as an autonomous, independent energy sector regulator with powers to formulate licensing procedures, issue licenses and permits, make recommendations for the necessary regulations to be issued by the Minister; formulate, enforce and review environmental, health, safety and quality codes and standards; set, review and adjust electric power tariffs; approve power purchase and network service contracts;

examine and approve meters, investigate complaints between parties, accredit energy auditors, ensure competition, collect and maintain energy data, protect stakeholders interests and prepare an indicative national energy plan. Other players in the ESI are the Rural Electrification Authority (REA) mandated to update the rural electrification master plan, implement the rural electrification programme and promote the use of renewable energy sources; the Geothermal Development Company (GDC) formed in 2009 for the purpose of exploiting the hugely untapped geothermal energy potential and the Kenya Electricity Transmission Company (KETRACO) also formed in 2009 to develop new transmission lines.

KPLC is a limited liability company which transmits, distributes and retails electricity to customers throughout Kenya. KPLC is a public company and is listed at the Nairobi Stock Exchange (NSE). KPLC is committed to providing high quality customer service by efficiently transmitting and distributing high quality electricity that is safe, adequate and reliable at cost effective tariffs. The Board, Management and staff of KPLC are committed to effective implementation and continual improvement of the quality management systems that complies with ISO 9001:2008 in order to consistently meet its customers and other stakeholder's requirements and expectations.

The head office of KPLC is at Stima Plaza on Kolobot road, Nairobi. The company's main functions are carried out under various divisions. KPLC has 10 distinct divisions carrying out different tasks namely Managing Directors; Distribution; Energy Transmission; Information Technology and Telecommunications; Finance; Human Resource and Administration; Planning Research and Performance Monitoring; Commercial Services; Supplies, Stores & Transport and Company Secretary. In addition KPLC is divided into four main regions namely Nairobi, Coast, Mt. Kenya and Western Kenya regions all of which are managed by regional managers. At KPLC, Union is fully recognized for the purpose of collective bargaining. Pay and conditions of employment are jointly agreed between the Management and the Trade Union for those who are union represented. KPLC has a total of 7,279 employees. 2,317 of them are management employees whereas 4,962 of them are union employees. The union employees are represented by a trade union known as Kenya

Electrical Trade & Allied Workers Union (KETAWU). Management and Union representatives meet after every two years so as to agree on pay and conditions of work for the following two years.

## **1.2 Statement of the problem**

Over the last decade, human relations concerns have not remained static, new challenges have emerged, increasing the importance of understanding human relations at work. Four major issues now in the forefront are managing knowledge workers, managing diversity, addressing ethics and social responsibility concerns and adapting to international and cultural changes (Hodgetts & Hegar, 2005). In the fast changing social environment and industrial set up it is necessary that industrial relations are properly understood and given their proper place to ensure peace and harmony in the industry and to enhance industrial productivity for the good health of the country (Verma, 1999).

Most of the employees are union represented at KPLC, thus any industrial action will have adverse effect to the company as well as the entire country, since it is a monopoly organization. The management and union representatives must strive towards maintaining industrial peace if they are to achieve the organization objective of providing high quality customer service by efficiently transmitting and distributing high quality electricity. Sound industrial relation is important to ensure industrial peace, increase production, create an atmosphere in which positive attitude and motivation develop. Sound industrial relations thus enhance employees' productivity and commitment. For the last three years there has not been any industrial action at KPLC, this can be attributed to certain conditions or factors and this study will investigate the factors that affect industrial relations at KPLC.

Studies done in the area of industrial relations include the following: A survey done by Njihia (2002) on women participation in trade unions in Kenya found out that 69.41% of women members rated the presentation of issues affecting women by the trade union as very poor; Moraa (2006) who studied the strategies used by trade unions in negotiating with the employers in Kenya found out that negotiations between Management and the Unions fail because the shop stewards who represent

the employees are not fully equipped to do so; Machyo (2003) looked at analysis of women's participation in Trade Union leadership and found out that women in Kenya trade unions are not involved in policy making which has resulted to disparities in the content and style of collective bargaining. A survey done by Kibet (2009) on promoting industrial peace and management within labour unions through training and development of the trade union officials (an assessment of Kenya Power and Lighting Company Limited found out that the level of training and development of trade union officials was still very low; Atandi (2003) looked at involvement of trade unions in the application of performance management programme and found out that Union is not fully committed to this implementation. other studies include; Waweru (1975) studied the development of personnel and industrial relations in Kenya, Kiranga (1975) looked at employee relations in particular firms in Kenya, Byaruhanga (1981) analyzed trade unions organization through a study of National of trade unions, K'obonyo (1981) looked at trade unionism in Kenya: a study of the Railway African Union (Kenya), Barasa (1982) studied the need and the scope for accounting information disclosure in collective bargaining in Kenya.

However, a review of literature showed that no study had been done on factors affecting industrial relations at Kenya Power & Lighting Company Limited. It was thus important to investigate factors affecting industrial relations and therefore this study attempted to fill this gap.

### **1.3 Objective of the Study**

The objective of the study was to determine the factors affecting industrial relations in Kenya Power & Lighting Company Limited.

### **1.4 Significance of the study**

The study explored the factors affecting industrial relations at KPLC. This study was of importance to the Management of Kenya Power & Lighting Company Limited as it provided information on how they can enhance good industrial relations by dealing with the factors that affect industrial relations. Sound industrial relations would result to improvement in performance and productivity of employees.



It would also benefit Management and Union of other organizations as it provided insight on some of the factors that affect industrial relations in organizations. This would then help the organizations to maintain industrial peace which is important for them to accomplish corporate objectives. Scholars also found it important as it increased the body of knowledge in the area of industrial relations and also identified gaps for further studies.

## CHAPTER II: LITERATURE REVIEW

### 2.1 Industrial Relations

A major problem in any organization is to provide conditions for good labour relations. In some cases, managers may be led to wonder whether they should give in to a strike and whether they really need a union. Every organization should strive to induce good labour relations and ensure industrial peace by avoiding labour unrest such as strikes, work stoppages, boycotts and lockouts (Nzuve, 1997). Industrial relationship is governed by a complex mix of individual and collective agreements, implicit and explicit understandings, rights and obligations enshrined in legal statutes and that other influences such as culture and the balance of power apply to it too. The term industrial relations mean the collective relationship between employees and management in an organization. The term industrial relations is referred to by Armstrong (1997) as a system or web of rules regulating employment and the way in which people behave at work. Industrial relations is concerned with development, negotiations, applications of formal systems which include rules, procedures that govern collective bargaining, handling of disputes or grievances, disciplinary procedures and health and safety regulations among others.

Harrison (2001) views industrial relations as an interaction between employers and the workforce in which collective behaviour is channelled through the working of trade unions. Therefore, industrial relation requires employers and trade unions to work collectively with each other through collective bargaining procedural, norms, consultation and consideration. Industrial relations system in Kenya are governed and regulated by the trade disputes Act Cap 234 laws of Kenya. The act set out policies on industrial relations system and specifically covers issues related to trade unions, employees and employers respectively.

Essentially industrial relation is concerned with the relationship between management and workers and the role of regulatory mechanism in resolving any industrial dispute. A formal description is concerned with the systems, rules and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to

regulate the ways in which employers treat employees. Specifically industrial relations cover the following areas; collective bargaining, role of management, union and Government, machinery for resolution of industrial disputes, individual grievance and disciplinary policy and practice, labour legislation and industrial relations training (Aswathappa, 2005).

The scope of industrial relations is quite wide. The main issues involved in industrial relations include; grievances and their redressal, workers participation in management, ethical code and discipline, collective bargaining and machinery for the settlement of industrial disputes. According to Torrington (1998) a grievance is a work related complain, discontents or dissatisfaction expressed openly by an individual employee or a group of workers. It arises from anything that a worker thinks, believes, feels or imagines being unfair. Grievances can emanate from poor relationship between workers and the management when workers feel they are not treated fairly. It can on the other hand be caused by problems associated with human nature and the personal characteristics of the workers and supervisors. Generally, workers grievances are based on alleged violation of existing rights or unfair treatment of workers by management. A well established and properly administered system for the timely and satisfactory redressal of employees' grievances is helpful in improving industrial relations. It provides an outlet for tensions and frustrations of workers (Gupta, 1996).

A code of discipline if properly adhered to and obeyed by both parties will help to avoid unilateral and violent actions on either side and thus improve industrial relations (Gupta, 1996). Discipline is the regulation of human activity to produce controlled performance. It is the action taken by managers to enforce the organizational expected standards and rules. According to Stewart (2002) the main purpose of disciplinary procedures is to encourage employees whose standards of work is unsatisfactory to improve. Therefore, disciplinary procedures are all about correcting behaviour. Collective bargaining is a joint regulation of activities between employers and trade unions. It is therefore concerned with rules that are jointly made together and administered together. Chamberian (1997) defined collective bargaining as a process of contracting for the sale of labour that is it fixes terms and conditions of work. Generally, collective bargaining is a process of negotiation about working conditions

and terms of employment between employer and employee organization. It is a discussion forum related to labour problems that directly or indirectly affects industrial relations.

Disputes handling mechanisms are provided by the Trade Dispute Act Cap 234 laws of Kenya. According to Trade Dispute Act Section 4, a dispute can be reported to the Minister of Labour on behalf of or by any party within the dispute e.g. unions and employers. The dispute must be in written form, signed by the General Secretary and sufficient copies given to the parties involved in the dispute (Wayne, 2000). The procedures of handling trade disputes are provided for in the laws of Kenya and hence the machinery must be adhered to by the parties concerned. Where workers are on go slow or strike this is a sign of labour unrest/poor labour relations. Disputes affect industrial relations in the workplace.

## **2.2 Structure of Industrial Relations in Kenya**

Several parties are involved in the industrial relations system. The main parties are employers and their associations, employees and their unions and the Government. Federation of Kenya Employers (FKE) is the only recognized representative of employers by the Kenya Government. Its principal objectives are to promote good industrial relations between employers and trade unions, to encourage fair labour practices amongst employers, to provide a forum for consultation between and amongst members; to collect, collate and circulate information and statistics and advise members on their rights and obligations on employment matters; to initiate, promote and support legislative measures which are likely to benefit employers' and to present, advocate and defend the interests of employers (Armstrong, 1997).

A trade union is an association created mainly for the purpose of protecting and advancing the member's economic interests in connection with their daily work (Cole, 1995). It is also a continuous association of the workers for the purpose of maintaining and improving the conditions of their work lives (Webb, 1980). The essential characteristics of trade unions are that they are voluntary association of workers and (employees): permanent in nature and not temporary or casual; formed for collective action by the workers to strengthen their bargaining power vis-a vis their employers;

and they changes with changes in socio-economic, legal and political environment if they are to serve purpose to protect and promote the common interest of their members. Trade unions are instruments of industrial democracy, cooperation, the political system and socialism. They are rooted in the economic, social and political interests of the workers. They are considered to be institutions experimenting industrial democracy for the benefit of the working class. The element of cooperation among workers with employers, government and other competing groups, is designed to eliminate exploitation of the workers. Through workers participation in industry, trade unions may help in the promotion of socialism (Mutua, 1998).

The Central and State Government evolve, influence and regulate relations through laws, rules, agreement, awards of courts, executive and financial machinery. The Government has played on increasing role in industrial relations in part by becoming the biggest employer and partly by regulating working conditions in the private sector. The industrial court was established under the Trade Dispute Act. Cap 234 of the laws of Kenya and its main objective is the settlement of trade disputes which have not been settled between the employer and the employees. The industrial court is empowered to make awards to the aggrieved party or parties. The award is final and there is no provision for appeal and the decisions are binding. When making decisions the court take into consideration the national economic conditions, the financial position of the employer(s) and the existing Collective Bargaining Agreement (CBA) (Armstrong, 1997)

### **2.3 Factors Affecting Industrial Relations**

According to Armstrong (1997) improvements to the industrial relations climate can be attained by developing fair employee relations policies and procedures and implementing them consistently; line managers and team leaders who are largely responsible for the day-to-day conduct of employees relations need to be educated and trained on the approaches they should adopt; transparency should be achieved by communicating policies to employees and commitment increased by involvement and participation processes; problems which need to be resolved can be identified by simply talking to employees, their representatives and their trade union officials (Armstrong, 1997).

Managers have been adopting reactive strategies towards industrial relations. In the changed scenario however, there is a need for proactive strategy. A proactive strategy involves decisions on communication of company philosophy, developing relationships with employees and unions, developing competence of managers and supervisors and ways of dealing with conflict as and when it occurs. (Aswathappa, 2005). Some of the salient factors affecting effective industrial relations include economic satisfaction of the workers, social and psychological satisfaction, strong labour relations, negotiating skills and attitude of management and workers, public policy and legislation, education background of the workers as well as leadership (Saleemi, 1997)

### **2.3.1 Economic Satisfaction of the Workers**

According to Saleemi (1997) to maintain sound industrial relations, it is necessary to satisfy the primary needs of the workers namely; food, clothing and shelter. Verma (1999) says that to maintain good human relations at workplace the management must ensure that the workers wages and salaries are up the market rate, fair and just, to give reasonable living of the employees. The financial incentives that are associated with the job is one primary ingredient in the process of give and take, and compromise between employers and employees. Such incentives cover primary wages and salaries, various fringe benefits that enter the picture such as overtime pay, bonuses, insurance plans, stock-ownership plans and pension plans (Nzuve, Singh 1992).

An employee reward system consists of organization's integrated policies, processes and practices for rewarding its employees in accordance with their contribution, skill and competence and their market worth. It is developed within the framework of the organization's reward philosophy, strategies and policies and contains arrangements in form of processes, practices, structures and procedures which will provide and maintain appropriate types and levels of pay and other forms of reward (Armstrong, 1997). According to Armstrong 1997, the organization's pay practices should be internally equitable and externally competitive.

### **2.3.2 Social and Psychological Satisfaction**

Organizations should develop supportive climate around social and psychological rewards to employees if they are to maintain sound industrial relations. This they can achieve by adopting participative management, efficient redressal of grievances and a two way communication. To improve industrial relations an organization should have a well planned communication system so that any changes in the organization may be known to employees, it should also develop and encourage democratic work atmosphere, and get the work done by consultation, suggestion and participation rather than by autocratic, dictatorship forceful manner (Verma, 1999). Good communication lines should be developed from management to employees and employees to management. A well established and properly administered system for the timely and satisfactory redressal of employees' grievances is helpful in improving industrial relations. It provides an outlet for tensions and frustrations of workers (Gupta 1996).

All the basic policies and principles as well as procedures relating to industrial relations should be properly communicated to the employees and management. Failure to communicate effectively the fundamental objectives of the existence of business would result in poor industrial relations. Personnel managers should take utmost care in communicating the general objectives of the enterprise and see that the individual objectives and corporate goals are in congruence. Absence of knowledge about corporate goals may result in conflict with individual employee goals and would be detrimental to industrial relations (Armstrong, 1997).

Frank (1997) defines employee participation as 'communicating with employees through 'visual management', team briefings, getting them to play a part in quality circles and groups such as advisory boards'. He cites this as one of the factors that influence labour relations at work that is more and more managers prefer to employ employee participation as a tool in leadership in order to enhance good individual relations (direct) rather than to use employee organizations such as trade unions.

### **2.3.3 Trade Unions**

Trade unions are a major component of the modern industrial relations system. A trade union of workers is an organization formed by workers to protect their interest and improve working conditions. Individual workers find it more advantageous to band together and seek to establish their terms and conditions of work. They realize that if they bargained as a group they would have a more bargaining power over the employers and the employers find it advantageous to deal with a group or a representative of a group rather than dealing with each individual over a length of time (Monappa, 2004). According to Saleemi (1997) existence of enlightened and a strong trade union goes a long way in maintaining smooth industrial relations. Employer organizations as well as trade unions should be able and willing to deal with mutual problems freely and responsibly. Both should accept collective bargaining as the cornerstone of good industrial relations. A genuine desire on the part of the employers on the basis of equality is necessary. Government agencies should assist the two sides in public interest. Problem centred negotiation rather than a legalistic approach is desired. Widespread union and management consultations and information sharing is helpful in maintaining sound industrial relations (Gupta, 1996).

Unions' organizers must recognize that the workforce has changed sharply and has become more complex. They no longer have homogenous set of problems but a widely diverse set of problems. Instead of appointing staff members as political stewards, unions are selecting union organizers not only on the rank and file members, but also from colleges, law schools and other educational institutions (This greatly contributes to industrial peace because those who are appointed are able to negotiate peacefully for the needs of the workers and they also understand frequent confrontations will neither benefit the management nor the union. Unions must promote the union's ability not only to improve wages and benefits but to help make work more meaningful and increase employee participation (Holley, Jennings, 1994)

### **2.3.4 Negotiating Skills & Attitude of Management and Workers**

Managers and supervisors need to develop competence in handling industrial relations. Such competence may be developed by training managers and supervisors



in industrial relations. Negotiating skills must form part of the training offered to managers. Training should not be confined to the managers and supervisors alone, union leaders and employees must also be associated with the programme, as they are much a party to a conflict as supervisors (Aswathappa, 2005). Gupta (1996) says that both management and trade unions should adopt positive attitudes towards each other in order to enhance sound industrial relations. Management must recognize union as the spokesman of workers grievances and as custodians of their interests. The employer should accept workers as equal partners in a joint endeavour. Unions and workers on their part must recognize and accept the rights of employers.

According to Holley, Jenning (1994), the main objective of training and development was to improve performance in a specific job; this is done by increasing one's knowledge and skills. If the objective of training is to improve job performance, the training should therefore be designed using a job analysis information about what is required to do the work as in the case of trade union officials. The training in this case should be tailored towards improving industrial relations. Training and development activities provide shared experiences that promote understanding among employees with many different histories; it also enhances cohesiveness and employee commitment and hence results to smooth industrial relations (Schuler, Jackson 2003). Trade union officials should be able to move from a more passive attitude to a more proactive attitude in training and development and also ensuring that the level of trade union officials in training and development has increased so as to enable them to encourage industrial peace in the industry.

Armstrong (1999) noted that for negotiation to succeed, the negotiators must have good negotiating skills and these include: analytic ability which refers to the capacity to assess the key factors which will affect the negotiating stance and tactics of both sides; Empathy which refers to the ability to put oneself in the other party's shoes to understand not only what they are hoping to achieve but also why they have those expectations and the extent to which they are determined to fulfil them; planning ability that is they should not only be able to develop and implement negotiating strategies and tactics but to be prepared to be flexible; interactive skills which is the ability to relate well with other people to be persuasive without being domineering; communicating skills which is the ability to convey information and arguments

clearly, positively and logically while also being prepared to listen to the other side and respond appropriately.

### **2.3.5 Public Policy and Legislation**

Industrial relations system in any country is largely determined by the ideology of its government, which is also the legislator. This means that the industrial relation system reflects the socio-economic and political ideological characteristics of the party in power. The central and state government evolve, influence and regulate industrial relations through laws, rules, agreements, awards of courts, executive and financial machinery. The Government has played an increasing role in industrial relations in part by becoming the biggest employer and partly by regulating working conditions in the private sector. The Government of Kenya has enacted procedural as well as substantive laws to regulate industrial relations in the country (Saleemi, 1997).

Industrial disputes may often be due to the inadequate government machinery regarding the settlement of disputes. For instance government machinery, has settled an insignificant number of disputes because both the employers and employees are litigation minded and secondly the personnel dealing with the cases may be hopelessly inadequate, further the officers who are entrusted with the job of conciliation may not be adequately trained to settle disputes and problems. Trade unions affiliated to major political party and each party tries to engineer strike to demonstrate its political strength thus making trade unions a sacrificial goat. Quite obviously, the political party which is in power has a tendency to favour union organization which is affiliated to it. The result would be inevitably be labour conflicts and disputes (Aswathappa, 2005). Good industrial relations must be based on a solid legal framework that account for economic and social conditions and allow the employer to build and grow his business while providing employees with equitable and safe working conditions, stable employment and minimum standards. The framework must also allow employees to voice their opinion and be part of business decision making processes ([http://www.scribd.com/doc/18961201/Industrial relations](http://www.scribd.com/doc/18961201/Industrial-relations)).

### **2.3.6 Education Background of the Workers**

When workers are reasonably educated, it becomes very easy for the management to convince them about the corporate goals and motivate the workers towards these goals. Unfortunately, in Kenya workers are illiterate in general (rank & file workers) and perhaps that is the reason why labour unrest is high and industrial relations poor. Uneducated employees fall prey to the outside trade union leaders who have their own axe to grind, and trouble the organizations in which they are working. Better worker education results in sound industrial relations (Saleemi, 1997). Workers should be trained on issues of labour relations and human relation skills if an organization is to maintain good labour relations.

According to Armstrong 1997, training should be problem based in the sense that it should be planned to fill the gaps between what people can do and what they need to do, now and in the future. The problem be a negative one in the form of a weakness that needs to be remedied. Or it may be positive because it refers to how the need to develop new skills or enhance knowledge to meet future requirements will be satisfied. The training in this case should help resolve labour relations now and in the future.

### **2.3.7 Leadership Style**

Creating and maintaining a good industrial relations climate in an organization may be the ultimate responsibility of the top management, advised by personnel specialists. But the climate will be strongly influenced by the behaviour of line managers and team leaders. The personnel function can help to improve the effectiveness of this behaviour by identifying and defining the competences required, advising on the selection of supervisors, ensuring that they are properly trained, encouraging the development of performance management processes which provide for the assessment of the level of competence achieved by line managers and team leaders in handling industrial relations or by providing unobtrusive help and guidance as required (Armstrong, 1997).

Flippo (1984) cites competent and fair leadership as one of the various things that employees need or want from the organization. Good leadership help to ensure that the organization and their jobs continue to exist. In addition, people tend to respect persons from whom orders and directions are to be received. It is frustrating for an employee to be subjected to leadership from an individual who seems unworthy or incompetent and this may lead to insubordination or lack of respect, thus worsening the relationship between that employee and the leader or even other subordinates.

Dessler (2005) notes that employees with abusive or rude and authoritative supervisors are more likely to quit their jobs and to report lower job and life satisfaction and higher stress if they remain on these jobs. The lower the job and life satisfaction and the higher the stress, the poorer the relationships at the workplace since tension is high and conflicts occur frequently. Therefore, the way in which supervisors behave towards their subordinates affect labour relations. Cole (2002) draws reference from the Ohio studies done by Stogdill and Coons which were based on a leader behaviour description questionnaire. The responses when analyzed revealed two distinct behaviour patterns; one emphasized employee relationships while the other emphasized the organization of the task. It was found that employee satisfaction was greatest under leaders who were rated high on employee relationship and feelings. Employee satisfaction will affect relationships at workplace since it directly affects the sense of well being or belongingness of employees to the organization. As such the behaviour pattern of the leaders affects labour relations in an organization.

## **CHAPTER III: RESEARCH AND METHODOLOGY**

### **3.1 Research Design**

The study design was a case study. Case study is an indepth investigation of a single, individual, group or event. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. This design was appropriate for this particular study because the population of the study was small.

### **3.3 Data Collection**

Data collection for this study was collected by means of questionnaires, both structured and unstructured. The questionnaires were administered to 11 management representatives and 13 union representatives who were based in central office, Stima Plaza. The questionnaire had three main sections, namely; Section I consisted of questions in respect of personal background information; Section II had questions in respect of procedures in industrial relations and Section III consisted of questions on factors affecting effective industrial relations at Kenya Power & Lighting Company Limited. This method was considered more appropriate due to the nature of information required which was confidential to the respondents and gave accurate data. In addition, the method eliminated any bias on personal opinions which would have affected the whole research.

### **3.4 Data Analysis**

The questionnaires were edited for completeness and consistency before the data was processed. Analysis was done using descriptive statistics such as percentages and frequencies to determine the distribution of the respondents' response to the factors affecting industrial relations at KPLC. The findings were presented using distribution tables.

## CHAPTER IV: DATA ANALYSIS, FINDINGS AND DISCUSSION

### 4.1 Response Rate

Findings on this chapter were based on determining the factors affecting industrial relations at Kenya Power & Lighting Company Limited. The data was collected from various respondents in form of questionnaires. Analysis was done using descriptive statistics such as percentages and frequencies to determine the distribution of the respondents' response to the factors affecting industrial relations at KPLC. The data was presented in form of distribution tables.

The response rate was high and only four questionnaires were not returned. Out of the 100% administered questionnaires, a total of 83% completed questionnaire were returned as shown in the table below.

**Table 4.1**

| <b>Category</b>     | <b>Percentage</b> |
|---------------------|-------------------|
| Total Responses     | 83                |
| Total Non Responses | 17                |
| <b>Total</b>        | <b>100</b>        |

This was a good representative of the whole population and thus gave reliable results.

### 4.2 Demographic Characteristics of the Respondents

Respondents were asked to give information about their personal background such as age, gender, marital status, number of years they had worked and highest level of education.

#### 4.2.1 Age Distribution of the Respondents

All the twenty respondents were aged above 30 years. 25% of the respondents were aged 30-39 years, 40% 40-49 years and 35% of them were above 50 years. Table 4.2 below give a summary of their responses.

**Table 4.2**

| <b>Age</b>     | <b>Percent</b> |
|----------------|----------------|
| 20 – 29 Years  | 0              |
| 30-39 Years    | 25             |
| 40-49 Years    | 40             |
| Above 50 Years | 35             |
| <b>Total</b>   | <b>100</b>     |

This shows that those who were chosen as both union and management representatives were mature experienced people. This is in line with the expectation that for one to be a union or management representatives you must have worked in the company for more than ten years. The age and level of experience are thus key determinants on who is chosen as management or union representatives, young inexperienced people are thus disadvantaged.

#### 4.2.2 Gender of the Respondents

85% of the respondents were male and 15% were female. Table 4.3 below shows the summary of the results.

**Table 4.3**

| <b>Gender</b> | <b>Percentage</b> |
|---------------|-------------------|
| <b>Male</b>   | 85                |
| <b>Female</b> | 15                |
| <b>Total</b>  | <b>100</b>        |

This shows that women were not well represented in industrial relations. Majority of the representatives were men. Since the representatives are selected, men seem to have an upperhand. This is also in line with the fact that most of the people who held senior positions in the company were men.

#### 4.2.3 Marital Status of the Respondents

All the twenty respondents were married. Table 4.4 below summarises their responses.

**Table 4.4**

| <b>Gender</b> | <b>Percentage</b> |
|---------------|-------------------|
| Single        | 0                 |
| Married       | 100               |
| Widow/Widower | 0                 |
| Separated     | 0                 |
| <b>Total</b>  | <b>100</b>        |

From the above results, we can conclude that the representatives were mature and responsible people. This is also in consistence with the age of the respondents.

#### 4.2.4 Length of Service

All the twenty respondents had worked for more than ten years in the Company. Their responses are summarized in table 4.5 below.

**Table 4.5**

| <b>Number of Years Worked at KPLC</b> | <b>Percent</b> |
|---------------------------------------|----------------|
| 1-5 Years                             | 0              |
| 6-10 Years                            | 0              |
| 11-19 Years                           | 45             |
| Above 20 Years                        | 55             |
| <b>Total</b>                          | <b>100</b>     |



This showed that all those who represent management and union had worked with the company for more than ten years. This means that they understand the operations of the company and were experienced people. Most of them had grown up the ladder to their current positions. This is also in consistent with the age of the respondents.

#### **4.2.5 Respondents' Highest Level of Education**

15% of the respondents had Secondary level education, 50% had college education whereas 35% of the respondents had reached university level. The table below gives a summary of the respondents' qualifications.

**Table 4.6**

| <b>Highest Level of Education</b> | <b>Percentage</b> |
|-----------------------------------|-------------------|
| Primary                           | 0                 |
| Secondary                         | 15                |
| College                           | 50                |
| University                        | 35                |
| <b>Total</b>                      | <b>100</b>        |

Most of the respondents had college level education and had a wealth of experience in the working field. This is also in line with the expectation that the management and union representatives must have considerable knowledge if they are to succeed in their role of enhancing industrial relations.

#### **4.3 Industrial Relation Procedures**

The respondents were asked to rate the processes of industrial relations such as grievance handling procedure, disciplinary procedures, collective bargaining and dispute handling procedures. They were also told to rate management, trade union and the Government in their role of enhancing industrial relations.

### 4.3.1 Grievance Handling Procedure

Table 4.7 below summarizes the results.

**Table 4.7**

|  | <b>Average Rating</b> |
|--|-----------------------|
| Fairness of Grievance Handling                             | <b>4.05</b>           |
| Length of time taken to resolve a grievance                | <b>4.2</b>            |
| Overall Satisfaction with the Grievance Handling Procedure | <b>4.1</b>            |

From the above results, the respondents were generally satisfied with fairness of grievance handling procedure which had a mean of 4.05. This may be because there were consultations between management and union before making final decisions on grievances. The respondents were also satisfied with the length of time taken to resolve grievances which was rated at a score of 4.2. This may be attributed to the fact that this mechanism is within the organization thus making it faster. They were also satisfied with the overall grievance handling procedures which was rated at a score of 4.1. The internal mechanisms i.e. management and union seem to be working well towards resolving grievances. Generally, therefore the grievance handling procedure was satisfactory and was rated above the average score of 4. The fact that less time is spent on grievance handling means that management and union representatives are released to involve themselves on other productive and important activities that are beneficial to the Company. Also the employees' openness is enhanced because they know that their issues will be fairly dealt with, their morale is also enhanced leading to higher productivity. It is also likely that there will be fewer disputes since most of the grievances are fairly resolved.

### 4.3.2 Disciplinary Procedures

The table below summarizes the results.

**Table 4.8**

|  | <b>Average Rating</b> |
|--|-----------------------|
| Fairness of Disciplinary Measures                      | <b>4.05</b>           |
| Length of time taken to investigate Disciplinary cases | <b>4.2</b>            |
| Overall satisfaction with the Disciplinary Procedures  | <b>4.2</b>            |

From the above results, the respondents were generally satisfied with fairness of disciplinary handling measures which was rated at 4.05. They were generally satisfied with the length of time taken to resolve disciplinary cases and with the overall disciplinary procedures that were rated at 4.2 each. This could be because the management and union are the ones involved in this procedure and they seem to be effective in their role of enhancing industrial relations. Generally, therefore the disciplinary procedure was satisfactory. The fairness of disciplinary measures means that the employees will not work in fear of being criminalized or victimized and their morale will also be enhanced. The less time taken to resolve the disciplinary issues also means that tension and anxiety which may lead to more conflicts is reduced and maintained at a level that may not cause serious industrial action.

### 4.3.3 Collective Bargaining

Table 4.9 below summarizes the results.

**Table 4.9**

|  | <b>Average Rating</b> |
|--|-----------------------|
| Length of time taken to complete the Collective Bargaining Process | <b>4.0</b>            |
| Overall satisfaction with the Collective Bargaining Process        | <b>4.05</b>           |

From the above results, respondents were generally satisfied with the time taken to complete collective bargaining process which was rated at 4.0. The respondents were

also satisfied with the overall collective bargaining process which was rated at 4.05. This is in line with the above finding that the procedures handled by management and union representatives seem to be effective. Generally, therefore the collective bargaining was satisfactory. The satisfaction in collective bargaining means that the employees are satisfied with the terms and conditions of service as discussed by the management and union representatives. Trust is likely to develop between the two parties and working together in implementing the Collective Bargaining Agreement will be easier and effective.

#### **4.3.4 Dispute Handling Procedure**

The results are summarized in table 4.10 below.

**Table 4.10**

|   | <b>Average Rating</b> |
|---|-----------------------|
| Length of time taken to resolve Dispute by the Industrial Court | <b>2.7</b>            |
| Overall satisfaction with the Dispute Handling Procedure        | <b>3.0</b>            |

From the above results, respondents were not satisfied with the length of time taken to resolve disputes which was rated poor at a score of 2.7. This could be due to the fact that the length of time taken to resolve disputes once reported to the government was too long compared to the length of time taken to resolve grievances and disciplinary issues. Respondents were fairly satisfied with the overall dispute handling procedures which was rated at 3.0. This could be due to the fact that disputes took too long to be resolved in the industrial court. It could also be because the management and union have no control of how the disputes are resolved in the industrial court or by the Government. The dissatisfaction with dispute handling procedure may lead to less disputes being reported to the industrial court since the management and union trust have already been eroded. The management and union may then be motivated to work together to resolve issues within their means without having to involve the external mechanisms i.e. the government or the industrial court.

#### 4.4 Role of Management, Trade Union and Government

Table 4.11 below summarizes the results.

**Table 4.11**

|                      | <b>Average Rating</b> |
|----------------------|-----------------------|
| Management           | <b>4.25</b>           |
| Trade Union (KETAWU) | <b>4.05</b>           |
| Government           | <b>2.55</b>           |

The respondents were satisfied with the role of management and trade union of enhancing industrial relations which were rated above the score of 4. This could be because the management and trade union seem to be working on the same pace to improve industrial relations. They are committed and in control of the level of industrial relations in the organization. The respondents were however not satisfied with the role of government in enhancing industrial relations which was rated poor at a score of 2.55. The respondents seem to be blaming the Government which they have no control over. This is inconsistent with the rating of the dispute handling procedure which was found to take a long time. The rating of management and trade union is in line with the finding on the satisfaction with disciplinary, grievance and collective bargaining which are management and trade union responsibility. The dissatisfaction with government dispute handling machinery may result to more initiative on the side of management and trade union to resolve issues without reporting them to the industrial court or to the government since they seem to have lost trust in the government.

#### 4.5 Factors Affecting Industrial Relations

Respondents were asked to rate industrial relations at KPLC and factors affecting industrial relations. These factors included salary, house allowance, medical cover, performance related bonuses, communication, employee participation, employee representation by trade union (KETAWU), negotiation skills of union representatives, negotiation skills of management representatives, attitude of management to workers,

attitude of workers to management, implementation of legislation, training on industrial issues, leadership and education levels of the workers. The results are summarized in table 4.13 below.

**Table 4.12**

|  | <b>Average Rating</b> |
|--|-----------------------|
| Salary   | <b>4.1</b>            |
| House Allowance                                  | <b>4.1</b>            |
| Performance Related Bonuses                      | <b>4.25</b>           |
| Communication                                    | <b>3.9</b>            |
| Employee Participation                           | <b>3.9</b>            |
| Employee Representation by Trade Union (KETAWU)  | <b>4.15</b>           |
| Negotiating Skills of the Union Representatives  | <b>4.15</b>           |
| Negotiating Skills of Management Representatives | <b>4.25</b>           |
| Attitude of Management to Workers                | <b>4.1</b>            |
| Attitude of Workers to Management                | <b>4.05</b>           |
| Implementation of Legislation                    | <b>4.05</b>           |
| Leadership                                       | <b>4.05</b>           |
| Education Levels of the Workers                  | <b>4.1</b>            |
| Medical Cover                                    | <b>3.2</b>            |
| Training of Industrial Issues                    | <b>2.85</b>           |

Most of the above factors were rated above 4 which was good. This included salary, house allowance, performance related bonuses, employee representation by trade union (KETAWU), negotiating skills of management representatives, negotiating skills of union representatives, attitude of management to workers, attitude of workers to management, implementation of legislation, leadership and education level of the workers. Salary and house allowance were rated at a score of 4.1. This could be because these two are reviewed every year thus there is continuous improvement of their terms of service each year. The performance related bonuses was also rated good at a score of 4.25. This was recently introduced in the company. All these factors are in control of management and union and as established in this study, they are harmoniously working together towards sound industrial relations. The fact that

the employees are satisfied with the salary and house allowance is in line with the finding on the satisfaction with the collective bargaining, since these are issues of collective bargaining. Satisfaction with the above factors may be the reason of no industrial action in the organization for last three years.

The respondents were fairly satisfied with communication and employee participation which were rated at 3.9 This could be due to the fact that the employee satisfaction survey which gives employees a chance to air their views and opinions is only held once every year. This may not be a sufficient enough channel of employee participation. Medical cover was also rated fair at 3.2. This could be because the medical cover has not been reviewed over the last two years. The fair satisfaction with the communication, employee participation may lead to lower social and psychological satisfaction of the workers which may then be reflected as poor interpersonal relationships among the workers and their supervisors. However, Training in industrial relations was rated poor at a score of 2.85 thus the respondents were not satisfied with training of industrial issues. The dissatisfaction with the training on industrial relations issues could be because the training only targets the representatives and rarely the line managers who are also responsible for industrial relations. The frequency of the training may also be lacking as well as relevance. Less training on industrial relations to the line managers may lead to poor inter-relationships between them and the workers which may then result to more grievances.

The table below shows how the factors affecting industrial relations were ranked in descending order by the respondents.

**Table 4.13**

| <b>No.</b> | <b>Ranking of Factors Affecting Industrial Relations in descending order</b> |
|------------|--|
| 1          | Economic Satisfaction  |
| 2          | Negotiation Skills   |
| 3          | Trade Union  |
| 4          | Attitude of Management and Workers   |
| 5          | Social and Psychological Satisfaction  |
| 6          | Education Background of the Workers  |
| 7          | Public Policy & Legislation  |

Economic satisfaction was ranked as the first factor affecting industrial relations at KPLC followed by negotiating skills, trade unions, attitude of the management and workers, social & psychological satisfaction, education background of the workers and lastly the public policy and legislation in that order. This ranking was attributed to the fact that financial satisfaction is one of the major reason why employees engage in organizations thus it was in line with the expectation that one would be more concerned with their financial stability before their social and psychological satisfaction. Negotiation skill of the representatives and the trade union was also seen as key factors determining the industrial relations at KPLC. This is because the representatives are expected to be knowledgeable and the trade union should be willing and able to represent the workers if the company is to achieve its target of sound industrial relations. The internal mechanisms i.e. the management and union were ranked first because they were in full control of the industrial relations issues. The public policy and legislation was ranked last since it is the last option in resolving industrial relations issues. The management and the union have no control of the government and how they resolve disputes.

The respondents were generally satisfied with the industrial relations at KPLC which was rated at 4.1. This could be because the internal mechanisms i.e. the management and the union seem to be working jointly and are able to resolve grievances, disciplinary issues and other conflicts in time without engaging in industrial action. This satisfaction is reflected by less industrial action which may then result to overall employee satisfaction and boost their morale.



## **CHAPTER V: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Summary**

The response rate was 83% and it thus gave reliable results. The age distribution of the respondents was above 30 years and all the respondents were married. This showed that the representatives were mature, experienced people who had worked for the company for more than ten years. Most of the respondents had reached college level, however their working experience seem to give them an edge in their negotiating skill and ability to represent union and management and in their role of enhancing industrial relations.

The respondents were generally satisfied with the grievance handling procedure. The fairness, length of time taken and overall satisfaction of the grievance handling procedure was rated good. The respondents were also satisfied with the disciplinary handling procedures; they were satisfied with fairness of the procedure, length of time taken and with the overall disciplinary handling procedures. The respondents were generally satisfied with the collective bargaining process; they were satisfied with the length of time taken to complete the collective bargaining process and the overall process. The respondents were however, not satisfied with the dispute handling procedure in terms of length of time taken to resolve dispute and the overall satisfaction with the whole procedure. Generally, the respondents seemed to be satisfied with the role of management and trade union in enhancing industrial relations at KPLC. The respondents were however not satisfied with the role of the Government in enhancing industrial relations.

Respondents were generally satisfied with the industrial relations at KPLC. They were also satisfied with some of the factors affecting industrial relations such as salary, house allowance, performance related bonuses, employee representation by trade union (KETAWU), negotiating skills of union representatives, negotiating skills of management representatives, attitude of management to workers, attitude of workers to management, implementation of legislation, leadership and education level of the workers. They were fairly satisfied with communication, employee participation and medical cover. They were however not satisfied with training in

industrial relations issues. Economic satisfaction was ranked as the first factor affecting industrial relations at KPLC followed by negotiating skills, trade unions, attitude of the management and workers, social & psychological satisfaction, education background of the workers and lastly the public policy and legislation in that order.

## **5.2 Conclusions**

The objective of the study was to establish the factors that affect industrial relations at KPLC. The study found out that the major factor affecting industrial relations was economic satisfaction of the workers. Other factors included negotiation skills of the management and union representatives, the trade union, attitude of both management and workers, social and psychological satisfaction, education background of the workers and public policy and legislation. The study also found out that the respondents were satisfied with most of the industrial relations processes apart from the dispute handling procedure, the role of government in enhancing industrial relations issues and training of industrial relations issues.

## **5.3 Recommendations**

From the findings and conclusion of this study the following recommendations are very crucial; first the management should look at the issue of training, they should carry out an evaluation of the training policy to assess its relevance, efficiency, and value additions towards improving industrial relations at KPLC. Secondly the training and development should be conducted frequently to enhance industrial relations. Thirdly, the medical cover should be reviewed in accordance with the changes in the economy. Also the management should come up with other means of communication and employee participation such as team talk and use of suggestion box. The government should also fasten the dispute handling procedure. More women should also be elected as both management and union representatives to enhance gender balance.

#### **5.4 Suggestion for Further Research**

The following related areas can be researched on to add up to the knowledge of what this study has achieved as far as industrial relations is concerned. First there is need to carry out an evaluation of factors affecting industrial relations in government parastatals in Kenya, secondly a study should be done to establish training needs of management and union representatives at KPLC. This will help in designing training and development activities that will meet the target industrial peace. Thirdly, a study should be conducted to establish the effects of factors affecting industrial relations to organization's performance. The findings from this study will help to improve performance of the organization.

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## APPENDIX I

### Questionnaire

#### Introduction

This study seeks to establish the factors influencing effective industrial relations at Kenya Power & Lighting Limited (KPLC). It is important that the opinions you express are your own personal views. Please feel free to state your own honest views. Your views will be held in utmost confidence and will not be revealed to anyone. You do not need to fill your name. There is no right or a wrong answer, what matters is your personal views.

To indicate your response, please circle the number (code) that best suits your opinion.

To answer the questions you will use a 5 point scale.

#### SECTION I

1. What is your age bracket?
  - a) 20 years – 29 years
  - b) 30 years – 39 years
  - c) 40 years – 49 years
  - d) Above 50 years
  
2. State your Gender .....
  
3. What is your marital status?
  - a) Single
  - b) Married
  - c) Window/Widower
  - d) Separated
  
4. How many years have you served at KPLC?
  - a) 1 year – 5 years
  - b) 6 years – 10 years
  - c) 11 years – 19 years

d) Above 20 years

5. What is your highest level of Education?

- a) Primary
- b) Secondary
- c) College
- d) University degree

## Section II

1. Looking at the grievance handling procedure at KPLC, how can you rate the following?

|  | Very Poor |   |   |   | Very Good |
|--|-----------|---|---|---|-----------|
| Fairness in grievance handling                             | 1         | 2 | 3 | 4 | 5         |
| Length of time taken to resolve a grievance                | 1         | 2 | 3 | 4 | 5         |
| Overall satisfaction with the grievance handling procedure | 1         | 2 | 3 | 4 | 5         |

2. Looking at the disciplinary procedure, how you rate the following?

|  | Very Poor |   |   |   | Very Good |
|--|-----------|---|---|---|-----------|
| Fairness of Disciplinary Measures                      | 1         | 2 | 3 | 4 | 5         |
| Length of time taken to investigate disciplinary cases | 1         | 2 | 3 | 4 | 5         |
| Overall satisfaction with the disciplinary procedures  | 1         | 2 | 3 | 4 | 5         |

3. Looking at collective bargaining, how can you rate the following?

|  | Very Poor |   |   |   | Very Good |
|--|-----------|---|---|---|-----------|
| Length of time taken to complete the collective bargaining process | 1         | 2 | 3 | 4 | 5         |
| Overall satisfaction with the collective bargaining process        | 1         | 2 | 3 | 4 | 5         |

4. Looking at dispute handling procedure, how can you rate the following?

|   | Very Poor |   |   |   | Very Good |
|---|-----------|---|---|---|-----------|
| Length of time taken to resolve dispute by the industrial court | 1         | 2 | 3 | 4 | 5         |
| Overall satisfaction with the dispute handling procedure        | 1         | 2 | 3 | 4 | 5         |

5 How can you rate the following in their role of enhancing industrial relations at KPLC?

|                      | Very Ineffective |   |   |   | Very Effective |
|----------------------|------------------|---|---|---|----------------|
| Management           | 1                | 2 | 3 | 4 | 5              |
| Trade Union (KETAWU) | 1                | 2 | 3 | 4 | 5              |
| Government           | 1                | 2 | 3 | 4 | 5              |



### Section III

3. How would you rate KPLC on the following issues?

|  | Very poor |   |   |   | Very good |
|--|-----------|---|---|---|-----------|
| Salary   | 1         | 2 | 3 | 4 | 5         |
| House Allowance                                  | 1         | 2 | 3 | 4 | 5         |
| Medical Cover                                    | 1         | 2 | 3 | 4 | 5         |
| Performance Related Bonuses                      | 1         | 2 | 3 | 4 | 5         |
| Communication                                    | 1         | 2 | 3 | 4 | 5         |
| Employee Participation                           | 1         | 2 | 3 | 4 | 5         |
| Employee Representation by Trade Union (KETAWU)  | 1         | 2 | 3 | 4 | 5         |
| Negotiating Skills of the Union Representatives  | 1         | 2 | 3 | 4 | 5         |
| Negotiating Skills of Management Representatives | 1         | 2 | 3 | 4 | 5         |
| Attitude of Management to Workers                | 1         | 2 | 3 | 4 | 5         |
| Attitude of Workers to Management                | 1         | 2 | 3 | 4 | 5         |
| Implementation of Legislation                    | 1         | 2 | 3 | 4 | 5         |
| Training on Industrial issues                    | 1         | 2 | 3 | 4 | 5         |
| Leadership                                       | 1         | 2 | 3 | 4 | 5         |
| Education Levels of the Workers                  | 1         | 2 | 3 | 4 | 5         |

4. Arrange the following in the order in which they affect industrial relations at KPLC.

- a) Economic satisfaction of workers
- b) Social and Psychological satisfaction
- c) Trade unions (KETAWU)
- d) Negotiating skills
- e) Attitude of management and workers
- f) Public policy and legislation
- g) Education background of the workers

5. How can you rate industrial relation at KPLC?

|           |   |   |   |   |   |           |
|-----------|---|---|---|---|---|-----------|
| Very poor | 1 | 2 | 3 | 4 | 5 | Very good |
|-----------|---|---|---|---|---|-----------|

6. Other comments regarding industrial relations at KPLC

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