

## TRADE UNION CAMPAIGNS AND ORGANIZATIONS PERFORMANCE IN THE HEALTH SECTOR IN KIAMBU COUNTY

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### **Abstract**

The study sought to establish the relationship between trade union campaigns and organizational performance in the health sector in Kiambu County. The study was guided by the following objectives: to determine the relationship between collective bargaining agreement negotiation, work stoppage and dispute resolution on organizational performance. A descriptive research design was used to investigate variables. The study targeted employees who work at casualties and emergency department, nursing care, and clinical and diagnostic department. Stratified random sampling method was used to select a sample of 99 employees. Correlation and regression analysis was used to establish the relationship between the independent and dependent variables. The results indicated that respondents could not reach an agreement on trade union use of collective bargaining agreement to negotiate for better pay and workplace protection. Working conditions in the organization are poor, trade union has a significant influence on terms and conditions, and occupational health and safety program have a relationship on organizational performance. There was a positive and significant relationship between work stoppage and organizational performance. Strike has a negative influence on quality of service offered. Moreover, it was also established that the organization offers unfair remuneration, agreed that the organization has lack of minimum facility and safety. The findings also revealed that the organization doesn't have policies in place to deal with strikes.

On dispute resolution, the results showed that trade unions represent workers at disciplinary, grievance hearing, conflict management had a positive relationship on organizational performance. Mediation is used to solve conflict rising from personal differences. Payment of wages influenced labor dispute and the organization has conflict management strategies in place. The study recommended that there should be use of collective bargaining negotiation strategy as the employees have the right to belong to an association that is registered and recognized in law to enable trade union negotiate for better pay and workplace protection, it will also help trade union determine employment terms and condition and clear job description.

**Key words:** *trade unions, organizational performance, work stoppage, collective bargaining agreement negotiation, dispute resolution*

## **1. Introduction**

Armstrong & Taylor, (2014) highlight that Trade unions are associations of employees and their main objective is to represent employees' interests to the employers. According to Deery and Iverson (2005), trade unions can affect organizational productivity positively or negatively. Through successful negotiation, trade unions are able to positively affect organizations productivity. In addition, trade unions can also negatively affect organizations productivity through work stoppage or sabotage. Amah and Ahiauzu (2013). Cote (2013) asserts that trade unions' can increase organizational productivity. However, trade unions can also decrease organizational productivity when they fail to peacefully negotiate for better terms. Trade unions often engage in strikes during which organizational productivity decreases

According to Anyango et al (2013) financial constraints, splitting of unions and mismanagement, government and employer intervention in trade union campaigns and controlling of their affairs, advancement in technology, differentiated and changing composition of workers are examples of challenges that trade union in Kenya are facing. It was recommended that trade unions should increase member education programmes to improve employee performance and build teamwork.

The hospital's provision of quality health services has traversed inter-county boundaries which has seen patients trickle in from more counties including Nairobi, Murang'a, Kirinyaga and Machakos, translating to a catchment population of 3-5 Million people on average. Its services include; accident and emergency services, HIV/AIDS comprehensive care services, laboratory and mausoleum services, medical specialties, medicines and poisons information management, nutrition and patient support, obstetrics and gynecology, occupational therapy, pediatrics, pharmaceutical care, physiotherapy, radiotherapy and cancer treatment, specialized care and surgical units among others.

### **1.2 Statement of the problem**

Trade unions exists to offer support to the employees in order to discharge their duties and responsibilities as per the employment contract and as well fight for better conditions of work, better engagements, and ensure that organizations are running smoothly. The expectation is that the trade unions needs to help the organizations to achieve its objectives. However, the trade unions in Kenya have been used to create animosity between the employees and the employers resulting in many strikes as witnessed in recent strikes by teachers and doctors strike. These were characterized by many missed appointments and loss of life, thus affecting the performance of the organizations. Several studies have been conducted in areas of trade union campaigns but they are limited for example, Chilala (2015) conducted a research on the effect of trade union on employees' performance. The findings of this study corroborate other researches that demonstrate that union campaigns have effect on workers' performance. Based on concrete satisfactory measures, it will be very difficult for workers to embark on strike action. Through dispute resolution, trade unions will be able to create a favorable working environment hence create a positive effect on organizational performance.

The studies reviewed above indicated that trade union campaigns have positive and negative influence on organizations performance. However, other researches reviewed have dealt with other variables not considered in this study. This study bridges the gap by investigating whether collective bargaining agreements, work stoppage, dispute resolution have any positive or negative relationship with the performance of the organization.

### **1.3 Objectives of the study**

1. Determine the relationship between collective bargaining agreement and organizational performance in the health sector in Kiambu County
2. Determine the relationship between work stoppage and organizational performance in the health sector in Kiambu County
3. Determine the relationship between dispute resolution and organizational performance in the health sector in Kiambu County

## **2. LITERATURE REVIEW**

### **2.1 Collective Bargaining Agreement Negotiation and Organizational Performance**

According to ILO (2010), The Labour Relations Act represents the main legal foundation for collective bargaining and labour relations. The new law combines two earlier laws, namely the Trade Disputes Act and the Trade Unions Act. In many respects, the Labour Relations Act contains substantial improvements, particularly in creating more efficient and responsive operational procedures to promote employment relations and labour peace in the country. Specifically, it promotes the collective bargaining process, by encouraging the parties to engage in good faith bargaining. For example, it is mandatory for the parties to disclose information that may be required by the other party, particularly if such information clarifies a particular party's bargaining position. It also reaffirms, even if controversial, the role of the Industrial Court in the registration and approval of collective bargaining agreements.

Collective bargaining is a process through which trade union represent their members and negotiate terms of employment such as wages, benefits, and working conditions with their employers. Zhavoronkov (2015), indicates that trade Unions negotiate collective bargaining agreements in order to protect and increase the rights of their members to receive better pay and workplace protections. Odhong and Omolo (2014) notes that collective bargaining provides an important channel and framework used to determine employment terms and conditions. In addition, collective bargain provides a structure that provides a clear job description and work performance. The success of the CBA negotiation is a clear indication that within the two years' term of the CBA for private sector and the four-year term of CBA for the public sector, the organizations will be in a better working relationship without interruptions of strikes, lockouts or go slows. This is only possible if the parties to the CBA will honor the obligations of the CBA agreement.

## 2.2 Work Stoppage and Organizational Performance

The bureau of labor statistics (2019), reported that in 2018, there were 20 major work stoppages involving 485,000 workers. The number of major work stoppages beginning in 2018 was the highest since 2007 (21 major work stoppages). The number of workers involved was the highest since 1986 (533,000 workers). Educational services and health care and social assistance industry groups accounted for over 90 percent of all workers idled in 2018. Between 2009 and 2018 the educational services and health care and social assistance industries accounted for nearly one half of all major work stoppages.

In Kenya there are biting strikes that were ongoing for example the nurses strikes, teachers, university dons just to mention a few and the nurses are already now threatening to call for a nationwide strike to counter what they have said is arm-twisting from the national and county governments. This is after the Salaries and Remuneration Commission declared that the government would not be able to meet nurses' pay demands because it can't afford to. The Council of Governors, Ministry of Health and the National Treasury have all confirmed that they do not have money to pay the nurses. The commission added that payment of the service and uniform allowances will lead to unsustainable levels of public debt. "If we give in to the nurses' demands, other health workers will also demand the same. This will have a ripple effect on the health sector," she said. While the push and pull continues to put at risk the lives of residents in ten affected counties, who will continue to suffer, indications are that the strike might drag on for longer. So far, nurses in ten counties are on strike while nurses from seven more counties including those working in the Ministry of Health are expected to lay down their tools Angela, (2019).

This was a clear indication that world over work stoppages are there and they influence the organizations not to achieve the desired performance since the employees will down their tools and more man hours will be lost. This means that the duties and responsibilities for the employees won't be executed as expected and therefore ultimately individuals will not achieve their targets and eventually that of the organization as well.

## 2.3 Dispute resolutions and Organizational Performance

The current Constitution of Kenya 2010 has seen amendment and enactment of new legislation, in order align them with the Constitution, which introduces the use of alternative forms of dispute management including reconciliation, mediation and traditional conflict resolution mechanisms as part of the legal framework on access to justice across various sectors in Kenya. The use of Alternative Dispute Resolution Mechanisms in dealing with disputes across different sectors is also captured under different laws. There are however no guidelines or policy in place on how these mechanisms should be utilized in enhancing access to justice. As such, the implementation of the various sectoral law provisions on ADR is left to the concerned stakeholders thus presenting uncertainty on procedures or extent of application. The Employment and Labour indicates that. The Industrial Court Act (2011) contains provisions allowing the court to stay proceedings and refer the matter to conciliation, mediation or arbitration. The court may adopt alternative dispute resolution and traditional conflict resolution mechanisms as envisaged in Article 159 of the constitution. This is a clear indication that the labor relations act and the constitution of Kenya 2010 has provisions for dispute resolutions. Armstrong (2010) asserts that arbitration is the means

of last resort for reaching a settlement, where disputes cannot be resolved in any other way. Procedure agreements may provide for either side unilaterally to invoke arbitration, in which case the decision of the arbitrator is not binding on both parties.

Olaleye and Arogundade (2013) posit that use of different management strategies may lead to desirable or undesirable outcomes depending on their effectiveness or ineffectiveness, respectively. Effective management strategy may result in desirable outcome such as smooth management, enhanced discipline, and effective management of time, team spirit, and effective use of resources, achievement of goals, good relationships and great value by stakeholders. However, when ineffective management strategy is used, undesirable outcomes such as strikes, demonstrations, destruction of property, poor performance, emotional stress, and misallocation of resources, absence and frustration may occur

According to International Online Training Program on Intractable Conflict (2010), third party interventions can help conflicting parties resolve their differences. The role of third party is to provide an outlet by which the conflicting parties can assemble and search for solutions themselves. Mediation is considered as the most active and powerful strategy to manage disputes. Mediators not only facilitate discussions, but they usually impose a structure and process on the discussions that is designed to move the parties toward mutual understanding and win-win agreements mediators can usually get the parties to develop a common understanding of the situation, which often yields a solution which satisfies the interests of all parties.

The different dispute resolutions mechanisms are aimed at aiding the organizations to achieve their objectives through the best utilization of their human capital. This eventually aims to make sure that the organizations are able to settle the grievances that employees have by exhausting the different strategies and getting to the conclusion that the organization achieves its overall objectives.

### **3. Methodology**

Descriptive research design was used and utilized data collection and analysis techniques that yielded reports concerning the measures of mean, variation, correlation and regressions. The combination of such characteristics were summarized and correlational statistics employed, along with reference on the objectives of the study. Reliability analysis was conducted in order to test whether the variables meet the threshold or not. The results are shown on Tables 1. While the Normality test was also done to test whether the dependent variable was normally distributed or not the results are shown on Table 2.

#### **3.1 Population**

The total population of the health facility was five hundred and fifty respondents and was categorized into three departments, casualties and emergency 150, nursing care 250 and clinical and diagnostic 150.

### 3.2 Sampling Technique

Stratified random sampling was used since the three strata were heterogeneous in nature. After the stratification, Simple random sampling was also used to select a sample which could have equal chance of being chosen to participate in the study and therefore 99 respondents were arrived at.

### 3.3 Sample Size

The sample size is the number of observations a researcher includes in a statistical sample. Use of a sample size enables a researcher achieve its objective by making and inference about a population from a given sample (Holloway and Wheeler, 2015). A sample is a true representative of the population. A sample size was drawn using the following formula.  $n = \frac{N}{1+N(e^2)}$

Where n = number of samples, N = total population and e = error margin / margin of error.

$$N= 500$$

$$[(1+ 500) (0.1)^2]$$

$$=99$$

### 3.4 Statistical Analysis

Descriptive statistics were used in order to get the feel of the data. Cronbach alpha was used to determine the reliability of the variables understudy. The study also conducted a validity test. Descriptive statistics helps researcher to present the data in a more meaningful way thus, allowing easy interpretation of the data. Normality test was done as a diagnostic tool since the study proposed to use regression analysis. Normality was tested using Kolmogorov-Smirnov test and Shapiro-Wilk test. Saunders, Lewis and Thornhill (2012) asserts that coefficients greater than 0.05 are considered to be normally distributed. Regression and correlation analysis was done to determine relationship between variables. Correlation analysis was adopted to establish the relationship between the independent and dependence variables.

## 4.0 Results

### 4.1 Response Rate

The research study deployed 99 questionnaires out of which 79 were answered and returned and this gave an 80% response rate. According to Sekaran (2016), this meets the threshold and therefore adequate for further subsequent analysis.

### 4.2 Reliability Test

Cronbach's Alpha ( $\alpha$ ) was done to check reliability of the questionnaire. It was done based on variables under study. Cronbach alpha that has a value greater or equal to 0.7 is considered reliable. It was revealed that findings the variables reliable. Cronbach's alpha for collective bargaining agreement negotiations was 0.741, work stoppage 0.652, dispute resolution 0.725 and organizational performance 0.847 as shown in Table 1.

**Table 1: Reliability Test**

Variables	Cronbach's Alpha	Number of Items
Collective bargaining agreement negotiation	0.741	10
Work stoppage	0.652	8
Dispute resolution	0.725	8
Organizational performance	0.847	7

**4.3 Normality Test**

Normality was tested using Shapiro-Wilk test. Normality was tested at 95% confidence interval. It was established that the p-value was 0.002 which indicates that data tested is not from a normally distributed population. Results are shown in Table 2

**Table 2: Tests of Normality for Organizational Performance**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Organizational performance	0.103	79	0.039	0.945	79	0.002

a. Lilliefors Significance Correction

**4.4 Correlation**

Person correlation was conducted to establish the relationship between organizational performance and collective bargaining, work stoppage and dispute resolution. The finding indicated that there was a strong correlation between collective bargaining and organizational performance  $r=0.440$ ,  $p<0.000$  and a strong positive correlation between work stoppage and organizational performance  $r=0.610$ ,  $p<0.000$ . However, there was a positive but insignificant relationship between dispute resolution and organizational performance  $r=1.22$   $p<0.285$ . This indicates that collective bargaining and work stoppage influences organizational performance. As shown in Table 3.

**Table 3: Correlations**

Correlations		organization performance	collective bargaining	work stoppage	dispute resolution
organization performance	Pearson Correlation	1	.440**	.610**	0.122
	Sig. (2-tailed)		0.000	0.000	0.285
collective bargaining	Pearson Correlation	.440**	1	0.189	-0.012
	Sig. (2-tailed)	0.00		0.098	0.919
work stoppage	Pearson Correlation	.610**	0.189	1	0.208
	Sig. (2-tailed)	0.000	0.098		0.067
dispute resolution	Pearson Correlation	0.122	-0.012	0.208	1
	Sig. (2-tailed)	0.285	0.919	0.067	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**4.5 Regression Analysis**

The study examined the relationship between organizational performance and collective bargaining, work stoppage and dispute resolution. It was established that the R<sup>2</sup> value was 0.479 thus, 47.9%, of the variation in organizational performance was explained by the variation in collective bargaining, work stoppage and dispute resolution. Therefore, the other 52.1% explained other variables that were not studied as shown in Table 4.

**Table 4: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	Sig. Change
1	.707 <sup>a</sup>	.499	.479	.26265	.499	24.594	.000

a. Predictors: (Constant), collective bargaining, work stoppage and dispute resolution



The ANOVA analysis was done between organizational performance and collective bargaining, work stoppage and dispute resolution at 95% confidence level, the F critical was 24.594 and p value was 0.000 therefore, these findings indicated that the model was statistically viable and significant and can be used to measure the relationship between the independent variables (collective bargaining, work stoppage and dispute resolution) and organizational performance. The results are shown in Table 5. The F calculated at 5% level of significance,  $F = \text{Ms regression} / \text{Ms residual}$ ,  $1.697 / .069 = 24.594$ . It was indicated that the F-critical (24.594) at 74 degree of freedom is equal to F-calculated (24.594) hence, significant relationship between collective bargaining, work stoppage and dispute resolution and organizational performance.

**Table 5: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.090	3	1.697	24.594	.000 <sup>b</sup>
	Residual	5.105	74	.069		
	Total	10.194	77			

**4.6 Regression Coefficients for the overall model**

The findings revealed that taking collective bargaining, work stoppage and dispute resolution into account and other factors held constant a unit change in collective bargaining would led to 0.505 increase in organizational performance. Moreover, a unit change in work stoppage would led to 0.413 increase in organizational performance and a unit change in dispute resolution would led to 0.008 positive and insignificant increase in organizational performance.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y is the dependent variable (organizational performance)

$\beta_0$  = The regression constant;

$\beta_1 - \beta_3$  = Coefficients of independent variables;

$X_1$  = Collective bargaining,  $X_2$  = Work stoppage,  $X_3$  = Dispute resolution

$\varepsilon$  = The error term

**Table 6: Coefficients of Organizational Performance Factors**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.148	0.572		0.259	0.797
Collective bargaining	0.505	0.116	0.364	4.337	0.000
Work stoppage	0.413	0.066	0.54	6.297	0.000
Dispute resolution	0.008	0.107	0.006	0.075	0.94

The overall model of the study was significant at 95% and therefore the overall model was  $Y = 0.148 + 0.505X_1 + 0.413X_2 + 0.008X_3$

**4.7 Conclusion**

The first objective was determining the relationship between collective bargaining and organizational performance in the health sector in Kiambu County. The results concluded that it had a positive and significant relationship on organization performance of the health sector as indicated by p=0.000, Organization performance was influenced by decrease in accident and injuries, training, and inadequate compensation. Trade union therefore influences organization performance by championing for better working conditions of their employees. The organization has adequate occupational health and safety procedures and employees are aware of occupational health and safety concerns and trade union for sure influences terms and conditions of service of the health workers, however, the organization has employee’s poor working conditions that makes them feel demotivated and not willing to give their best.

The second objective was determining the relationship between work stoppage and organizational performance in the health sector in Kiambu County. The results concluded that it had a positive and significant relationship on organizational performance as indicated by p=0.000. Strike occurs due to due to poor working conditions and overutilization of workforce, unfair remuneration and employees use strikes to express themselves when negotiations fail. However, the organization doesn’t have the best facility for work and needs to meet the minimum standards and cater for safety concerns of their employees. The organization needs to implement the minimum wage set and offer additional benefits and make irregular payment of overtime regular. As well draft policies to deal with the strikes that often paralyzes work.

The third objective was determining the relationship between dispute resolution and organizational performance in the health sector in Kiambu County. The results concluded that it had a positive but insignificant relationship on organizational performance of health sector in Kiambu county as indicated by p=0.94. However, employees are represented by trade union during disciplinary and grievance hearing. It was indicated that, organizations performance was influenced by conflict

management within the organization as well as trade union negotiation. It can be concluded that the health facility needs to utilize other alternative dispute resolutions strategies to resolve conflict since the respondents felt that the organization doesn't have conflict management strategies and therefore the need to offer seminars and workshops on conflict management.

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