

**PERCEIVED UTILIZATION OF FAIRTRADE STANDARDS FOR HIRED LABOR
(2014) AT OSERIAN FLOWERS IN NAIVASHA, NAKURU COUNTY**

BY

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DECLARATION

This is my original work and it has not been presented in any institution of higher learning for academic award.

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This research project is presented for examination with my approval

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DEDICATION

This project is dedicated to my parents Mr. and Mrs. Maina, my siblings; Ndigirigi, Wangui, Gitonga and Njoki for their encouragement.

ACKNOWLEDGMENT

I wish to express my appreciation to God for seeing me through my studies. I also wish to express my gratitude to my family, friends and colleagues for their moral support throughout the study period. Special thanks to my supervisor, Dr. Margaret for her guidance, critic and advice when I was undertaking this research.

ABSTRACT

Fairtrade standards for hired labour were developed to provide decent labour conditions, promote empowerment of workers, enhance social developments, promote environment sustainability and ensure fair business practices among its members. This study examined standards that focus on labour conditions and social development of workers. The standards are reviewed regularly to adapt to the dynamics of the working environments. The most current standards being Fairtrade standards for hired labour (2014). Members are required to fulfill the mandatory core principles and achieve a minimum threshold on the continuous development requirements for certification. This in turn helps them to access global markets. Oserian flowers is the first flower company to receive Fairtrade certification thus becoming a good case study on matters relating to Fairtrade standards. Just like the flower industry as a whole, the company has faced claims of providing poor working conditions, exploitation of workers and violation of human rights (Gardman 2008; Nyongesa 2014). The study therefore sought to examine how Fairtrade standards for hired labour (2014) have been utilized in relation to the above issues. The study adopted a descriptive research design and used questionnaires to collect data. Factor analysis and descriptive statistics were used to analyze data. The study established that Fairtrade standards are utilized in Oserian in six key areas; general labour conditions, working hours, discipline and grievance handling, health & safety, social development and freedom of association. Specifically the standard has led to improved health & safety of employees (mean of 3.6), reduced discrimination (mean of 3.94), ensured that promotions are merit based (mean of 3.84), enhanced unionism in the farm (mean of 3.88). Further, the standards have influenced the use of discipline and grievance procedures, improvement of quality of working life of Oserian workers, ensured wages are in accordance with the CBA, workers are not denied leave and implementation sexual harassment policy. However, there was a general feeling that the standards have not been able to ensure better terms of employment and wages at Oserian. Specifically, job security and low wages was found to be an issue at Oserian despite Fairtrade certification. The major limitation of the study was the use of quantitative research method where data collection was limited in terms of information obtained from the respondents. The study recommends use of both quantitative and qualitative research methods in future studies in order to get in -depth responses. The study recommends that Oserian implements the provision of the Fairtrade standards for hired labour (2014) in totality in order to improve employees' labour conditions.

TABLE OF CONTENTS

Declaration	II
Dedication.....	III
Acknowledgment.....	IV
Abstract.....	V
List of Figures.....	IX
List of Tables	X
Abbreviations and Acronyms	XI
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the study	1
1.1.1 Concept of Perception	4
1.1.2 Fairtrade standards for hired labour (2014).....	5
1.1.3 Flower industry in Kenya	6
1.1.4 Oserian flowers.....	7
1.2 Research problem.....	8
1.3 Research objective	12
1.4 Value of the study	12
CHAPTER TWO: LITERATURE REVIEW.....	13
2.1 Introduction.....	13
2.2 Theoretical Foundation	13
2.2.1 Social development theory	13
2.2.2 Global value chain perspective.....	13
2.3 Components of Fairtrade standards.....	15
2.4 Employee perception on utilization of Fairtrade standards.....	23

CHAPTER THREE: RESEARCH METHODOLOGY	28
3.1 Introduction.....	28
3.2 Research Design.....	28
3.3 Population of the Study.....	28
3.4 Sample Size and Sampling Design	29
3.5 Data Collection	30
3.6 Data Analysis	30
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS	31
4.1 Introduction.....	31
4.2 Response Rate.....	31
4.3 Demographic Profile	32
4.3.1 Gender	32
4.3.2 Age	33
4.3.3 Length of Service.....	34
4.3.4 Job Level.....	34
4.3.5 Terms of Employment	35
4.3.6 Level of Education.....	36
4.4 Descriptive Statistics.....	36
4.5 Perceived utilization of Fairtrade standards for hired labour (2014).....	37
4.5.1 Health & safety	37
4.5.2 Freedom of association	40
4.5.3 Working hours	40
4.5.4 Social development.....	41
4.5.5 Discipline and grievance handling.....	42
4.5.6 Terms of employment.....	43

4.5.7 Wages	44
4.5.8 Equity	45
4.5.9 Freedom from discrimination	46
4.6 Factor Analysis	47
4.6.1 Kaiser-Meyer-Olkin measure of sampling adequacy	48
4.6.2 Total variance explained.....	49
4.6.3 Rotated component matrix.....	53
4.7 Discussion of the findings.....	58
CHAPTER5:SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	61
5.1 Introduction.....	61
5.2 Summary of Findings.....	61
5.3 Conclusion	63
5.4 Contribution to theory, knowledge and practice	64
5.5 Limitations of the Study.....	65
5.6 Recommendations for future Research	65
5.6 REFERENCES.....	66
5.6 APPENDENCES	76
Appendix I: Introduction letter from the university.....	74
Appendix II:Researcher introduction letter	75
Appendix III:Component matrix.....	77
Appendix IV: Survey questionnaire.....	81

LIST OF FIGURES

Figure 4.1: Gender of the respondents	33
Figure 4.2: Scree plot	51

LIST OF TABLES

Table 3.1: Sample size distribution.....	29
Table 4.1: Response Rate.....	32
Table 4.2: Age of the respondents	33
Table 4.3: Length of service	34
Table 4.4: Job level.....	35
Table 4.5: Terms of employment.....	35
Table 4.6: Level of education	36
Table 4.7: Health and Safety.....	37
Table 4.8: Freedom of association	39
Table 4.9: Working hours.....	40
Table 4.10: Social development.....	41
Table 4.11: Discipline and grievance handling.....	42
Table 4.12: Terms of employment.....	43
Table 4.13: Wages	44
Table 4.14: Equity.....	45
Table 4.15: Freedom from discrimination	46
Table 4.16: Kaiser-Meyer-Olkin measure of sampling adequacy	48
Table 4.17: Total variance explained.....	50
Table 4.18: Total variance explained.....	50
Table 4.19: Rotated component matrix.....	56
Table 4.20: Factor ranking based on exploratory factor analysis and cronbach's alpha	57

ABBREVIATIONS AND ACRONYMS

ILO	International Labour Organisation
PSSs	Private Social Standards
KFC	Kenya Flower Council
KHRC	Kenya Human Rights Commission
GDP	Gross Domestic Product
EU	European Union
IFAs	International Framework Agreements
CBA	Collective Bargaining Agreement
KPWU	Kenya Plantation Workers Union
MPS	MilieuProgrammaSierteel

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Fairtrade standards were developed with a perspective to address issues that underlie hired labour in labour intensive environments due to perceived vulnerabilities of workers. Fairtrade International has been developing various standards since 1977. Among them is the standard for hired labour. This study examined standards for hired labour (2014). The aim of the standards is to provide decent labour conditions, promoting empowerment of workers, enhancing social developments, promoting environment sustainability and ensuring fair business practices among its members. However, this study examined standards that focus on labour conditions and social development of workers. Fairtrade standards offer greater benefits in terms of improved labour standards than any other standard in the flower industry (Dolan, Opondo and Smith (2004) and Maingi (2012). Through periodic auditing of compliance levels, Fairtrade has been able to monitor working conditions in flower farms under its certification scheme and impose sanctions or withdraw certification in case of non compliance.

Since Fairtrade standards are market based regulations and their non compliance attracts hefty penalties such as trade barriers to access market, flower farms strive to ensure some level of compliance. The auditing element of the standard allows workers to interact directly with Fairtrade auditors and this is perceived by workers as leverage against employers. This is because workers can report their employers to Fairtrade auditors anonymously during the audits. The importance of hired labour in pre-industrial economies

particularly the horticultural sector cannot be underestimated. With relatively little technology, this sector heavily relies on human resources for production (Stone 1997). Hired labour is any type of waged labour (Renard 2003). Fairtrade standards sought to establish standards on hired labour after it emerged that farm owners exploited marginalized workers who lacked mechanisms to fight for their rights (Gardam 2008). Among the fundamentals of the Fairtrade standard on hired labour (2014) are the provisions that prohibit forced labor, child labor and servitude. Others include provision of adequate working conditions, freedom from discrimination, and employment security among others.

This study was anchored two theoretical perspectives; Social development and Global value chain. Fairtrade standards on hired labour (2014) standards act as social change agent by promoting social-economic development of employees through projects that uplift their working lives and standards that enhance their well being. Conversely, the flower industry which is a global industry is organized and structured along global value chains which influence development of Fairtrade standards by providing guidelines on the labour standards in the flower industry. Fairtrade standards are based on these labour standards (Maingi 2014).

Workers, lobby groups, governments, unions, regulatory bodies and other stakeholders in labour matters have been championing for better terms and conditions for workers. The International Labour Organisation has stipulated internationally acceptable labour standards and conventions which Kenya has ratified by developing legal frameworks that regulates labour standards. Through private standards, flower firms are improving working

conditions so as to be accredited in order to access markets. The major private social standards (PSSs) in Kenya flower industry are Fairtrade International standards and Flowers and Ornamentals Sustainability standard by Kenya Flower Council (KFC). However, this study focused on Fairtrade standards since it's more enhanced with additional standards on social development that has direct impact on quality of working life of workers. Oserian flowers is the first flower growing company to receive Fairtrade certification in Africa and therefore as a pioneer of this certification it has become a common study target on Fairtrade related studies (Oserian, 2017). The company produces different variety of flowers which are sold across Europe and Asian and has won various awards owing to its production of quality flowers and their efforts to ensure their farming activities are environmentally sustainable. Some of these awards/certifications include a Gold Certification by Kenya Flower Council in 2012 and International Flower Trade Export in 2015.

With emergency of globalised markets, production of goods and services has been moving from developed countries to developing countries which can be attributed to availability of lower costs of labour. This has led to sub-standard labour conditions for workers in these countries (Miller 2015; Locke and Romis 2007). To understand issues surrounding hired labour in Oserian flowers it is important to put into perspective the dynamics of flower production. Due to the fact that cut flower sector is a labour intensive industry, it has attracted many unskilled laborers majority being women (Working Women Worldwide, 2007; Allsopp and Tallontire 2014). Secondly, use of chemicals and green house technology raises concerns on health and safety of workers. Employment especially of

seasonal and casual workers is dictated by production schedules which follows a market pattern (Wambutsi and Adersen, 2013). With introduction of private standards like Fairtrade as a market tool, Leipold and Morgante (2013) observes that flower firms are required to provide adequate working conditions and better labour conditions to all workers.

1.1.1 Concept of perception

Employee perception can be defined as the impression an employee has towards an organisation, job or a certain phenomenon. Perception is greatly influenced by personal characteristics of the individual perceiver such as person's personality, attitudes, interests, motives, past experiences and expectations. Measuring employees' perceptions is often a challenging task since it involves taking into account people's opinions which may be based on distorted reality and might also present extreme perspectives regarding a phenomenon (Awino and Saoli 2014).

Employee perceptions regarding an organisation are very important whether they are a true reflection of the reality or not. This is because it can lead to reputation damage if employees perceive the organization in a bad light. Equally, it can build a positive organisation image. Employee perception is a strategic element since it influences employee commitment, job satisfaction and productivity (Tahir 2016). Introduction of Fairtrade standards in the flower industry elicited high expectations among the workers who saw it as a way to compel farm owners to improve working conditions (Dolan, Opondo and Smith 2004). In Oserian, the perceived benefits of the Fairtrade bursary

program has impacted the working lives of workers where according to Oserian (2017) has increased the length of service of workers.

1.1.2 Fairtrade Standards for hired labour (2014)

Fairtrade standards for hired labour are principles established by Fairtrade International, producers and exporters of various farm products such as flowers, bananas, coffee among others. It is however operational only where hired labour is used. The main objective of Fairtrade standards to employees is to safeguard them from potential exploitation. Thus it has put measures to ensure that wages are decent, workers have a right to join union, healthy and safe workplaces are maintained, national labour laws are followed etc. This is done through a certification scheme (Flo-Cert) by conducting regular audits to check compliance levels. Compliance means fulfilling all the requirements of the mandatory core principles and achieving a minimum threshold on the continuous development requirements. Fairtrade standards (2014) focuses on labour conditions and how workplaces can be maintained and improved to offer employees decent working environment.

Unlike other standards in the flower industry, Fairtrade provides a direct benefit to workers through the social development standard that is geared towards enhancing social and economic welfare of workers. For this reason, it is the most common private regulatory standard in the flower industry in Kenya among workers (Allsopp and Tallontire 2014; Maingi 2012; Rikken 2011). Fairtrade movement was formed as an approach to protect marginalized producers from exploitation and in so doing offer them better prices (Gardman 2008). As it evolved, there was need to also protect hired workers in these farms and these resulted into setting standards that sought to provide workers with decent

working conditions as well as empower them through social developments. These standards are generally premised on ILO standards and conventions and they reinforce enforcement of national labours laws (Schuster and Maertenas 2015). The standards are continuously reviewed to adapt to the changes in the working environment. The most current being Fairtrade standards for hired labour (2014).

The standards have a strict auditing and certification mechanism that is conducted by an independent body; FLOCERT. Like most private regulatory standards in the cut flower industry, Fairtrade emerged as an alternate labour regulation mechanism with an objective to raise labour standards in the context of weak unions and poorly managed public regulatory frameworks (Riisgaard 2011; Beyene 2014). For the purpose of this study the following standards in the Fairtrade standards for hired labour (2014) were examined; equity, freedom from discrimination, working hours, occupational health and safety, social development, freedom of association, empowerment of women, discipline and grievance handling and terms of employment. They are discussed in detail in the following chapter.

1.1.3 Flower Industry in Kenya

The cut flower industry can be said to be a global value chain right from production to consumption (Riisgaard and Hammer, 2011). Production of cut flowers in Africa and Latin America has gained momentum in the last couple of years owing to availability of cheap labour, land and favorable climate in these areas which has attracted foreign investors. Kenya which is largely an agricultural economy with the flower industry contributing 1.01 % to the country's GDP by exporting 122,000 tons of flowers annually is a world-wide

renowned flower producer (KFC, 2017). Majority of flower farms in Kenya are located in Central and Rift valley region with the main hub being Naivasha due to its warm climate, availability of water from Lake Naivasha and proximity to the Jomo Kenyatta International Airport.

There has been a proliferation of cut flower farming in Naivasha over the years employing about 30,000 people on permanent, seasonal and casual basis. Out of these workers, majority are migrant workers and women and employment of temporary workers is centered around marked world's events/celebrations such as Women's day, Mothers' day and Valentines (Nyongesa, 2014; Barrientos et al, 2005; Raynolds 2012). The peculiarity of the industry has attracted several regulatory bodies including Fairtrade which is the most common standard in the flower industry in Kenya.

1.1.4 Oserian Flowers

Oserian Development Company was established in early 1969s as a ranch and later diversified into flower growing business in 1982. Oserian flowers is one the largest farms along Lake Naivasha on 50 acres under flower farming with a workforce of 3,200-3,700 employees although the number fluctuates depending on the time of year i.e. peak and off peak periods. The Company had a workforce of 1466 permanent, 1028 temporary and 706 casual employees in August 2017 out of which majority were women and migrant workers (Oserian Flowers, 2017).

Oserian has subscribed to several international standards such as Fairtrade, Milieu Programma Sierteelt (MPS), British Ornamental Plant Producers (BOPP) as well as one by

the Kenya Flower Council (Flowers& Ornamentals Sustainability Standard). Among these standards Fairtrade is the most popular with the workers due to its perceived benefits. As Maingi, (2012) and Buliro, (2013) points out Fairtrade has built schools dispensaries and has enabled workers and their families to access education and other training opportunities through Fairtrade bursary programs. In Oserian, Fairtrade has built a school called Oserian high school, trained workers on sign language, bought computers for collective use by the workers and has been supporting people living with HIV/AIDS (Fairtrade impact report, 2010). The company has however faced claims of workers exploitation, human rights violations and environmental degradation in the last decade though the situation is changing as a result of Fairtrade certification (Nyongesa, 2014).

1.2 Research Problem

Issues of hired labour are dynamic in nature and therefore require integrated approaches when addressing them especially in the wake of high unemployment rate in Kenya which may lead to vulnerability of workers. Several measures have been put in place to ensure workers are protected from harmful working conditions, exploitation and violation of human rights some of which include legislations/regulations e.g. Kenya labour laws, ILO labour standards & conventions. However due to lack of goodwill from management and poor monitoring frameworks, they fail to be properly implemented thereby exposing workers to unregulated working environments (Gitonga, 2014). Oserian is not exceptional. However with the utilization of Fairtrade standards which provides mechanisms that can bridge this gap, the organisation can improve terms and conditions for its workers.

Private regulatory standards in the flower industry were established to strengthen the existing regulations or formulate new ones on provision of adequate working conditions. For example Fairtrade requires that members form Gender Committees to handle gender related issues like sexual harassment in workplace. It further prohibits employment of temporary workers as a way of avoiding time-bound obligations such as pension (Fairtrade Standards 2014). With an average of 3,200 workers employed by Oserian flowers, provision of good labour conditions to these workers can be challenging. Indeed, several studies done in the flower industry as a whole reveal that most workers are exposed to harmful working conditions, exploited and their rights trampled upon (Dolan, Opondo and Smith 2004; Riisgaard 2007; KHRC 2013; Gitonga 2013).

While trade unionism in Kenya has gained more recognition it can only bring as much change as the other party (management) is willing to give in. The cut flower union KPWU (Kenya Plantation Workers Union) is not very influential to bring the desired change mainly because it lacks membership strength because most employers discourage workers from joining union (Leipold and Morgante 2013). Fairtrade standards (2014) require members to sign the Freedom of Association Protocol as a symbol of commitment to allow workers to organize freely. In spite of existence of a union in Oserian, its ability to effect meaningful change is limited.

Previous studies have focused on conditions of workers in cut flower industry without assessing the utilization of Fairtrade standards for hired labour (2014) at Oserian. Nyongesa (2014) studied the effects of Fairtrade on social and economic development of flower workers in Naivasha. The study explored the state of working conditions and how

they affect their socio-economic developments. He observes that Fairtrade standards have improved the quality of working life of workers. Equally, Maingi (2012) studied the influence of Fairtrade standards on the sustainability of workers at Waridi farm in Athi River. She concluded that workers in Fairtrade certified farms reap benefits of the Fairtrade Premiums through improved housing, education and health programs.

Gitonga (2013) studied the effects of flower farming in Kitengela and the findings of the study found out that majority of flower farms provide inadequate working conditions which is detrimental to workers' wellbeing and the environment. He further observes that the government which has a regulatory role on the activities of flower farms has failed to regulate working conditions in flower farms due to weak monitoring structures and recommends that independent bodies supplement the role.

A study by Dolan, Opondo and Smith (2004) on participation and gender rights in cut flower industry focused on the code adopting farms in Nakuru, Kiambu and Thika. The findings concluded that there is a notable improvement of working conditions brought about by the pressure to adopt codes of practice. Further, the study found out that although workers are given personal protective clothing, chemical exposure is still a concern. The study assumed that in non-code adopting farms working conditions are worse. The study therefore cannot be said to be a representative of the whole industry.

A study by Mariani and Valenti (2013) on working conditions in Bangladesh garment factory proposes that the government, workers through unions and employers through

business associations are the main actors in ensuring healthy workplace. They argue that though social standards play a fundamental role in demanding for better working conditions, their scope and influence is limited by the type of the product. Fairtrade Standards which applies to a variety of products has been able to address this limitation by providing guidelines for each product.

Riisgaard (2011) in his study on labour standards in cut flower and banana industries postulates that working conditions are regulated along value chains by private social standards an International Frameworks Agreements and influenced by dynamics of governance along the chain. He noted that there are different standards at production and consumption levels.

Although these studies have examined the influence of Fairtrade Standards in flower industry, no study has focused on the perceived utilization of Fairtrade standards in Oserian flowers in Kenya. Equally, most studies only used descriptive statistics to analyze data without employing factor analysis to identify latent variables and decompose them into fewer components with similar characteristics.

This study examined Fairtrade standards (2014); the extent to which they are applicable and useful in relation to labour conditions for hired labor at Oserian flowers. To address the above knowledge gaps, the study answered the question: What is the perceived utilization of Fairtrade standards for hired labor (2014) at Oserian flowers in Naivasha, Nakuru County?

1.3 Research Objective

The main objective of the study was to assess the perceived utilization of Fairtrade standards for hired labor (2014) at Oserian flowers in Naivasha, Nakuru County?

1.4 Value of the Study

The findings of the study will help to identify areas that Fairtrade standards for hired labour (2014) has not been utilized at Oserian for management to implement standards that pertain to these areas. The findings of the study will also be useful in formulating standards and codes of practice that can respond to the current and emerging issues in workplaces in the flower industry especially those that touch on employee working conditions. Similarly it will inform legislations and policies formulation, implementation as well as evaluation.

The study will also help flower farms that would want to adopt Fairtrade practices to improve labour conditions for employees at their workplace. The findings can also be replicated to other sectors to encourage them to get accreditation by subscribing to standards applicable to their sectors to help them improve labour conditions not only for enhance employees' quality of working life but also for reputational image.

The findings of the study will add value to the existing knowledge on the improvement of labour conditions, regulatory standards formulation, implementation as well as evaluation. Further, it will serve as reference study to scholars, researchers and actors in labour matters. The study will also help them to identify other innovative ways of improving labour conditions for workers in the industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines previous studies on Fairtrade standards on hired labour as well as existing theoretical perspectives in the same area. It further presents an empirical review relating to this study. It is thus based on analysis of reports, literature and articles on the area under study.

2.2 Theoretical Foundation

The study considered two theoretical perspectives which include Social Development theory and Global Value Chain perspective to explain the concepts surrounding Fairtrade standards.

2.2.1 Social Development Theory

Social development theory explains the changes in the structure and framework of a society as it works towards realizing its aims and objectives for betterment of its people. Development involves organizing resources to meet challenges and opportunities in a society Cohen (2001). According to Graaf (2004) social development is a progressive process that endeavors to improve living conditions and quality of life of a society. For meaningful development to take place, the society needs to be empowered. Additionally, principles of equality and inclusivity also need to be taken into consideration (Gloria 2004; Venkatraja and Indira 2011). However without the key instruments of development (technology, capital, infrastructure, social policies and institutions), development would not take place. This is the major limitation in social development theory.

Fairtrade acts as a social change agent that aims not only at enhancing sustainable trade but also ensuring healthy workplaces and promoting socio-economic development of employees (Fairtrade standards 2014). The standard has ensured employees are protected from unhealthy working environments through standards such as non-discrimination, equity, health and safety, working hours and freedom of association. It also safeguards employees from exploitation and violation of their rights. Similarly, the standards provide for empowerment of employees through capacity building and provision of special amenities such as crèche and vocational institutions. Fairtrade premiums which are managed by a workers' committee are designed to promote social and economic welfare of employees, their families and the local communities through programs that address their needs. They therefore supplement employers' social corporate responsibility.

2.2.2 Global value chain perspective

With the emergence of a global economy, global industries are being organized and structured along global value chains which have led to a rise in international trade, global gross domestic product and employment (Gereffi and Stark, 2011). Value chain refers to all those activities that take place from conception of a product to end use and beyond. The value chain in the flower industry which is buyer driven, is governed by Private Social Standards where lead firms/countries influences labour conditions and how products are produced via these standards (Riisgaard 2011; Otieno 2016).

The lead firms in the flower industry include large supermarkets in key European Union markets. These supermarkets which advocate for social and ethical responsibility in

production of flowers have in turn informed Fairtrade standards. Fairtrade sets standards at production level where it spells out labour conditions requirements that should be met by its members for certification. This helps members to access global markets. At marketing level, Fairtrade markets its member's products by enhancing brand identity which leads to better prices where in most cases trickle down to employees through increased premiums (Maingi 2012; Nyongesa 2014).

2.3 Components of Fairtrade Standards

For the purpose of this study, the following components of Fairtrade standards for hired labour (2014) are discussed; working hours, occupational health and safety, social development, freedom of association, terms of employment, wages, equity and freedom from discrimination principle.

Working hours standard restricts working hours to 48hrs a day and recommends payment of overtime at a premium rate. It also provides for annual, maternity and paternity leave as well as one rest day in a week. If an employee works beyond 8 hours a day, the excess hours should be remunerated at a premium rate of 1.5 and 2 for a normal day and public holiday/weekend respectively. Further overtime should be voluntary and should not extend beyond three consecutive months or exceed 12 hours a week except in special circumstances. According to Lee, McCann and Messenger (2007); Mishra and Smyth (2013); Seo (2011) working beyond the normal hours is prevalent in developing countries where workers use it as a means to supplement their low wages. However of concern here is how it is regulated and paid. Overworking employees may cause physical and mental exhaustion leading to fatigue, burnout and stress of employees resulting to low productivity (Seo 2011, ILO 2012).

The standard on health and safety ensures that workers operate in a safe and healthy environment. To this end, the standard requires that workers who are potentially exposed to dangerous and harmful chemical to be trained on the safety measures, provided with protective clothing and their health monitored. Further it stipulates that safety measures such as fire extinguishers, first aid training and risks assessments be put in place (Gitonga 2010). Provision of safe and healthy working environments is one of the prerequisites in registration of workplaces as per Occupational Health and Safety Act (2007) in Kenya thus compliance is not optional for those operating firms with more than 25 employees. However, the Directorate has been facing challenges in monitoring workplaces (Gitonga 2013).

Unhealthy and unsafe working conditions may lead to occupational diseases, accidents, loss of employment and even death (Barnay 2014). They may also cause reputational damage to the firm (Goldstein, Liu, Mishra and Sihna, 2017). In Oserian and the flower industry as a whole, the major occupational hazard is exposure to dangerous chemical used in the green houses which may cause respiratory diseases or death in some extreme cases (Gitonga 2010). Therefore provision of protective clothing and training to those handling these chemical is of extreme importance in addition to regular monitoring of cholinesterase enzyme levels to avoid cumulative effect of pesticide poisoning. This can be through job rotation and observing re-entry timelines (Hanssen et al 2014). Other health and safety hazards in the cut flower industry include exposure to green house effects, prolonged exposure to extremely low temperatures in cold rooms in addition to physical and

ergonomic conditions that may affect the health of these employees (Ute 2013; Nigatu 2010).

Social development standard spells out how Fairtrade premiums should be utilized i.e. to enhance social and economic development of employees and not to meet employer's obligations. Fairtrade was developed as a strategy that has the potential to reduce poverty and enhance sustainable development among the workers. Jeanty (1992) argues that for social development to take place, factors that may inhibit growth of a society should be identified. He therefore identified healthcare, education, social welfare, security among others. He suggests that if systems surrounding the society can be enhanced to allow for flow of benefits from the core to the periphery, then suitable development can be achieved.

For certification firms are required to sign Freedom of Association Protocol. It gives workers freedom to organize freely, protection from potential victimization by management as well as ensures management promotes labour relations through mutual respect, dialogue and procedural mechanisms. According to Odhong and Omolo (2014) and Andersen (2014) workers representation is key as far as managing employee relations is concerned since it acts as a link between workers and management. Representation can be through union or workers committees, however union representation is more common because of the perceived benefits of the CBAs (Lier and Stokke 2006; Chan and Hui 2012). Employees feel more comfortable when they are presenting their issues to management through collective action than on individual basis for fear of victimization.

According to Riisgaard (2007) presence of a union in a firm tames the excesses of management thus offering a safety net to employees. Kenya flower industry employees are represented by Kenya Plantations and Workers Union (KPWU) which workers in Oserian belong to. Welderghebrael (2010); Leipold and Morgante (2013) notes that mostly management discourage and undermine trade unions in most flower farms which is contrary to Labour laws (2007). Fairtrade Standards (2014) requires that its members sign Freedom of Association that affirms management commitment to support union activities.

Discipline and grievance handling standard requires firms to put in place a discipline and grievance handling procedure and institute a Gender Committee to deal with sexual harassment complaints. Additionally, it requires companies to ensure that workers fully understand the procedure and are aware of their right to be heard, represented and to appeal. The grievance handling system should also be free from recriminations in case one files complaints. The disciplinary measures should be appropriate and in accordance with the relevant laws (Tepper (2007)).

Supervisors and line managers are strategic figures in discipline and handling processes. According to Aryee et al (2007); Zellars et al (2002) a supervisor is viewed as the figurehead of an organisation and as such determines how employees perceive the employer. As Caestecker (2012); Dolan Opondo and Smith (2004) explains intimidation/harassment of workers and treating employees with no respect is commonplace in flower industry. It has led to high rates of grievances and conflicts with unions and in some cases employees leaving the firm. They observe that supervisors who

are in most cases men, use their positions to intimidate/harass workers and if workers forward grievances against them to management, they victimize them into sacking. Aborisade (2008); Gibbon and Riisgaard (2014) argue that in order to minimize grievances, conflicts and disputes in employees relations, it is imperative to have a disciplinary and handling procedure in place that is clear and applicable to all.

Sexual harassment in flower firms is often meted on women mostly by their male supervisors who are the majority in return for favours or preferential treatment (Allsopp and Tallontire 2014). By sexual harassment I mean any sexual advances by an employer or a representative that is unwelcome/offensive, used to obtain favours or threaten employees (Employment Act 2007). Caestecker (2012) notes that implementation of sexual policy at workplace poses various challenges because of the sensitive nature of the matter, burden of proof and fear of victimization/stigmatization of victims across both genders. Hence the essence of a Gender Committee in the Fairtrade standards (2014) which is mandated to handle sexual related complaints from employees. Further, he observes that the perpetrators of the offence are summarily dismissed from employment in Fairtrade certified farms and has become an effective approach to handling sexual harassment cases.

Fairtrade standards (2014) advocates for permanent terms employment for all regular work. It states time-limited contracts should be considered only on exceptional circumstances such as peak periods. It also requires that all employees whether permanent, temporary or casual be given written contracts outlining terms of employment. In addition, security of employment should be enhanced. As Wal and Scheel (2015) observes, causal

workers are the major casualties when it comes to informal contracts where they are engaged verbally and work even up to three months without a written contract. However in some cases the casual terms are transitional and are later converted into permanent formal contracts. Fairtrade standards prohibit employment of temporary workers for regular work as a way of avoiding obligations such as pensions and other benefits entitled to permanent employees.

Employment is said to be secure if it is free from unfair termination, which is not say that an employer cannot dismiss an employee for valid reasons (ILO Standards 2014). Labour Laws (2007) and Fairtrade standards (2014) prohibits dismissal of employees on grounds such as pregnancy, sickness and participation in union activities etc. In Kenya cut flower and by extension Oserian, temporary workers are more vulnerable to potential termination than their permanent counterparts due to the nature of their employment contracts as noted by Wambutsi and Andersen (2013). However this is not to say permanent employees are immune to dismissal only that their employment offers some stability especially in relation to income (Origo et el 2009). He argues that indeed there people who prefer temporary but secure employment because of the flexibility it offers, however this is not the case for most workers in flower farms who are mostly migrant workers and women with school going children (Barrientos, Dolan, Tallontire 2003; Dolan, Opondo, and Smith 2004; Riddselius 2011). Additionally, permanent employment attracts more benefits and offers some degree of job security unlike temporary employment especially in the flower industry where temporary workers employment uncertainties as (Wal and Scheele (2015).

Srivastava (2008) argues that enhancing employment security leads to improved quality of employee working life, commitment and loyalty while Nyangahu and Bula (2015) points out that job insecurity is one of the contributory factors to employee stress leading to job dissatisfaction. According to Bakoti and Babic (2013) workers may be dissatisfied through this factor in relation to Herzberg Two Factor theory hence it is important to improve employment conditions related to job security.

Wages should be in accordance with legal provisions or CBA and should continually be reviewed. In addition, if wages and benefits are below living wage benchmarks as established by Fairtrade International, the company should ensure that real wages are increased annually to continuously close the gap with living wage. Also information about pay rate, including how it is calculated, should be transparent and available to all workers and worker organizations. In addition, migrant and local, temporary and permanent workers should receive comparable benefits and employment conditions. Paid employment in developing countries determines the level of living standards and as such providing a reasonable living wage is one of the fundamentals of the ILO standards and other standards on labour matters. This has led to setting of minimum pay depending on the geographical region, industry or occupation (Betcherman, 2013).

According to Blanchard (2006) and Mishel and Shierholz (2011) when designing wage structures, firms should consider factors such as paying wages which are equitable to work done. This also includes paying equal wages to all for equal work. However according to Hausmann, Tyson and Zahidi (2012) and ILO (2013) this is not the case in most

companies across the world as gender pay gap exist across income groups and sectors. In the Kenya flower industry, low wages has been cited as the most common issue among the flower workers who feel that the wages are too low to cater for most of their living expenses (Leipold and Morgante 2013 and Nyongesa 2014). Different farms have different pay structures (Dolan, Opondo, and Smith (2004); KHRC (2013) and as Caestecker (2012) notes, Fairtrade certified farms have higher wages.

Firms are required to promote equity in workplace through affirmative action and professional development of the disadvantaged workers. This is aimed at reducing barriers and ensuring representation of all groups in the workforce at all levels. To achieve equity in employment most firms practise Equal Employment principle in all matters relating to employment i.e. hiring, promotion and pay. However, Barrientos, Dolan and Tallontire (2003) argues that achieving this is challenging in flower farms mostly because of gender division of labour and socio-cultural norms. This is however changing through affirmative action, professional development and equal pay for equal work principle. This has led to more women advancing up to management positions. Equally, pay gender gaps are reducing as a result of implementation of Fairtrade standards and employees with special needs are treated with special consideration (Gardam 2008). However, equitable distribution of opportunities is a concern noted by most workers even in Fairtrade farms where opportunities such as training as skewed towards management staff (Caestecker 2012).

Firms should ensure there is no discrimination at workplace and fundamental human rights are respected. Specifically it requires companies to adhere to the non-discrimination principle that prohibits discrimination on the basis of race, gender, disability, age, ethnicity, union etc in recruitment, promotion, access to training, remuneration, termination of employment and general treatment in the workplace. The most prevalent form of discrimination in flower farms is gender discrimination especially of women when it comes to promotions particularly of higher managerial positions. Pregnancy is the most common discriminatory factor in women when it comes to hiring practices (Gibbon and Riisgaard 2014).

The standards also have a provision that empowers all workers to be elected as workers' representatives, participate in union activities and accorded equal treatment without victimization from management. According to Williams (2007); Ngige (2010) introduction of regulatory standards in the floriculture industry in Kenya has raised labour standards for the laborers. Fairtrade standards have reduced discrimination associated with recruitment and termination of employment and general treatment in the workplace.

2.4 Employee perception on utilization of Fairtrade standards

In a study by Gardman (2008) to assess the impact of Fairtrade on the human rights in Kenya flower industry, it was established that Fairtrade certified farms are more keen to observing human and labour rights than those that are not certified. Additionally, it was noted that union was stronger in Fairtrade certified farms and some even managed to influence improvement of labour related conditions. However, salaries were found to be low regardless of Fairtrade certification. Since Fairtrade standards only influence labour

conditions of the farms they certify, it is not possible for other farms to benefit. However, they raise awareness in the neighboring farms which lead to their empowerment according to this study.

Labour conditions are generally better in certified firms than in non-certified firms owing to monitoring of compliance levels of the respective standards (Wal and Scheele 2015). This was established during their study that sought to evaluate the impact of certification on workplace conditions of farm workers. Notably, workers at certified firms tend to have better safety and health conditions, higher wages, more security of employment, management respect collective bargaining agreements and the right to organize freely and there fewer problems of gender discrimination than workers in non-certified farms. The study which was conducted in Kenya and Indonesia investigated four certifications in cut flower, coffee and tea industries namely; Fairtrade, UTZ, Rainforest Alliance and MPS. The results also indicated a reduction of sexual harassment since the introduction of Fairtrade standards in flower farms in Kenya. However it was established that violation of overtime regulations was commonplace in several farms.

The findings of a study by Riddselius (2011) on the role of certification in improving working conditions established that workers and managers believe that Fairtrade standards have brought positive impacts on the working conditions. Specifically increased unionized employees and increased use of personal protective clothing. However, he argues that certification and auditing needs to undergo structural adjustments and be complemented by other methods in order to realize long term improvements on working conditions. The study particularly suggests the importance of workers sensitization and involvement in

certification and auditing process as well as joint collaborations between managers, local unions and labour rights organisations.

A study by Allsopp and Tallontire (2014) on how to enhance Fairtrade standards to promote women workers in Kenya Agricultural sector revealed that achievement of gender equality more so female participation in management positions at workplace is hampered by cultural norms. Thus Fairtrade standards should be anchored on gender relations in the local context for them to have a greater impact. It was also established that through Fairtrade premiums, workers are sponsored to undertake trainings in areas such as hairdressing, driving, gardening and IT training to equip them with vocational skills in the event they lose their jobs.

Maingi (2012) conducted a case study that sought to establish the impact of Fairtrade standards on the sustainability of farm workers in Waridi flower farm in Athi River. With a population of 400 employees, a sample of 120 employees was selected using simple random sampling technique as study subjects which represented 30% of the workforce at Waridi farm. Primary data was collected with the use of a questionnaire that was distributed among the 120 employees. Statistical Package for Social Sciences (SPSS) was used to analyze data using descriptive statistics and content analysis. The study found out that Fairtrade standards contributed not only at the improved social economic status of employees but also impacted positively on the working conditions in the farm. The findings also revealed that management had integrated the principles of Fairtrade in its management policies and strategic business plans. Thus providing a working environment that is free from discrimination, health and safety hazards and one that allows employees to

organize freely and join union. However wages and salaries were noted to be relatively low to take care of the living expenses of the workers and their families.

Caestecker (2012) examined the influence of Fairtrade standards on the social upgrading of flowers workers in Naivasha. The study adopted a qualitative approach in form of a comparative survey and used semi-structured interviews and focused group discussions to collect primary data. The findings suggested that through Fairtrade workers have been given enabling rights to have union representation, bargaining power through which they can negotiate better wages. Relationship with management had improved through democratic structures of handling grievances and discipline. Further it has promoted permanent form of employment and discouraged casualisation of labour. The findings pointed out that in Fairtrade certified farms, there are more permanent workers compared to non-certified farms. On health and safety, it was found out that cholinesterase levels of sprayers were monitored, rotation procedures complied with and re-entry period observed as per the requirements of Fairtrade standards in Fairtrade certified farms.

Schuster and Maertens (2015) found out that private standards have contributed to the reinforcement of national labour laws. This is during a study that sought to establish the effects of private standards in Peru horticultural export chains. The study revealed that they have led to the improvement of the labour situations in Peruvian horticultural export sector albeit to a limited extent. More specifically they have compelled companies to observe the national minimum wage by entrenching it as a compliance requirement in their standards; however they do not necessarily push for higher wages. Further through private regulatory

standards in the Peruvian horticultural industry such as Fairtrade, employers are required to provide written contracts and training to workers.

Buliro (2013) carried out a historical case study to assess the impact of Fairtrade to coffee farms in Kenya and although no parameter of working conditions were measured in this study, workers in the coffee farm stated that Fairtrade standards did improve their working conditions. The respondents who were asked to state how participating in Fairtrade resulted into improved working conditions majority indicated that it had led to better working conditions in Gikandi coffee farm.

Beyene (2014) in a study on the opportunities and implications in the floriculture industry in Ethiopia observed that the floriculture sector has created employment opportunities especially for women. The study found out that this opportunities are however of low quality with limited benefits and hardly any legal entitlement. Further the study revealed that flexibilization of labour in the cut flower industry undermines the efficacy in the application and enforcement of labour standards in the industry. The study however did not examine the opportunities provided by private regulatory standards in relation to enhancing labour conditions in the floriculture sector although she acknowledged the role they play especially in the context of a weak government regulatory system and labour union.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research design that was used to achieve the objective of the study. It therefore discusses the research design used, the study population, sampling procedure and data collection techniques employed. The chapter also covers how data was analyzed and presented.

3.2 Research design

A research design can be said to be a structure that outlines an arrangement of how data will be collected and analyzed in order to achieve the research objectives (Yin 2009). The study used descriptive survey research design. According to Shuttleworth (2008) descriptive research design entails observing and describing study subjects without influencing them. It is considered a robust approach for acquisition of knowledge through interactive techniques that enables a research to get respondents opinions, experiences and attitudes in their natural setting (Gray 2004; Miller et al 2012).

3.3 Population of the study

A study population is defined as a set of discrete objects, people or events that possesses comparable qualities that can be measured or observed (Kothari 2006). This study population was drawn from Oserian farm in Naivasha. The target population consisted of all the 3200 employees; management staff, middle level and lower cadre workers.

3.4 Sample size and sampling design

The sampling plan consists of the sampling frame, procedure and the sample size to be used in the study. A sampling frame can be described as a list of population items from which a sample is drawn (Cooper and Schindler 2003). A list of employees in three categories of employment contracts - permanent, seasonal, casual employees was obtained from the human resources office. This list was the sampling frame. A sample size of 10% was considered for this study. This translated to 320 employees. Mugenda and Mugenda (2003) argue that a sample size of 10% of a population in descriptive studies can attain representativeness. Ogachi (2011) on the other hand postulates that use of a reasonable sample is advisable because it is quick, efficient, inexpensive and it provides an accurate means of accessing information about the population. Study subjects were randomly selected where each employee had an equal chance of being selected.

Table 3.1 Sample Size Distribution

Population Item	Population	Sample Size
Permanent	1466	147
Temporary	1028	102
Casuals	706	71
Total	3200	320

3.5 Data Collection

Primary data was collected by use of a questionnaire. The selection of a questionnaire as an instrument of data collection was informed by the nature of the data, objective of the study as well as the timeframe of the study. The questionnaires were distributed to 320 selected employees. The questionnaire was presented in different sections that were aligned to the objective of the study so as to capture the required data. Section “A” collected demographic data while Section “B” collected data on Fairtrade standards. In order to collect quality data, a five point Likert scale was included where respondents were expected to indicate the level of agreement to the statements. Drop and pick method was used to increase the response rate.

3.6 Data Analysis

According to Sekaran (2006) data analysis involves extracting, compiling and modelling raw data in order to obtain useful information that be used to make inferences regarding the phenomenon under the study. The collected data was analyzed using factor analysis to reduce the number of variables into fewer components with similar characteristics. The results were also presented in form of descriptive statistics; mean and standard deviation. Tables, charts and graphs were also used to display the findings.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The objective of the study was to assess the perceived utilization of Fairtrade standards for hired labour (2014) at Oserian flowers in Naivasha, Nakuru County. This chapter therefore presents results, findings and discussion of the study in relation to the research objectives. The findings are tabulated by use of frequency tables and presented diagrammatically.

The chapter is divided into three sections where section one is on demographic variables of the study consisting of gender, age, length of service, job level, terms of employment and education level. The demographic information ensured that the study incorporated major characteristics of the respondents for representativeness. Section two presents descriptive statistics. Mean and standard deviation were computed for the likert type questions to establish the average scores of the responses. Section three looks at factor analysis where exploratory factor analysis was conducted to reduce the number of items with similar characteristics. It was based on the criteria of Kaiser-Meyer-Olkin (KMO) and eigen values greater than one.

4.2 Response Rate

In order to achieve the objectives of the study, primary data was conducted using questionnaires whose respondents were employees at Oserian flowers. The researcher administered 320 questionnaires to the employees of Oserian farm in Naivasha. The results are as shown in table 4.1.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	230	71.87%
Unreturned	90	28.13%
Total	320	100%

Source: Author (2017)

A total of 230 questionnaires were properly filled and returned. This represented an overall response rate of 71.87% as shown on table 4.1. Kothari (2004) argues that a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of above 50% are acceptable to analyze while 60% is good and 70% is very good. 71.87% response rate is therefore very good for the study as asserted by (Kothari 2004).

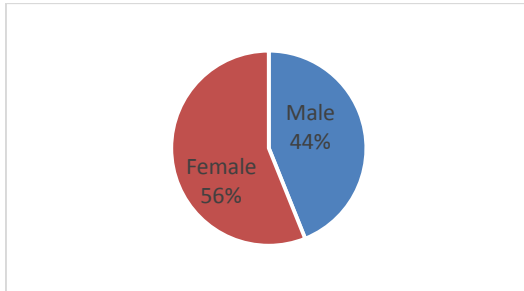
4.3 Demographic profile

This is the information describing the characteristic of the respondents. The demographic information comprised of information describing the essential respondents' characteristics which included; gender, age, length of service, job level, terms of employment and level of education.

4.3.1 Gender

Respondents were asked to indicate their gender. This is was to ensure gender balance in the study. Results are as shown in figure 4.1 below

Figure 4.1



Source: Research data (2017)

Figure 4.1: Gender of the respondents

The results in figure 4.1 revealed that majority of the respondents (56%) were females while only 44% indicated that they were males. This implies that most employees of Oserian farm in Naivasha are women.

4.3.2 Age

The respondents were further asked to indicate their age in order to establish age distribution of workers at Oserian flowers. The results are as shown in table 4.2.

Table 4.2: Age of the respondents

Category	Frequency	Percent
19 -29	74	32%
30-39	89	39%
40-49	47	20%
50- 59	20	9%
Total	230	100%

Source: Research data (2017)

The results in table 4.2 revealed that majority of the respondents (39%) indicated that they were between 30 – 39 years, 32% stated they were between 19 – 29 years, 20% were

between 40 – 49 years while only 9% who stated that they were between 50 – 59 years. This implies that most employees of Oserian farm in Naivasha are middle aged people.

4.3.3 Length of service

The respondents were further asked to indicate their length of service in order to establish the average length of service of workers at Oserian. The results are shown in table 4.3.

Table 4.3: Length of service

Category	Frequency	Percent
Less than 1 year	36	16%
Between 1-5 Years	42	18%
6 – 10 Years	72	31%
10 years and above	80	35%
Total	230	100%

Source: Research data (2017)

The results in table 4.3 revealed that majority of the respondents (35%) indicated that they had worked in Oserian farm in Naivasha for more than 10 years, 31% indicated that they had worked between 6 – 10 years, 18% of the respondent stated that they had worked for between 1-5 years while only 16% indicate that they had worked for less than 1 year. This implies that most employees of Oserian farm in Naivasha had worked for the firm for relatively long duration and therefore understood the issues sought in the study.

4.3.4 Job Level

The study respondents were further asked to state their job level. This shows that the study incorporated respondents of different job levels. The results are as shown in table 4.4 below.

Table 4.4: Job Level

Category	Frequency	Percent
Management	5	2%
Middle level	46	20%
Lower cadre	179	78%
Total	230	100%

Source: Research data (2017)

The results in table 4.4 revealed that majority of the respondents (78%) indicated that they were lower cadre level, 20% stated that they middle level while only 2% stated that they were management level.

4.3.5 Terms of employment

The respondents were further asked to indicate their terms of employment in order to establish under what terms of employment employees at Oserian work under. The results are as shown in table 4.5 below.

Table 4.5: Terms of employment

Category	Frequency	Percent
Permanent	106	46%
Seasonal	74	32%
Casual	50	22%
Total	230	100%

Source: Research data (2017)

The results in table 4.5 revealed that majority of the respondents (46%) indicated that they were permanent employees, 32% of the respondents stated that they were seasonal employees while only 22% were casual employees.

4.3.6 Level of education

Respondents were further asked to indicate their level of education. It was important to include the level of education in the questionnaire since it has an impact on the way the respondents interpret and answer the questions. The results are as shown in table 4.6 below.

Table 4.6: Level of education

Category	Frequency	Percent
Primary	88	38%
Secondary	90	39%
Diploma	23	10%
University	9	4%
None	20	9%
Total	230	100%

Source: Research data (2017)

The results in table 4.6 revealed that (39%) of the respondents indicated secondary education as their highest level of education, 38% primary level, 10% were diploma holders, 9% indicated they had no education background while only 4% indicated they were university graduates. This indicates that majority of workers at Oserian has no vocational training.

4.4 Descriptive Statistics

The study used descriptive statistics to summarize the results of the study by use of mean and standard deviation by showing trends and patterns of the variables in the study period. The respondents were asked to indicate the extent to which they agreed or disagreed with statements describing perceived utilization of the Fairtrade standards for hired labour

(2014) on a five likert scale where 1 was strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree.

4.5 Perceived utilization of Fairtrade standards for hired labour (2014)

The study set up to establish the perceived utilization of Fairtrade standards for hired labour (2014). The respondents were asked to indicate the extent to which Oserian flowers focus on health and safety, freedom of association, working hours, social development, discipline and grievance handling, wages, terms of employment, equity and freedom from discrimination as provided in the standards.

4.5.1 Health & Safety

The respondents were asked to indicate their level of agreements regarding statements on health and safety at Oserian flowers where six items were used to measure this variable. The results are as shown in table 4.7 below.

Table 4.7: Health and safety

Health and safety	Mean	Std. Dev
Workers engaged in potentially hazardous work are trained in safety measures in your organization	4.08	0.68
Workers health is closely monitored especially that of workers who are potentially exposed to chemicals and harmful substances in your organization	3.99	0.71
Rotation and re-entry timelines are observed in your organisation	3.82	0.8
Personal Protective Equipments (PPE) are provided to all	4.07	0.68

workers handling hazardous chemicals in the organisation		
Risk assessment is regularly done and risk areas/activities identified in the organisation	2.86	0.77
Ergonomic elements are adequate to ensure a conducive working environment	2.79	0.81
Aggregate	3.6	0.74

Source: Research data (2017)

The results in table 4.7 reveal an aggregate mean score of 3.6 with a standard deviation of 0.74 on the 7 items used to measure use of health and safety standards at Oserian flowers. The standard deviation indicated close agreement among the respondents on the use of health and safety standard. The statement on workers engaged in potentially hazardous work are trained in safety measures scored the highest mean of 4.08 indicating that Oserian ensures that workers are trained on health and safety issues. The lowest mean was on ergonomic elements are adequate to ensure a conducive working environment with a mean of 2.79 and a standard deviation of 0.81 implying that Oserian needs to improve on ergonomic elements to ensure a conducive working environment.

4.5.2 Freedom of Association

The respondents were asked to indicate their level of agreements regarding statements on freedom of association at Oserian flowers where five items were used to measure this variable. The results are as shown in table 4.8 below:

Table 4.8: Freedom of Association

Freedom of Association	Mean	Std. Dev
Workers are free to organize and join union	4.27	0.53
Workers are free to bargain collectively without interference from management	4.0	0.63
The organisation does not intimidate or bribe union members or representatives for their union activities	3.83	0.68
The elected workers' representatives are the ones who negotiate with management in your organisation	4.26	0.58
The organisation engages with union representatives through regular dialogue	3.04	0.79
Aggregate	3.88	0.64

Research data (2017)

An aggregate mean of 3.88 and standard deviation of 0.64 were obtained regarding statements on freedom of association. This indicates that Oserian supports unionism. Statement on workers are free to organise had the highest mean of 4.27 while statement on organisation engages with union representatives through regular dialogue (mean of 3.04) scored the lowest mean with a standard deviation of 0.79 implying that there is need to engage with union more often.

4.5.3 Working Hours

The respondents were asked to indicate their level of agreements regarding statements on working hours at Oserian flowers where six items were used to measure this variable. The results are as shown in table 4.9

Table 4.9: Working Hours

Working Hours	Mean	Std. Dev
Management complies with working hours regulations	2.77	0.85
Management does not force employees to work overtime	2.63	0.87
Overtime is paid at a premium rate	3.69	0.77
Overtime is not used on regular basis in your organisation	3.7	0.75
Management does not deny employees leave entitlements	3.84	0.78
Workers are allowed one day rest in a week	3.85	0.73
Aggregate	3.41	0.79

Research data (2017)

The results in table 4.9 reveal that an aggregate mean score of 3.41 and standard deviation of 0.79 were obtained which implied that Oserian has tried to observe most of the Fairtrade standards on working hours. Statement on workers are allowed one day rest in a week scored the highest mean of 3.85 and standard deviation of 0.73 implying that Oserian allows its employees to have one rest day in a week. However, employees stated that management forces workers to work overtime (mean of 2.63 and standard deviation of 0.87).

4.5.4 Social development

The respondents were asked to indicate their level of agreements regarding statements on social development at Oserian flowers where three items were used to measure this variable. The results are as shown in table 4.10 below.

Table 4.10: Social Development

Social Development	Mean	Std. Dev
A significant amount of Fairtrade premiums are invested in projects that improve the quality of the workers in your organisation	4.1	0.73
Management does not use Fairtrade premiums to cater for its obligations in your organisation	3.99	0.68
Workers are free to make decisions on the projects they want implemented	3.87	0.74
Aggregate	3.99	0.72

Research data (2017)

An aggregate mean of 3.99 was obtained indicating that majority of the respondents agreed with most of the statements though responses were not varied as shown by the standard deviation of 0.72. This implies that Oserian has to a good extent adhered to the provision of the Fairtrade standards (2014) regarding social development. Statement on workers are free to make decisions on the projects they want implemented scored the lowest mean of 3.87 and standard deviation of 0.74 implying that to some extent management impose projects on workers.

4.5.5 Discipline and grievance handling

The respondents were asked to indicate their level of agreements regarding statements on discipline and grievance handling at Oserian flowers where six items were used to measure this variable. The results are as shown in table 4.11 below.

Table 4.11: Discipline and grievance handling

Discipline and grievance handling	Mean	Std. Dev
Management adheres to the discipline and grievance procedures	3.83	0.69
The disciplinary system is devoid of inappropriate disciplinary measures	3.9	0.65
The grievance procedure is free from recriminations in your organisation	3.86	0.62
The organisation has zero tolerance on sexual harassment	3.89	0.72
The Gender Committee is mandated to handle all sexual harassment related complaints	3.77	0.62
Supervisors/line managers do not use their powers to intimidate or seek for sexual favour in return for preferential treatment	2.95	0.89
Aggregate	3.51	0.72

Research data (2017)

Table 4.11 shows an aggregate mean of 3.51 and standard deviation of 0.72 were obtained revealing that majority of the respondents agreed with the statements indicating a positive perception on the discipline and handling system at Oserian flowers. Respondents indicated that the disciplinary system is devoid of inappropriate disciplinary measures

(mean of 3.9 and standard deviation of 0.65). However, employees stated that supervisors use their powers to intimidate or seek for sexual favors in return for preferential treatment (mean of 2.95 and standard deviation of 0.89) implying that the standards have not been utilized well enough to control intimidations from supervisors.

4.5.6 Terms of employment

The respondents were asked to indicate their level of agreements regarding statements on terms of employment at Oserian flowers where four items were used to measure this variable. The results are as shown in table 4.12 below.

Table 4.12: Terms of employment

Terms of employment	Mean	Std. Dev
All workers have a legally binding written contract signed by workers and the employer	4.02	0.62
Regular work is undertaken by permanent workers and temporary workers are only hired under special circumstances	2.83	0.97
There is job security and workers are not fired arbitrarily	2.09	0.72
All workers are made aware of their rights and duties/responsibilities	2.88	0.85
Aggregate	2.6	0.85

Research data (2017)

An aggregate mean of 2.61 and standard deviation of 0.85 were obtained indicating that majority of the respondents were neutral on most of the statements. This shows Oserian provides minimum labour conditions in relation to terms of employment as provided in the

Fairtrade standards for hired labour (2014). The statement on all workers have a legally binding written contract signed by workers and the employer scored the highest mean of 4.02 and a standard deviation of 0.62 implying that Oserian provides legal contracts to all its staff. Statement on there is job security and workers are not fired arbitrary scored the lowest mean of 2.09 implying that employment at Oserian is not secure and therefore the standard on job security in Fairtrade standards for hired labour (2014) is not implemented.

4.5.7 Wages

The respondents were asked to indicate their level of agreements regarding statements on wages at Oserian flowers where five items were used to measure this variable. The results are as shown in table 4.13 below.

Table 4.13: Wages

Wages	Mean	Std. Dev
Wages are in accordance with the CBA and/or any national laws and provide a reasonable living wage	4.36	0.58
Wages provide a reasonable living wage	2.0	0.66
Temporary and permanent workers receive equivalent benefits and employment conditions for equal work performed	2.24	0.82
Information about pay rate, including how it is calculated, is transparent and available to all workers	2.5	0.84
The company ensures that real wages are increased annually to continuously close the gap with living wage	2.01	0.67
Aggregate	2.25	0.78

Research data (2017)

The results in table 4.13 reveal a mean of 2.25 indicating that majority of the respondents disagreed with most of the statements. This shows that Oserian has not fully implemented Fairtrade standards on wages. Statement on wages are in accordance with the CBA and/or any national laws scored the highest mean of 4.36 and standard deviation of 0.58 while statement on wages provide a reasonable living wage score the lowest mean of 2.0 implying that workers are not satisfied with the wages paid in Oserian.

4.5.8 Equity

The respondents were asked to indicate their level of agreements regarding statements on equity at Oserian flowers where five items were used to measure this variable. The results are as shown in table 4.14 below.

Table 4.14: Equity

Equity	Mean	Std. Dev
Fairtrade standards in your organisation have ensured promotions and other opportunities are merit based	3.84	0.57
Special programmes to address employment and promotion of disadvantaged employees have been set up in order to achieve equity in your organisation	2.83	0.73
There is equitable distribution of opportunities in your organisation	2.69	0.85
There is no differential treatment between management staff	2.52	0.92

and the lower cadre employees		
Workers with special needs are treated with special consideration	4.07	0.63
Aggregate	3.09	0.8

Research data (2017)

Results in table 4.14 reveal an aggregate mean of 3.9 and standard deviation of 0.8 where varied responses were obtained with two statements obtaining a mean of above 3 while the remaining three scoring below 3. This is an indication that Oserian has only implemented some aspects of equity standards. Preferential treatment of employees (mean of 2.52 and standard deviation of 0.92) and lack of equitable distribution of opportunities (mean of 2.69 and standard deviation of 0.85) were a concern to many workers. Statement on workers with special needs are treated with special consideration scored the highest mean of 3.09 and standard deviation of 0.8 implying that the standard has been well utilized to ensure that the vulnerable workers are given special attention.

4.5.9 Freedom from discrimination

The respondents were asked to indicate their level of agreements regarding statements on freedom of association at Oserian flowers where four items were used to measure this variable. The results are as shown in table 4.15 below.

Table 4.15: Freedom from Discrimination

Freedom from Discrimination	Mean	Std. Dev
Fairtrade has led to a reduction on discrimination on the basis	3.92	0.68

of race, gender, disability, age, union etc		
There is fairness in recruitment, promotion, access to training and general treatment of employees in your organisation	3.63	0.72
There is no termination of employment in your organisation due to pregnancy, illness or participating in union activities	3.95	0.71
All workers in your organisation have the right to be elected as workers' representatives	4.24	0.61
Aggregate	3.94	0.68

Research data (2017)

The results in table 4.15 reveal that majority of the respondents agreed on the statements regarding freedom from discrimination with an aggregate mean of 3.94 and standard deviation of 0.68 which is an indication that Oserian flowers has done well to ensure the principle of freedom from discrimination at workplace is observed. Statement on all workers have the right to be elected as workers' representatives scored the highest mean of 4.24 and standard deviation of 0.68. The statement with the lowest mean of 3.63 and standard deviation of 0.72 was there is fairness in recruitment, promotion, access to training and general treatment of employees in your organisation implying that according to workers the standard has not been well implemented in matters of fairness in recruitment, promotion and other areas of employment.

4.6 Factor Analysis

The study employed factor analysis, a multivariate technique that reduces a large number of variables into a set of core underlying factors. The 44 items in the questionnaire were

decomposed into few factors with similar characteristics that explained the variations in the observed variables. The exploratory factor analysis helped to identify the major components that were used to assess the utilization of the Fairtrade standards for hired labour (2014) at Oserian flowers. Principal components analysis was used to extract factors with eigen value greater than 1 while varimax rotation was used to facilitate interpretation of the factor matrix.

4.6.1 Kaiser-Meyer-Olkin measure of sampling adequacy

To determine whether factor analysis was useful with the data, Kaiser-Meyer-Olkin measure of sampling adequacy was first performed. This is a statistic that indicates the proportion of variance in variables that might be caused by underlying factors. Kaiser (1974) recommended 0.5 as minimum (barely accepted), values between 0.7-0.8 acceptable, and values above 0.9 are superb. The value of the KMO Measure of Sampling Adequacy for this set of variables was 0.806, which would be labeled as 'acceptable'. The study tested the null hypothesis using the Bartlett's test of sphericity to establish if the variables were uncorrelated. The p-value = 0.000 was found to be significant and less than the threshold of 0.05 as postulated by Tabachnick and Fidell, (2007). The null hypothesis was therefore rejected meaning the variables in the population correlation matrix were uncorrelated. There were no singularity problems in the data and the variables were related to each other hence suitable for factor analysis.

Table 4.16: Kaiser-Meyer-Olkin measure of sampling adequacy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.806
Bartlett's Test of Sphericity	Approx. Chi-Square	8469.606
	df	946

4.6.2 Total variance explained

In conducting factor analysis, the study variables were subjected to principal component analysis to extract initial factor solutions. The principal component analysis was preferred because it allowed for reduction of the data set to a more manageable size while retaining most of the original information. The total variance explained by the constructs is as shown in table 4.17. Kaiser (1960) recommended retaining all factors with eigen values greater than one. The retention is based on the assumption that eigen values represent the amount of variation explained by a factor. Results in table 4.17 indicate sixteen components with eigen values greater than one. This means that the sixteen extracted components out of the forty four items explained 70.375% of the total variation in the study leaving the other 29.625 percent of the variation to be explained by the other 18 components. Each successive factor account for less and less variance further confirming that the first 16 components were the most significant in explaining the variations.

The first component explained 7.911% of the total variations while the last component accounted for 2.452% as illustrated in table 4.17.

Table 4.17: Total variance explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	Percent of variance	Cumulative percent	Total	Percent of variance	Cumulative percent
1	3.481	7.911	7.911	3.481	7.911	7.911
2	3.289	7.476	15.386	3.289	7.476	15.386
3	2.861	6.501	21.888	2.861	6.501	21.888
4	2.454	5.578	27.466	2.454	5.578	27.466
5	2.275	5.169	32.635	2.275	5.169	32.635
6	1.997	4.538	37.173	1.997	4.538	37.173
7	1.957	4.448	41.621	1.957	4.448	41.621
8	1.876	4.264	45.885	1.876	4.264	45.885
9	1.681	3.821	49.706	1.681	3.821	49.706
10	1.609	3.656	53.362	1.609	3.656	53.362
11	1.516	3.445	56.807	1.516	3.445	56.807
12	1.339	3.044	59.851	1.339	3.044	59.851
13	1.288	2.927	62.778	1.288	2.927	62.778
14	1.251	2.842	65.621	1.251	2.842	65.621
15	1.17	2.66	68.281	1.17	2.66	68.281
16	1.079	2.452	70.733	1.079	2.452	70.733
17	0.957	2.176	72.909			
18	0.893	2.03	74.939			
19	0.853	1.939	76.878			
20	0.846	1.923	78.801			
21	0.791	1.797	80.598			
22	0.759	1.725	82.323			
23	0.724	1.646	83.969			
24	0.634	1.441	85.41			
25	0.599	1.362	86.772			
26	0.589	1.338	88.109			
27	0.524	1.191	89.301			
28	0.501	1.138	90.439			
29	0.466	1.059	91.498			
30	0.431	0.98	92.478			
31	0.413	0.939	93.418			
32	0.384	0.872	94.29			
33	0.357	0.811	95.101			
34	0.318	0.723	95.824			
35	0.303	0.688	96.513			
36	0.293	0.666	97.179			
37	0.236	0.537	97.716			
38	0.225	0.511	98.227			
39	0.21	0.477	98.704			
40	0.17	0.385	99.089			
41	0.143	0.325	99.415			
43	0.087	0.199	99.864			
44	0.06	0.136	100			

Extraction Method: Principal Component Analysis

As noted by Nunny and Berstein (1994) the Kaiser criterion has a weakness as it tends to overstate the number of factors to retain. Stevens (2002) therefore recommends the use of a scree plot when the sample size is greater than 200. The scree plot graphs the eigen values against the component number and displays a point of inflexion on the curve, which can be used in determining the number of components to extract. The components before the inflexion point indicate the number of factors to retain while the components after this point show that each successive factor is accounting for smaller and smaller amounts of variations hence should not be retained. The scree plot in Figure 4.2 shows a point of inflexion after the seventh component which indicates that only seven factors were considered significant.

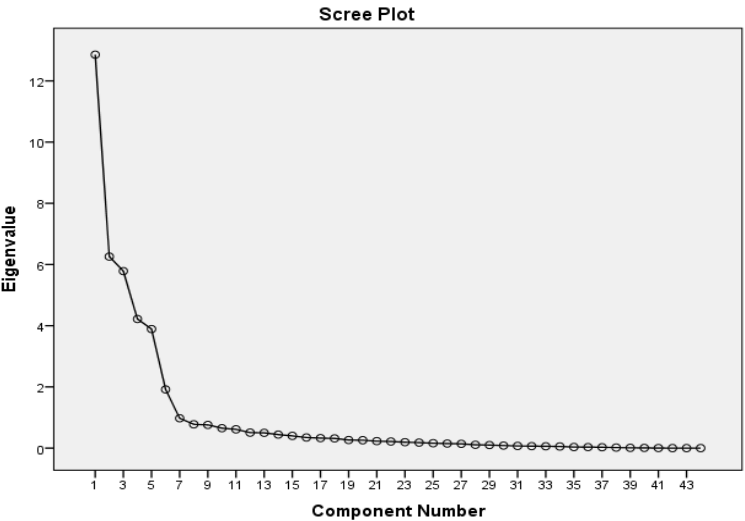


Figure 4.2: Scree Plot

Table 4.18 shows total variance explained based on seven structure factor where the extracted factors explained 81.59% of the total variations with the first component accounting for 25.073% followed by 13.039% of the total variations.

Table 4.18: Total variance explained

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	Percent of Variance	Cumulative Percent	Total	Percent of Variance	Cumulative Percent
1	12.257	25.073	25.073	11.032	25.073	25.073
2	6.258	13.039	38.112	5.737	13.039	38.112
3	5.784	13.021	51.134	5.729	13.021	51.134
4	4.219	11.105	62.239	4.886	11.105	62.239
5	3.891	10.109	72.347	4.448	10.109	72.347
6	1.905	7.027	79.375	3.092	7.027	79.375
7	1.035	2.215	81.59	1.234	2.215	81.59
8	0.777	1.767	83.357			
9	0.758	1.724	85.08			
10	0.651	1.479	86.559			
11	0.613	1.393	87.952			
12	0.507	1.152	89.104			
13	0.499	1.135	90.239			
14	0.442	1.004	91.243			
15	0.4	0.91	92.152			
16	0.347	0.788	92.94			
17	0.327	0.744	93.684			
18	0.317	0.721	94.404			
19	0.263	0.598	95.002			
20	0.258	0.587	95.589			
21	0.227	0.517	96.106			
22	0.217	0.492	96.598			
23	0.194	0.44	97.038			
24	0.181	0.411	97.449			
25	0.16	0.364	97.812			
26	0.149	0.34	98.152			
27	0.14	0.318	98.47			
28	0.107	0.244	98.714			
29	0.101	0.229	98.943			
30	0.084	0.19	99.133			
31	0.071	0.162	99.295			
32	0.065	0.147	99.441			
33	0.059	0.135	99.576			
34	0.054	0.122	99.698			
35	0.035	0.08	99.778			
36	0.033	0.075	99.853			
37	0.028	0.063	99.916			
38	0.018	0.041	99.957			
39	0.009	0.022	99.978			
40	0.007	0.015	99.994			
41	0.003	0.006	100			
42	0.002	0.004	100			
43	0.001	0.003	100			
44	0.001	0.001	100			

Extraction Method: Principal Component Analysis.

4.6.3 Rotated Component Matrix

After the extraction of the initial eigen values it is possible to see items on several of the unloaded factors. A varimax rotation based on a seven factor structure resulted in seven components in the repeat procedure. Varimax method tries to load a smaller number of variables highly onto each factor, although all loadings less than 0.5 are suppressed. Researchers view a loading of an obsolete value of more than 0.5 to be important (Fidell 2009).

Table 4.19 below and appendix iii shows the component matrix after rotation. A varimax rotation based on eigen values resulted into 7 components which were classified as general labour conditions, discipline and grievance handling, working hours, terms of employment, health & safety, social development and freedom of association. Component one which was general labour conditions was explained by the highest number of items which were 10 statements. The statement with the highest factor loading was ‘Temporary and permanent workers receive equivalent benefits and employment conditions for equal work performed’ (0.955) followed by ‘there is equitable distribution of opportunities in your organisation’ (0.952). The statement with the lowest loading was ‘Fairtrade standards in your organisation have ensured promotions and other opportunities are merit based’ (0.775).

The results further showed that component 2 which was ‘freedom of association’ loaded 7 statements. The statement with the highest factor loading was ‘The elected workers’ representatives are the ones who negotiate with management in your organisation’ (0.991).

The statement with the lowest factor loading was ‘All workers are made aware of their rights and duties/ responsibilities’ (0.732).

The results further showed that component 3 loaded 7 statements. The statement with the highest factor loading was ‘the disciplinary system is devoid of inappropriate disciplinary measures’ (0.818). The statement with the lowest factor loading was ‘management adheres to the discipline and grievance procedures’ (0.575). The 7 items were interpreted as the factor discipline and grievance handling.

A total of 6 items loaded on component 4 which was ‘health & safety’ loaded 6 statements with the highest factor loading being ‘workers health is closely monitored especially that of workers who are potentially exposed to chemicals and harmful’ (0.904). The statement with the lowest factor loading was ‘Ergonomic elements are adequate to ensure a conducive working environment’ (0.829).

Component 5 loaded 6 statements with the highest factor loading being ‘overtime is not used on regular basis in your organization’ (0.897) while the statement with the lowest factor loading was ‘management does not force employees to work overtime’ (0.737). The 6 items were interpreted as the factor working hours.

The results further indicated 5 statements loaded on component 6. The statement with the highest factor loading was ‘the company ensures that real wages are increased annually to continuously close the gap with living wage’ (0.944) followed by ‘wages provide a reasonable living wage’ (0.941). The statement with the lowest factor loading was ‘there is job security and workers are not fired arbitrarily’ (0.609).

A total of 3 items loaded on component 7 which was interpreted as 'social development' with the highest loading being 'management does not use Fairtrade premiums to cater for its obligations in your organisation'. The statement with the lowest factor loading was 'workers are free to make decisions on the projects they want implemented'.

Table 4.19: Rotated Component Matrix

Item	Component							Factor
	1	2	3	4	5	6	7	
Temporary and permanent workers receive equivalent benefits and employment conditions for equal work performed	0.955	-0.018	0.035	0.074	-0.119	0.094	0.129	General labour conditions
There is equitable distribution of opportunities in your organisation	0.952	-0.037	-0.024	0.083	-0.089	0.064	-0.292	
There is no differential treatment between management staff and the lower cadre employees	0.949	-0.023	-0.019	0.107	-0.091	0.068	-0.298	
Workers with special needs are treated with special consideration	0.949	-0.023	-0.019	0.107	-0.091	0.068	0.085	
Fairtrade has led to a reduction on discrimination on the basis of race, gender, disability, age, union etc	0.949	-0.023	-0.019	0.107	-0.091	0.068	-0.051	
Wages are in accordance with the CBA and/or any national laws	0.934	-0.026	0.033	0.077	-0.119	0.086	-0.128	
Information about pay rate, including how it is calculated, is transparent and available to all workers	0.925	-0.045	0.008	0.071	-0.101	0.166	0.066	
Special programmes to address employment and promotion of disadvantaged employees have been set up in order to achieve equity in your organisation	0.916	-0.074	-0.027	0.037	-0.078	0.174	0.132	
There is fairness in recruitment, promotion, access to training and general treatment of employees in your organisation	0.809	-0.028	0.004	0.116	-0.023	0.271	0.029	
Fairtrade standards in your organisation have ensured promotions and other opportunities are merit based	0.775	-0.072	-0.046	0.087	-0.029	0.278	0.065	
The elected workers' representatives are the ones who negotiate with management in your organisation	-0.03	0.991	0.008	-0.04	-0.008	-0.003	-0.009	Freedom of association
Workers are free to organize and join union	-0.025	0.986	0.004	-0.066	-0.004	-0.018	-0.12	
The organisation does not intimidate or bribe union members or representatives for their union activities	-0.051	0.974	0.002	-0.083	-0.025	-0.018	-0.047	
Workers are free to bargain collectively without interference from management	-0.055	0.969	0.005	-0.058	-0.029	-0.003	0.003	
The organisation engages with union representatives through regular dialogue	-0.016	0.955	0.017	-0.031	0.012	0.031	-0.062	
All workers in your organisation have the right to be elected as workers' representatives	-0.074	0.946	0.005	-0.07	0.018	0.008	-0.082	
All workers are made aware of their rights and duties/ responsibilities	0.568	0.732	0.043	-0.036	-0.077	0.02	0.121	Discipline and grievance handling
The disciplinary system is devoid of inappropriate disciplinary measures	0.05	0.135	0.818	0.117	-0.009	0.11	-0.069	
The organisation has zero tolerance on sexual harassment	0.056	-0.005	0.809	0.084	-0.041	0.087	0.07	
There is no termination of employment in your organisation due to pregnancy, illness or participating in union activities	0.447	-0.028	0.808	0.026	-0.007	-0.021	0.146	
The Gender Committee is mandated to handle all sexual harassment related complaints	-0.112	0.024	0.8	-0.071	-0.076	-0.017	0.035	
The grievance procedure is free from recriminations in your organisation	0.028	-0.004	0.732	-0.076	0.061	-0.286	0.075	
Supervisors/line managers do not use their powers to intimidate or seek for sexual favour in return to preferential treatment	0.058	-0.046	0.695	-0.073	0.136	-0.13	0.042	
Management adheres to the discipline and grievance procedures	0.055	0.035	0.575	0.205	-0.086	-0.007	0.117	
Workers health is closely monitored especially that of workers who are potentially exposed to chemicals and harmful substances in your organisation	0.05	-0.015	0.048	0.904	0.05	-0.009	-0.176	Health & Safety
Personal Protective Equipments (PPE) are provided to all workers handling hazardous chemicals in the organisation	0.065	-0.049	0.071	0.901	0.067	0.052	0.065	
Workers engaged in potentially hazardous work are trained in safety measures in your organisation	0.052	-0.053	0.12	0.893	0.069	0.001	0.055	
Risk assessment is regularly done and risk areas/activities identified in the organisation	0.196	-0.096	0.073	0.878	-0.067	-0.049	0.009	
Rotation and re-entry timelines are observed in your organisation	0.085	-0.05	0.078	0.872	0.052	0.043	-0.018	
Ergonomic elements are adequate to ensure a conducive working environment	0.19	-0.08	0.036	0.829	-0.076	-0.001	0.21	
Overtime is not used on regular basis in your organisation	-0.094	0.008	-0.034	0.018	0.897	-0.015	-0.166	Working hours
Management does not deny employees leave entitlements	-0.185	0.044	0.042	0.003	0.888	-0.069	-0.163	
Overtime is paid at a premium rate	-0.2	-0.026	0.058	-0.009	0.868	0.03	-0.178	
Workers are allowed one day rest in a week	-0.187	0.049	0.097	0.038	0.845	0.049	0.029	
Management complies with working hours regulations	-0.057	-0.069	0.017	0.103	0.793	-0.02	0.131	
Management does not force employees to work overtime	-0.011	-0.025	-0.008	-0.054	0.737	-0.121	0.212	
The company ensures that real wages are increased annually to continuously close the gap with living wage	0.319	-0.008	0.02	0.053	-0.136	0.944	0.101	Terms of employment
Wages provide a reasonable living wage	0.205	0.116	-0.019	-0.066	-0.01	0.941	-0.018	
All workers have a legally binding written contract signed by workers and the employer	0.467	0.004	-0.006	0.021	-0.026	0.814	-0.114	
Regular work is undertaken by permanent workers and temporary workers are only hired under special circumstances	0.623	-0.008	0.042	0.022	-0.09	0.655	-0.173	
There is job security and workers are not fired arbitrarily	0.636	0.035	0.036	-0.031	-0.115	0.609	-0.144	Social development
Management does not use Fairtrade premiums to cater for its obligations in your organisation	-0.103	0.031	0.078	0.097	0.057	-0.069	0.784	
A significant amount of Fairtrade premiums are invested in projects that improve the quality of the workers in your organisation	-0.003	0.007	0.121	-0.045	0.181	0.117	0.771	
Workers are free to make decisions on the projects they want implemented	-0.068	-0.032	0.112	0.038	0.021	-0.082	0.767	

The exploratory factor analysis process led to the extraction of seven factors from the data. The study identified seven key major areas where Fairtrade standards for hired labour (2014) has been well utilized in terms of enhancing better labour conditions for workers in Oserian flowers. They included general labor conditions, freedom of association, discipline and grievance handling, working hours, terms of employment, health & safety and social development. The 7 factors were subjected to a Cronbach's alpha to determine the strength of the factor structure that resulted in an overall scale of $\alpha = 0.920$ for the 7 items as shown in table 4.20.

Table 4.20: Factor ranking based on exploratory factor analysis and Cronbach's alpha

Factor	Cronbach α	Rank
General labour conditions	.932	1
Freedom of Association	.899	3
Discipline & grievance handling	.858	5
Health & Safety	.872	4
Working hours	.845	6
Social development	.908	2
Terms of employment	.642	7
Overall Cronbach alpha's value of the factors	.898	

The reliability test results showed that general labour conditions had $\alpha = 0.932$, social development had $\alpha = 0.908$, freedom of association had $\alpha = 0.899$, health & safety had $\alpha = 0.872$, discipline & grievance handling had $\alpha = 0.858$, working hours had $\alpha = 0.845$ and terms of employment had $\alpha = 0.642$. Terms of employment had α of less than 0.7 and was hence considered as not reliable in explaining variations in perceived utilization of Fairtrade standards for hired labour (2014). Six areas that well utilized in the Fairtrade standards for hired labour (2014) at Oserian flowers were identified as general labour conditions, social development, freedom of association, health & safety and discipline & grievance handling and working hours. On testing the reliability of the six factors, the results revealed that the six constructs had alpha value greater than 0.7. This demonstrated that the six displayed internal consistency and met the reliability criteria as outlined by Pallant (2010). The six factors were hence considered the most utilized standards in Oserian flowers.

4.7 Discussion of the findings

The finding of this study concurred with Allsopp and Tallontire (2014) who observed that flower farms in Kenya have employed more female workers than male workers because of the belief that women are gentle and caring and they would tend for the flowers with the same care. Oserian flowers has employed an average of 56% female workers against 44% men. The study revealed some gender issues at Oserian flowers such as sexual harassment which is dealt with by a gender committee. Further, the findings revealed that Oserian has employed a considerable number of temporary workers; 54% against 46% permanent employees signifying high levels of casualisation of labour where there are concerns of job security and inequalities in wages and benefits mainly among the temporary workers. This is corroborated by Barrientos et al (2005) who urged that most flower farms in Kenya uses

temporary labour because cut flower production is mostly centered around marked world's events/celebrations such as Women's day, Mothers' day and Valentine's day.

The results of the study revealed that Oserian flowers has put an effort in enhancing adequate health and safety provisions where an average mean of 3.6 was obtained regarding health and safety regulations at Oserian. However, issues on risk assessment and ergonomic elements seemed to be a concern among workers in Oserian flowers. This was also observed by KHRC (2013); Gitonga (2010) who noted that provision of adequate ergonomics in the flower industry is low where workers are not provided with proper protective equipments. There claims that farm owners in the flower industry undermines unionism hence low membership in Kenya Plantation Workers Union (Wambutsi and Adersen, 2013). However, Oserian management seems to support union activities as evidenced by the results of this study where freedom of association scored an average mean of 3.88. Conversely, on working hours Oserian management seemed not to comply with working hours and overtime regulations as provided in the Fairtrade standards for hired labour (2014). This trend is observed across the flower industry in Kenya as noted by Wal and Scheel (2015).

On social development, Oserian workers appreciated the efforts put in place by Fairtrade standards for hired labour (2014) to ensure quality working life where it was noted that management does not interfere with management of Fairtrade premiums and therefore employees are free to initiate projects that uplifts their lives. Nyongesa (2014) and Maingi (2012) also established that workers in Fairtrade certified farms enjoy Fairtrade benefits since they uplift their standards of living. Workers in Oserian flowers also indicated that

Fairtrade standards for hired labour (2014) have reduced discrimination and enhanced equity in the farm although there still cases of unfairness in recruitment, promotion, inequitable distribution of opportunities and differential treatment among workers. The findings are in consensus with Tallontire and Smith (2005) who established that workers in the flower industry are treated differently especially between management staff and low cadre employees, permanent and temporary workers.

The results form factor analysis revealed six key areas where Fairtrade standards for hired (2014) has been most utilized at Oserian flowers. This includes general labor conditions, freedom of association, discipline and grievance handling, health & safety, working hours and social development. However, standards on terms of employment are not utilized at Oserian flowers where workers indicated that wages paid do not provide a reasonable living wage and that workers are fired arbitrary. This is corroborated by Caestecker (2012) who established that wages are low in the whole flower industry regardless of whether a farm is certified or not.

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers a summary of the findings and conclusion in relation to this study objective. It also presents recommendations made by the researcher, limitations and areas that would be appropriate for further studies.

5.2 Summary of Findings

The descriptive results indicated that Fairtrade standards for hired labour (2014) have largely been utilized at Oserian flowers to enhance labour conditions for farm workers. Majority of the employees suggested that the standards have led to provision of better labour conditions. The results further showed that Fairtrade standards have positively influenced health and safety, freedom of association, working hours, social development, discipline & grievance handling, equity and freedom from discrimination at Oserian with an average mean of above 3. However, there was a general feeling that the standard has not been able to ensure better terms of employment (mean of 2.60) and wages (mean of 2.25) at Oserian. Specifically, job security (mean of 2.09) and wages (mean of 2.01) were found to be an issue. This was also asserted by Nyongesa (2014) who observed that terms of employment in most flowers farms in Kenya are below reasonable standards.

With an average mean of 3.6, employees felt that Oserian has made an effort to ensure better health and safety conditions for workers although issues surrounding risk assessment and ergonomics scored lowly (mean of 2.86 and 2.79 respectively) implying that risk

management is a concern among the workers. The findings also established that social development and freedom of association are the most effectively utilized standards with an average mean of 3.99 and 3.88 respectively. Respondents indicated that workers are free to organize (mean of 4.27) and management does not interfere with union activities (mean of 4). However, a number of respondents felt that management and union representatives do not engage in regular dialogue (mean of 3.04).

On working hours, the respondents indicated that management does not comply with working hours regulations (mean of 2.77). Overtime was also found not to be voluntary (mean of 2.60) but was paid at a premium rate (mean of 3.69). Leave and rest day were found to be complied with by management; mean of 3.84 and 3.85 respectively. The findings further suggested that Oserian flowers has utilized the social development standard well (mean of 3.99) by not interfering with the administration of the Fairtrade premiums. Thus employees are empowered through social welfare initiatives. This is probably because of the existence of a joint body comprised of workers representatives and management representatives whose role is to identify projects that would uplift the welfare of employees (Maingi 2012).

Fairtrade standards provisions on discipline and grievance handling have enabled Oserian to enhance employees relations by using fair procedures that are free from recriminations (mean of 3.51). On equity and freedom from discrimination, respondents felt that the company has tried to reduce inequalities (mean of 3.09) and discrimination (mean of 3.94). However, workers felt that there exist differential treatment between management staff and

lower cadre employees which is also asserted by Loukes (2008) who observed that management staff gets preferential treatment especially when it comes to benefits and discipline handling.

When the principal component analysis was run, all the 44 items had a loading of 0.4 meaning all the statements were significant and were considered for further analysis. Factor analysis results identified six key major areas where Fairtrade standards for hired labour (2014) has been well utilized in terms of enhancing better labour conditions for workers in Oserian flowers. This includes general labor conditions, freedom of association, discipline and grievance handling, health & safety, working hours and social development. However, the results showed that terms of employment conditions which include provision of better wages and job security have not been fully implemented as provided in the Fairtrade standards for hired labour (2014) at Oserian flowers. This is corroborated by Gardam (2008) and Caestecker (2012) who established that wages and job security are two major challenges facing flower workers in Kenya.

5.3 Conclusion

The study concluded that Fairtrade standards for hired labour (2014) have largely impacted on health and safety, freedom of association, working hours, social development, discipline and grievance handling, equity and freedom from discrimination of employees at Oserian flowers. Specifically the standard has led to improved health & safety of employees, reduced discrimination, ensured that promotions are merit based, enhanced unionism in the farm. Further, the standards have influenced the use of discipline and grievance

procedures, improvement of quality of working life of Oserian workers, ensured wages are in accordance with the CBA, and workers are not denied leave.

The results also showed diminished usefulness of the standard in relation to terms of employment. The standard was found not have influenced better wages and job security of farm workers at Oserian. Ngige (2010) also noted that private regulatory standards have little effect on the amount of wages paid to workers and the only influence they can have is to ensure compliance with government regulations on the minimum wage structures. Similarly, Maertens and Schuster (2015) established that most private standards can only enforce national laws on wages. This is mainly attributed to the fact that regulating wages is a complex matter due to the uniqueness of firms particularly their financial positions and internal systems. Despite the fact that Fairtrade standards for hired labour (2014) has given guidelines on the living wages benchmarks, workers in Oserian flowers felt that the company does not provide reasonable living wages.

The findings further revealed that inadequate ergonomics, inequitable distribution of opportunities, risky working environments, inequalities in benefits and differential treatment of employees exist in Oserian despite adoption of Fairtrade standards at Oserian flowers. This suggests that the standard in most cases are not implemented in totality and only the core aspects of the standard are focused on since they are linked to certification. This is corroborated by Schuster and Maertens (2015).

5.4 Contribution to theory, knowledge and practice

The study findings provided empirical evidence that Fairtrade standards for hired labour (2014) influences improvement of labour conditions of flower farm workers. The research therefore recommends that Oserian continue to improve the labor conditions of its workers and ensure full utilization of Fairtrade standards especially on terms of employment and wages by providing reasonable living wages and enhancing job security. This can be done through raising compliance levels for certification.

The study established that Oserian is enhancing labour conditions through adoption of Fairtrade practices. This study therefore recommends that such practices be adopted by other flower farms and other labour intensive sectors to improve employees' labor conditions and enhance social development of employees.

These findings contribute to the general body of knowledge. Anchoring on the study findings the study recommends that Fairtrade standards for hired labour be expanded in scope to accommodate areas not covered as well as establish innovative approaches to ensure full utilization of the standards and improvement of labour conditions in general.

5.5 Limitations of the study

The study limited itself to Oserian flowers which implied that the results obtained in this study cannot be used to make generalization for the entire flower industry in Kenya.

Data collection was conducted using a structured questionnaire with close-ended questions and as a result detailed information could not be obtained. Data analysis which was quantitative also limited the analysis of employees' perceptions on Fairtrade standards.

5.6 Recommendations for future research

The objective of the study was to assess employee's perception on the utilization of Fairtrade standards, another study can be conducted to establish factors that hinder implementation of the standards.

This study focused on a case study and recommends a survey study to be conducted on the utilization of Fairtrade standards so as to be able to make concrete generalizations on the utilization of Fairtrade standards.

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DATE 06 Nov 2017

TO WHOM IT MAY CONCERN

The bearer of this letter Monicah Wanjiku Njiru

Registration No. DA/17989/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS



APPENDIX II: RESEARCHER'S INTRODUCTION LETTER

Monicah Waguthi Maina
P O Box 73598 – 00200
Nairobi
Tel: 0728 456 818
Email: maina.monica@gmail.com

Managing Director
Oserian Flowers
P O Box 2010 – 20117
Naivasha

Dear Sir,

RE: REQUEST FOR PERMISSION TO COLLECT ACADEMIC RESEARCH DATA

I am writing to kindly request for permission to obtain data from your organization for the above mentioned purpose. I am a master candidate at the University of Nairobi, School of Business and as part of the requirements of the award of the degree; I am conducting a research on “Perceived utilization of Fairtrade standards for hired labour (2014) at Oserian flowers”.

I selected your organisation to examine Fairtrade standards for hired labour (2014) because it was the first flower company to obtain Fairtrade certification in Africa. Given the research topic, it was considered that employees in your organisation will be more potential in providing the required data. I therefore request that you allow me to collect data that is pertinent for the research. My mode of data collection is through self-administered questionnaire. I am targeting at least 320 respondents from your organization.

I assure that the information collected will be used purely for this academic research and I guarantee utmost confidentiality. I have attached a letter from the university certifying my candidature and a copy of the questionnaire. Copy of the findings will be availed to you upon request. Thank you

Yours faithfully,


Monicah W Maina

APPENDIX III: COMPONENT MATRIX

Item	Component							Factor
	1	2	3	4	5	6	7	
Temporary and permanent workers receive equivalent benefits and employment conditions for equal work performed	0.955	-0.018	0.035	0.074	-0.119	0.094	0.129	General labour conditions
There is equitable distribution of opportunities in your organisation	0.952	-0.037	-0.024	0.083	-0.089	0.064	-0.292	
There is no differential treatment between management staff and the lower cadre employees	0.949	-0.023	-0.019	0.107	-0.091	0.068	-0.298	
Workers with special needs are treated with special consideration	0.949	-0.023	-0.019	0.107	-0.091	0.068	0.085	
Fairtrade has led to a reduction on discrimination on the basis of race, gender, disability, age, union etc	0.949	-0.023	-0.019	0.107	-0.091	0.068	-0.051	
Wages are in accordance with the CBA and/or any national laws	0.934	-0.026	0.033	0.077	-0.119	0.086	-0.128	
Information about pay rate, including how it is calculated, is transparent and available to all workers	0.925	-0.045	0.008	0.071	-0.101	0.166	0.066	
Special programmes to address employment and promotion of disadvantaged employees have been set up in order to achieve equity in your organisation	0.916	-0.074	-0.027	0.037	-0.078	0.174	0.132	
There is fairness in recruitment, promotion, access to training and general treatment of employees in your organisation	0.809	-0.028	0.004	0.116	-0.023	0.271	0.029	
Fairtrade standards in your organisation have ensured promotions and other opportunities are merit based	0.775	-0.072	-0.046	0.087	-0.029	0.278	0.065	
The elected workers' representatives are the ones who negotiate with management in your organisation	-0.03	0.991	0.008	-0.04	-0.008	-0.003	-0.009	Freedom of association
Workers are free to organize and join union	-0.025	0.986	0.004	-0.066	-0.004	-0.018	-0.12	
The organisation does not intimidate or bribe union members or representatives for their union activities	-0.051	0.974	0.002	-0.083	-0.025	-0.018	-0.047	
Workers are free to bargain collectively without interference from management	-0.055	0.969	0.005	-0.058	-0.029	-0.003	0.003	
The organisation engages with union representatives through regular dialogue	-0.016	0.955	0.017	-0.031	0.012	0.031	-0.062	

All workers in your organisation have the right to be elected as workers' representatives	-0.074	0.946	0.005	-0.07	0.018	0.008	-0.082	Discipline and grievance handling
All workers are made aware of their rights and duties/ responsibilities	0.568	0.732	0.043	-0.036	-0.077	0.02	0.121	
The disciplinary system is devoid of inappropriate disciplinary measures	0.05	0.135	0.818	0.117	-0.009	0.11	-0.069	
The organisation has zero tolerance on sexual harassment	0.056	-0.005	0.809	0.084	-0.041	0.087	0.07	
There is no termination of employment in your organisation due to pregnancy, illness or participating in union activities	0.447	-0.028	0.808	0.026	-0.007	-0.021	0.146	
The Gender Committee is mandated to handle all sexual harassment related complaints	-0.112	0.024	0.8	-0.071	-0.076	-0.017	0.035	
The grievance procedure is free from recriminations in your organisation	0.028	-0.004	0.732	-0.076	0.061	-0.286	0.075	
Supervisors/line managers do not use their powers to intimidate or seek for sexual favour in return to preferential treatment	0.058	-0.046	0.695	-0.073	0.136	-0.13	0.042	
Management adheres to the discipline and grievance procedures	0.055	0.035	0.575	0.205	-0.086	-0.007	0.117	
Workers health is closely monitored especially that of workers who are potentially exposed to chemicals and harmful substances in your organisation	0.05	-0.015	0.048	0.904	0.05	-0.009	-0.176	
Personal Protective Equipments (PPE) are provided to all workers handling hazardous chemicals in the organisation	0.065	-0.049	0.071	0.901	0.067	0.052	0.065	
Workers engaged in potentially hazardous work are trained in safety measures in your organisation	0.052	-0.053	0.12	0.893	0.069	0.001	0.055	
Risk assessment is regularly done and risk areas/activities identified in the organisation	0.196	-0.096	0.073	0.878	-0.067	-0.049	0.009	
Rotation and re-entry timelines are observed in your organisation	0.085	-0.05	0.078	0.872	0.052	0.043	-0.018	
Ergonomic elements are adequate to ensure a conducive working environment	0.19	-0.08	0.036	0.829	-0.076	-0.001	0.21	

Overtime is not used on regular basis in your organisation	-0.094	0.008	-0.034	0.018	0.897	-0.015	-0.166	Working hours
Management does not deny employees leave entitlements	-0.185	0.044	0.042	0.003	0.888	-0.069	-0.163	
Overtime is paid at a premium rate	-0.2	-0.026	0.058	-0.009	0.868	0.03	-0.178	
Workers are allowed one day rest in a week	-0.187	0.049	0.097	0.038	0.845	0.049	0.029	
Management complies with working hours regulations	-0.057	-0.069	0.017	0.103	0.793	-0.02	0.131	
Management does not force employees to work overtime	-0.011	-0.025	-0.008	-0.054	0.737	-0.121	0.212	
The company ensures that real wages are increased annually to continuously close the gap with living wage	0.319	-0.008	0.02	0.053	-0.136	0.944	0.101	Terms of employment
Wages provide a reasonable living wage	0.205	0.116	-0.019	-0.066	-0.01	0.941	-0.018	
All workers have a legally binding written contract signed by workers and the employer	0.467	0.004	-0.006	0.021	-0.026	0.814	-0.114	
Regular work is undertaken by permanent workers and temporary workers are only hired under special circumstances	0.623	-0.008	0.042	0.022	-0.09	0.655	-0.173	
There is job security and workers are not fired arbitrarily	0.636	0.035	0.036	-0.031	-0.115	0.609	-0.144	
Management does not use Fairtrade premiums to cater for its obligations in your organisation	-0.103	0.031	0.078	0.097	0.057	-0.069	0.784	Social development
A significant amount of Fairtrade premiums are invested in projects that improve the quality of the workers in your organisation	-0.003	0.007	0.121	-0.045	0.181	0.117	0.771	
Workers are free to make decisions on the projects they want implemented	-0.068	-0.032	0.112	0.038	0.021	-0.082	0.767	

APPENDIX IV: SURVEY QUESTIONNAIRE

This questionnaire has 2 sections: section A and section B. Please read the instructions given for each section carefully to answer the questions.

1.0 SECTION A: DEMOGRAPHIC DATA

Tick (✓) the appropriate box

1.1 Gender (a) *Male* [] (b) *Female* []

1.2 Age group

(a) *Below 18* [] (c) *30-39* [] (e) *50- 59* []
(b) *19 -29* [] (d) *40-49* [] (f) *60 and above* []

1.3 Length of service

(a) *Less than 1year* [] (c) *6 – 10 Years* []
(b) *Between 1-5 Years* [] (d) *10 years and above* []

1.4 What is your job level?

(a) *Management* [] (c) *Lower cadre* []
(b) *Middle level* []

1.5 What are your terms of employment?

(a) *Permanent* [] (b) *Seasonal* [] (c) *Casual* []

1.6 What is your highest level of education?

(a) *Primary* [] (b) *Secondary* [] (c) *Diploma* [] (d) *University* [] (e) *None* []

2.0 SECTION B: Fairtrade standards for hired labour (2014)

Based on your experience of Fairtrade standards for hired labour (2014) please indicate the extent to which your organisation uses the following practices by ticking (√) your level of agreement where;

(a) *Strongly Disagree - 1*

(d) *Agree - 4*

(b) *Disagree – 2*

(e) *Strongly Agree - 5*

(c) *Neutral -3*

SN	Fairtrade Standards for hired labour (2014)					
	Health & Safety	1	2	3	4	5
2.0	Workers engaged in potentially hazardous work are trained in safety measures in your organisation					
2.2	Workers health is closely monitored especially that of workers who are potentially exposed to chemicals and harmful substances in your organisation					
2.3	Rotation and re-entry timelines are observed in your organisation					
2.4	Personal Protective Equipments (PPE) are provided to all workers handling hazardous chemicals in the organisation					
2.5	Risk assessment is regularly done and risk areas/activities identified in the organisation					
2.6	Ergonomic elements are adequate to ensure a conducive working environment					

	Freedom of Association	1	2	3	4	5
2.7	Workers are free to organize and join union					
2.8	Workers are free to bargain collectively without interference from management					
2.9	The organisation does not intimidate or bribe union members or representatives for their union activities					
2.10	The elected workers' representatives are the ones who negotiate with management in your organisation					
2.11	The organisation engages with union representatives through regular dialogue					
	Working Hours	1	2	3	4	5
2.12	Management complies with working hours regulations					
2.13	Management does not force employees to work overtime					
2.14	Overtime is paid at a premium rate					
2.15	Overtime is not used on regular basis in your organisation					
2.16	Management does not deny employees leave entitlements					
2.17	Workers are allowed one day rest in a week					
	Social Development	1	2	3	4	5
2.18	A significant amount of Fairtrade premiums are invested in projects that improve the quality of the workers in your organisation					

2.19	Management does not use Fairtrade premiums to cater for its obligations in your organisation					
2.20	Workers are free to make decisions on the projects they want implemented					
	Discipline And Grievance Handling	1	2	3	4	5
2.21	Management adheres to the discipline and grievance procedures					
2.22	The disciplinary system is devoid of inappropriate disciplinary measures					
2.23	The grievance procedure is free from recriminations in your organisation					
2.24	The organisation has zero tolerance on sexual harassment					
2.25	The Gender Committee is mandated to handle all sexual harassment related complaints					
2.26	Supervisors/line managers do not use their powers to intimidate or seek for sexual favour in return for preferential treatment					
	Terms of Employment	1	2	3	4	5
2.27	All workers have a legally binding written contract signed by workers and the employer					
2.28	Regular work is undertaken by permanent workers and temporary workers are only hired under special circumstances					
2.29	There is job security and workers are not fired arbitrarily					
2.30	All workers are made aware of their rights and duties/ responsibilities					

	Wages	1	2	3	4	5
2.31	Wages are in accordance with the CBA and/or any national laws					
2.32	Wages provide a reasonable living wage					
2.33	Temporary and permanent workers receive equivalent benefits and employment conditions for equal work performed					
2.34	Information about pay rate, including how it is calculated, is transparent and available to all workers					
2.35	The company ensures that real wages are increased annually to continuously close the gap with living wage					
	Equity	1	2	3	4	5
2.36	Fairtrade standards in your organisation have ensured promotions and other opportunities are merit based					
2.37	Special programmes to address employment and promotion of disadvantaged employees have been set up in order to achieve equity in your organisation					
2.38	There is equitable distribution of opportunities in your organisation					
2.39	There is no differential treatment between management staff and the lower cadre employees					
2.40	Workers with special needs are treated with special consideration					
	Freedom from Discrimination	1	2	3	4	5
2.41	Fairtrade has led to a reduction on discrimination on the basis of race, gender, disability, age, union etc					

2.42	There is fairness in recruitment, promotion, access to training and general treatment of employees in your organisation					
2.43	There is no termination of employment in your organisation due to pregnancy, illness or participating in union activities					
2.44	All workers in your organisation have the right to be elected as workers' representatives					

Thank you for taking time to fill in this questionnaire