

An Analysis of the Factors Affecting Employee Relations in the Flower Industry in Kenya, a Case of Waridi Ltd, Athi River

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Abstract

Despite impressive performance and contribution to national economy, the flower industry in Kenya is still faced with decent work deficits. These could be manifested in the terms and conditions of employment leading to industrial unrest in organizations within the flower industry. Trade Union membership has been shown to be low, with membership in the main union at just 17% of the total number of workers in flower farms. The effect of weak employee and industrial relations system and practice is manifested in the increase in the spate of industrial strikes and attendant man-days lost. The number of man-days lost due to industrial strikes almost doubled from 14,806 man-days in 2008 to 25,504 man-days in 2010. This, however, increased tremendously by about sevenfold to 175,329 in 2011. Other effects are seen in declining labour productivity in all sectors of the country's economy, increasing unit labour cost and low levels of competitiveness. Kenya's labour productivity growth has, for example, declined from 4 per cent in 2007 to 1.4 per cent in 2012. This paper sought to analyze factors affecting employee relations in organizations in Kenya, the case study of Waridi Ltd. Study variables included working conditions, communication, collective bargaining issues, recruitment and remuneration. The study adopted descriptive research design and a target population of 420. Stratified random sampling was done. Questionnaires were used to collect primary data. Qualitative and quantitative techniques of data analysis were employed. Based on the study findings, it is concluded that free communication and information flow is important in promoting employee relations. Collective bargaining provides the structure for clear job description and work performance. Overall, employee relation concepts such as employee trust, the manner in which employee complaints are dealt with, commitment to the organization, genuine social dialogue and existence of team spirit are fundamental in promoting good employee relations.

Keywords: Employee relations, Collective Bargaining Agreement, Communication, Working conditions

Introduction

Every organization must have an objective either to produce goods or provide services. This could be for commercial purposes or charitable. In order to produce goods and services an organization must have the necessary factors of production. The most critical factor of production is the human resource. This resource must be treated with a lot of care if the organization is to achieve its intended goals (Dessler, 2008).

Employee relations examine the various aspects on how people at work inter-relate. Employee relations, therefore, is the interaction between employees themselves and also with their employers. Such interaction can either be formal or informal. It encompasses all areas of management that may include labor relations, employee involvement and participation, employee communication and industrial relations (Armstrong, 2008).

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Background of the Study

The Dutch Floriculture industry is widely known as the leading industry in the world. The Netherlands has quite advanced methods of production and innovative marketing mechanism. Growers are supported by well developed services in terms of management, research and development and efficient distribution system that is well connected by air and by ground transportations with the most important producing and consuming countries. The driving force for the success of the industry is related to the crucial role of the auctions, the well developed infrastructure, a drive for innovation and a strong sense of cooperation (Kargbo, 2010 and World Bank, 2009).

Ethiopian government has played a crucial role in the impressive growth of floriculture sector. When the success of pioneering firms became evident and the Ethiopia Horticulture Producers and Exporters Association (EHPEA) was formed to lobby the government, additional incentives were made available. By the end of 2002, the government realized the opportunity offered by the flower industry and actively engaged in promoting the sector. The Ethiopians created attractive conditions for farmers to start such as low land rent, Income Tax exemption of five years, upgrading and formalizing the institutions responsible for the sector. The association has its own freedom to higher staff without being bound by the general rules of the civil service (Altenburg, 2010).

Cut flower is an important segment of the horticulture sector in Kenya. It provides direct employment to an estimated 50,000 workers with a further 70,000 employed in related industries. Kenya has had a phenomenal growth in its exports of cut flowers despite stiff competition from Colombia, Ecuador, Israel, Zimbabwe, Zambia and Uganda. The Kenyan cut flower industry is expanding. The value of marketed production increased from Ksh. 14.79 million in 2002 to Ksh. 23.56 million in 2006, representing an increase of 59.3 per cent (Export Processing Zones Authority, 2005).

Flower industry falling within the agricultural sector shows a percentage of more than 17% contributions to the Gross Domestic Product. The major flower varieties grown and exported from Kenya are roses, carnations, statice, cutfoliage, carthamus, solidaster/solidago, chrysanthemums, arabicum, trelizia, rudbeckia, gypsophilia, lilies, molucella, eryngium and tuberose. The main export season is October to May. Some cut flowers are also sold locally mainly in urban centres of Nairobi and Mombasa by street vendors and floriculture shops in high/medium class shopping centres. The main markets for cut flowers from Kenya is the European Union in particular Germany, Netherlands, United Kingdom, Sweden, Italy, Switzerland and France. To develop and maintain a good reputation, Kenyan exporters ensure that they supply high quality roses, in good time to their customers. Kenya is currently ranked the largest supplier of cut flowers to the European Union (Export Processing Zones Authority, 2005).

Industrial relations system in Kenya is anchored on the International Labour Organization's Convention No. 150 of 178 on Labour Administration. This is domesticated through the Industrial Relations Charter (1984) and the Labour Relations Act (2007). The system provides for consultation between representatives of employees, employers and government within a tripartite framework on issues affecting workers and employers. The consultation is expected to be undertaken through joint industrial councils. The system envisages that such consultations start at the shop floor levels, cascading to the national levels. Kenya also has a host of institutions of social dialogue. These include: the National Labour Board, National Council for Occupational Safety and Health, Wage Councils and the Industrial Court. The role of these institutions is to promote social dialogue and industrial harmony (Odhong, Were and Omolo, 2014).

Organizational Profile

Waridi Ltd is located 30 kilometres South East of Nairobi, Kenya and was established in 1987 as one of the first producers of roses in East Africa. It is located some two kilometres from Kenya's International Airport which provides the perfect location for ensuring the regular freshness and quality of flowers (www.waridifarm.com). Waridi Ltd specializes in the production of branded Waridi Starline varieties. These varieties are tested prior to cultivation to ensure customer needs are met. Waridi Ltd strives to maintain high tech-cultivation methods leading to high quality products (www.waridifarm.com).

Statement of the Problem

Despite impressive performance and contribution to national economy, the flower industry is still faced with decent work deficits. These could be manifested in terms and conditions of employment leading to industrial unrest in organizations within the flower industry (Omolo, 2006).

Trade Union membership also remain low, with membership in the main union, the Kenya Plantation and Agricultural Workers Union (KPAWU), at just 17% of the total flower farms workers (Nelson, Martin and Ewert, 2007). The effect of industrial relations system and practice is manifested in the increase in the spate of industrial strikes and attendant man-days lost. The number of man-days lost due to industrial strikes almost doubled from 14,806 man-days in 2008 to 25,504 man-days in 2010. This, however, increased tremendously by about sevenfold to 175,329 in 2011. Other effects are seen in declining labour productivity in all sectors of the country's economy, increasing unit labour cost and low levels of competitiveness. Kenya's labour productivity growth has, for example, declined from 4 per cent in 2007 to 1.4 per cent in 2012 (Odiong, Were and Omolo, 2014). All these employee relations issues are manifested in terms and conditions of employment leading to industrial unrest. This study seeks to analyze the factors affecting employee relations in flower industry in Kenya. It will focus on Waridi Limited.

Research Questions

This research therefore seeks to answer the following questions

- i. What is the role of communication in employee relation at Waridi Ltd
- ii. How do collective bargaining structures affect employee relation at Waridi ltd
- iii. How does working conditions effect employee relation at Waridi Ltd?
- iv. How do recruitment criteria affect employee relation at Waridi Ltd?
- v. How does remuneration system affect employee relations at Waridi Ltd?

Research Objective

The broad objective of the study was to analyze the factors affecting employee relations in the flower industry. The specific objectives were to:

- i. Determine the role of communication in employee relation at Waridi Ltd.
- ii. Examine how collective bargaining structures affect employee relation at Waridi Ltd.
- iii. Establish how working conditions effect employee relation at Waridi Ltd.
- iv. Determine the role of Recruitment criteria affects employee relation at Waridi Ltd.
- v. Establish how remuneration affects employee relation at Waridi Ltd.

Literature Review

Theoretical Framework

The study relied on the political theories of unitarism and pluralism, and the two-factory theory. These theories are discussed in the sections that follow.

Political Theory of Unitarism

The essence of the unitary theory is that the larger social system or the work enterprise as a subsystem of the larger social system is a unitary organization. The larger social system or the work enterprise is likened to a football team or a family which shares a common goal from the unitarist perspective, all the ideas, perceptions and actions of management or government are legitimate and rational and all the ideas, perceptions and actions of the workers that conflict with the command of the management or government are illegitimate and irrational. The goal of the unitarist is to domesticate the whole of the social unit (society, industrial enterprise, family school etc. Unitary theory disputes that there is a meaningful role for conflict management in the workplace. Unitarists posit that management should set the rules and workers should cooperate in complying with the rules (Aborisade, 2008).

Political Theory of Pluralism

The pluralist doctrine is, therefore, a political theory which seeks to redress the shortcoming of the capitalist political order to prevent its overthrow and safeguard the status quo. Pluralism's major concern is a safeguard of existing production relations and power structure. It is the ideology that is end of class based politics and the possibility of harmonious relations between the oppressed and the oppressor. The pluralist theory maintains that the social system (or an industrial enterprise as a sub-system of the social system) is not a unitary organization but a coalition of individuals and groups with sectional interests and district perception of the social structure (Aborisade, 2008).

Two-Factor Theory

The two-factor theory also known as Herzberg's motivation-hygiene theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. It was developed by Frederick Herzberg, a psychologist, who theorized that job satisfaction and job dissatisfaction act independently of each other. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work, for example, those associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. So far, this appears to parallel Maslow's theory of a need hierarchy (Armstrong, 2008).

Empirical Review

It is empirically observed by many researchers that the flower industry has a bigger proportion of women employees than the other sectors, making women's issues particularly pressing. Working Women Worldwide (WWW) (2008) carried out a research promoting Women Worker's rights in African Horticulture between (2005-2007), focusing on specific abuses against women. The principle concerns raised in these investigations were: wages that are too low to live a decent life, serious sexual harassment and discrimination, limits of freedom of association, the high proportion of casual workers, poor health and safety conditions especially regarding the pesticides spraying on flowers.

Nelson, Martin and Ewert (2007) in their study examined the impact of several different codes of conduct in the South African Wine and Kenya Cut Flowers Industries. In Kenya, they compared 6 farms that had adopted any of a variety of codes that address labour practices and environmental standards, including those of the Kenya Flower Council, the Flower Label Programme and Fair Trade with 6 farms that had not adopted any such code. They study finds that compared to workers in the non-adopting enterprises workers in code adopting companies and farms experience better material conditions, (such as wages, working hours and housing quality and better social conditions such as day care facilities, access to HIV/AIDs education and medical care. Overall the study reported that the adoption of codes of conduct is associated with better working conditions in both industries, although effects are not always large and are less pronounced for casual workers.

Moorthy (2005) carried out a study on Industrial Relations Scenario in Textile Industry in Tamil Nadu. The paper attempted to identify the changes that have occurred in industrial relations scenario in textile industry in Tamil Nadu after the economic reforms introduced during the nineties. The study concluded that economic reforms have affected industrial relations in textile industry in Tamil Nadu as there is a declining tendency in industrial disputes. The prevailing atmosphere of labour unrest could be attributed to total violation of certain norms of discipline by a section of trade unions and also by some employers.

According to Omolo (2006), a survey of firms in the Export Processing Zones (EPZ) shows that wages in the zones are paid according to occupational categories of workers or sections in which the workers are engaged. The dominant occupational divisions (sections) in the EPZ factories are machining, ironing, cutting, packaging, cleaning, quality control, finishing and maintenance. Overwhelming evidence exist in support of the conclusion that the majority of EPZ factories in Kenya blatantly violate both Kenya and international laws and conventions that protect employees' rights to associate freely and join a trade union of their choosing without interference or harassment from their employer. The survey also identified unfair labour practices including low wages, inadequately compensated overtime and violation of organizational rights of workers.

Akhaukwa *et al.*, (2013) conducted a study to establish the effect of collective bargaining process on industrial relations environment in public universities in Kenya. The study found that academic staff felt that union and management did not cooperate well neither did they have mutual regard of each other nor were they willing to confer. Besides, management did not facilitated union's operation and its attitude to the union was not favorable. Hence, the industrial relations environment in the three public universities where the study was conducted was found to be poor. Academic staff were also discontented with the spirit of willingness to give and take, the degree of members' participation and feedback.

The study further revealed that collective bargaining process had a significant effect on industrial relations environment in public universities in Kenya. Also, collective bargaining made a significant (and positive) contribution to industrial relations environment. This implies that a flawed process that is perceived to be unfair is likely to result in poor industrial relations environment and vice versa.

Locke, Qin, and Brause (2007) examined the workplace conditions of Nike’s suppliers, all of whom had agreed to comply with Nike’s Code of Conduct, which directs them to respect the rights of their employees, and to provide them with a safe and healthy work environment. The authors analyzed quantitative data on the working conditions among some 800 suppliers in 51 countries, gathered by Nike’s own internal auditing system. The data revealed higher audit scores at suppliers that were visited more frequently by Nike production specialists and that were located in countries with stronger regulations and legal institutions. Better working conditions were also associated with smaller plant size and with more formal partnership ties with Nike. Working conditions were generally worse in facilities in Asia compared with those located elsewhere. The audit data suggest that, in general, working conditions among all Nike suppliers have improved only slightly over time. The authors also note that data from Nike’s separate compliance rating program (which assigns simple letter grades to suppliers based on their overall compliance with health, safety, labor, and environmental standards) indicate that working conditions in over 80 percent of the firm’s suppliers have either remained the same or fallen over time.

Conceptual Framework

The study was based on the conceptual framework illustrated in Figure 1.

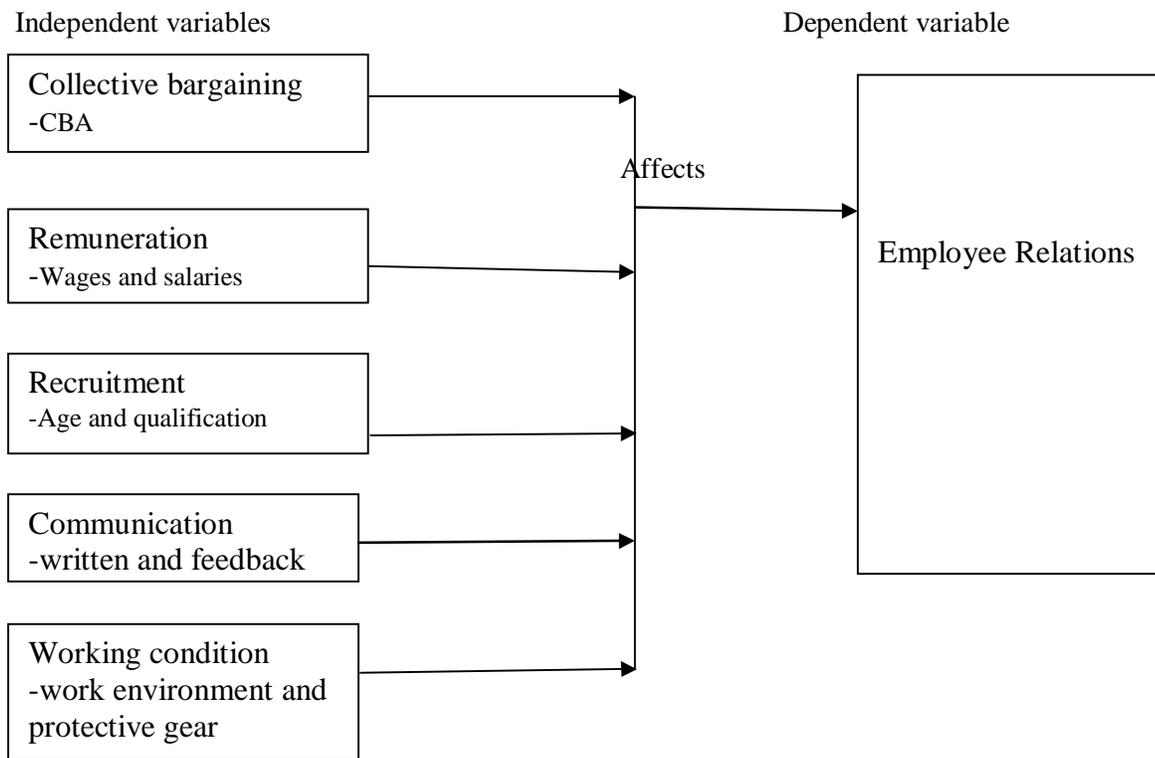


Figure 1: Conceptual Framework

Collective Bargaining

According to Encyclopedia of Social Sciences, collective bargaining is a process of discussion and negotiation between two parties, one or both of whom is a group of persons acting in consent. The resulting bargain is an understanding as to the terms and conditions under which a continuing service is to be performed... more specifically, collective bargaining is a procedure by which employers and a group of employees agree upon the conditions of work.

Collective bargaining can be defined as negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees’ organizations with a view to reaching an agreement wherein the terms serve as a code of defining the rights and obligations of each party in their employment, relations with one another; fix a large number of detailed conditions of employment; and, during its validity, none of the matters it deals with can in normal circumstances be given as a ground for a dispute concerning an individual worker. (Rao,1999).

In collective bargaining an impasse occurs when the parties are not able to move further toward settlement. An impasse usually occurs because one party is demanding more than the other will offer. Sometimes an impasse can be resolved through a third party – a disinterested person such as a mediator or arbitrator. If the impasse is not resolved in this way, the union may call a work stoppage, or strike, to put pressure on management (Dessler, 2008).

Remuneration

Remuneration involves compensating employees. Reward refers to all the monetary, non-monetary and psychological payments that an organization provides for its employees in exchange for the work they perform. Reward (or compensation) management is a core facet of the employment relationship. An organization can provide two types of reward: extrinsic and intrinsic (Armstrong, 2008). The mix of extrinsic and intrinsic rewards provided by the employer is termed as the reward system. The monetary or economic element of the reward system is the formal and informal mechanisms by which employee performance is defined, evaluated and rewarded. The various models in reward systems include:

First, Individual-based plans- Reward strategy can be built in different forms and to different scales, the first, and most widely used incentive plan, is the individual-based plan. It is focused on individuals and their performances. For example the sales people paid on commission. Generally, in this system employees have a constant base pay which is increased perhaps once annually. Each employees previous year's performance is considered and then an increase in pay given accordingly. This reward is given to employee and it can't be taken away under normal financial circumstances. One of the positive characteristics of this model is that it can help make employee behavior consistent with the organizations aims and goals (Pierce et al, 2003).

Second, Pay By Result (PBR)- By pay by results, there is direct and visible link between the outcomes of performance and the financial reward. In this system there is a direct link between individual effort and the result obtained. Within this system, there is the ability and opportunity to adjust the level of effort. It is more applicable in manufacturing systems. Employees want to earn more, it might influence the quality of work. PBR schemes vary on several dimensions: the level of financial reward for each incremental level of output, the level of basic pay, the relationship between incremental pay and incremental output and the threshold of output for receiving PBR. From a positive point of view, a payment by result system increases management control. It requires less supervision and gives greater freedom to the employees. There are opportunities for the employees to achieve high earnings. Consequently, this creates a joint appreciation of the necessity to increase profits so that both the company and workers benefit (Price, 2000)

Third, Performance Related Pay (PRP)- this is a system in which an individual's increase in salary is solely or mainly dependent on their appraisal or merit rating (Pierce *et al.*, 2003). This system provides good customer service and increases the quality of work. Flexibility is one of the dimensions of this system and it encourages and supports team work.

Recruitment

Recruitment is the process of finding and attempting to attract job candidates who are capable of effectively filling job vacancies. Both job descriptions and job specifications are important in recruitment process because they specify the nature of the job and the qualifications required of serious job candidates. There are two types of recruitment, these includes internal and external recruitment. Internal recruitment is where vacant positions in organizations are filled through internal candidates and encouraging them to apply for and/or be willing to accept organizational jobs that are open. The external recruitment is where organizations recruit from outside only where there are no suitable internal candidates for particular positions. External recruitment is the process of finding potential external candidates and encouraging them to apply or and/or be willing to accept organizational jobs at are open (Kathy and David 2001).

Communication

According to Kathryn and David (2001) Communication is the exchange of messages between people for the purpose of achieving common meanings. Unless common meanings are shared, managers find it extremely difficult to influence others. Verbal communication is the written or oral use of words to communicate. Both written and oral communications are pervasive in organizations.

Written communication occurs through a variety of means, such as business letters, office memorandums, reports, resumes, written telephone messages, newsletters, and policy manuals. The two communication skills of prime importance to managerial effectiveness are listening skills and feedback skills. These two skills are particularly critical because such a large proportion of employer's time is spent in communicating. Feedback is a continuous part of managing. Although, managers may give feedback to a variety of individuals with whom they interact. Generally people are more positive when receiving positive feedback while receiving negative feedback is generally more difficult.

Working Condition

Working conditions refers to the working environment and to the non-pay aspects of an employee's terms and conditions of employment. It covers such matters as the organization of work and work activities; training, skills and employability; health, safety and well-being; and working time and work-life balance. Managing health and safety at work is a matter of: developing health and safety policies, conducting risk assessments which identify hazards and assess the risk attached to them, carrying out health and safety audits and inspections, implementing occupational health programmes, managing stress, preventing accidents, measuring health and safety performance, communicating the need for good health and safety practices, training in good health and safety practices (Armstrong, 2008).

In regulating working hours within the firm the Employment Act 2007 PART 27 (1) – (2) requires employers to regulate hours of work of each employer. Under Occupational Safety and Health Act (OSHA) 2007 Section 6(2)a-g, provides employers obligation as: the provision and maintenance of plant and systems and procedures of work that are safe and without risks of health, arrangements for ensuring safety and absence or risks to health in connection with the use, handling storage and transport of articles and substances, the provision of such information, instruction, training and supervision as is necessary to ensure the safety and health at work of every person employed, provision of maintenance of working environment for every person employed that is, safe facilities to health and adequate as regards facilities and arrangements for the employees welfare at work, informing all persons on employed of any risks from new technologies and imminent danger and finally ensuring that every person employed participates in the application and review of safety and health measures. (OSHA, 2007)

Methodology

The study adopted descriptive research design as the suitable design for this research because the researcher was able to obtain information concerning the current status quo and report the findings the way it is. Descriptive studies are not only restricted to fact-findings, but may often result in the formulation of important principles of knowledge and solution to significant problems. Primary data was gathered from respondents through the delivered structured questionnaires comprising of closed and open questions. Data Analysis was done using STATA version 13.0. Data analysis refers to examining what has been collected in an experiment and making deductions and inferences. It involves uncovering underlying structures; extracting important variables, connecting any anomalies and testing any underlying assumptions. Qualitative and quantitative data analysis was used to analyze the data using frequency tables, charts and graphs (Kombo and Tromb, 2006).

A total number of 420 employees at Waridi ltd was the target population. Where category was based on two categories: unionizable employees and management staff. Stratified random sampling involves dividing your population homogenous subgroups then taking a simple random sample from each group the sample is selected in such a way as to ensure that certain subgroups in the population are represented in the sample proportion to their number in the population. For example where a department has 1000 students, where 900 male and 100 female students and the researcher can take 10% of the total, and that the researcher proceeds as usual drawing 90 males at random and 10 females at random (Kombo *et al.*, 2006). Stratified sampling design was used in this case because the two categories of staff were issued with different questionnaires. The proportional allocation of sample size was derived from the target population over total workforce multiplied by 126 which is 30% of the total population. The sample frame was derived from the latest data showing the total workforce.

Table 1: Sampling Frame

Category Of Staff		Target Population	Sample Size
Management staff	Males	60	30
	Females	20	10
Unionisable	Males	228	114
	Females	112	56
Total Population		420	210

Results

Demographic Profile of Respondents

The study had targeted a sample of 210 respondents out of 420. The data used in the analysis was collected from 143 respondents, giving a response rate of 68.1 per cent. Table 1 gives a summary of the study respondents in terms of their gender and employee category (unionisable or management).

Table 2: Study Respondents

Respondents	Unionisable Staff		Management Staff	
	Frequency	Percentage	Frequency	Percentage
Male	72	73.5	34	76
Female	26	26.5	11	24
Total	98	100	45	100

Table 2 shows that a total of 143 employees of Waridi Ltd. were interviewed. Out these, 98 or 68.5 per cent were unionisable employees while 31.5 per cent were in the management category. Males are the majority in the company with 73.5 per cent of the unionisable employees interviewed being males as compared to 76 per cent for the management staff. In all instances, females constitute less than one-third of the total number of employees interviewed. This is a manifestation of gender inequity in employment.

The demographic profiles of the study respondents also show that majority (74.5%) of the unionisable employees was married, 24.5 per cent were single and one per cent was widowed. Table 4.2 gives a summary of the age of the respondents by age bracket.

Table 3: Age of Study Respondents

Age in years	Unionisable Staff		Management Staff	
	Frequency	Percentage	Frequency	Percentage
20-30	58	59.8	19	42.2
31-40	31	32.0	18	40
41-50	6	6.2	8	17.8
51 and above	2	2.0	0	0
Total	97	100	45	100

From Table 3, 54.2 per cent of the study respondents were in the 20-30 years age bracket while 34.5 per cent were aged between 31 and 40 years. Though not directly observable from Table 3, the mean age of the unionisable employees is 30.4 years with a standard deviation of 8 years. The youngest employee is 20 years old while the oldest is 70 years.

Empirical Results

The Role of Communication in Employee Relations

The first objective of the study was to establish the role of communication in employee relations. Employee relation was measured using different concepts. The aspect of communication gauged through source of information, whether or not workers communicate freely with the employers and the extent to which the mode of communication affects employee relations.

The study results show that 72 or 75.79 per cent of the unionisable employees get their information through the union while only 23 or 24.21 per cent get information from the management.

None of the employees identified media, fellow colleagues or bureaus as the source of their information. This shows that the trade union is effective in terms of providing information to the workers and enhancing information flow within the company. In regard to whether or not the employees communicate freely with the employer and if the mode of communication affects their performance, the results were as shown in Table 4.

Table 4: Communication and Employee Relations

Issues	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Do you communicate freely with employer	85	87.67	12	12.37
Does the mode of communication affect your employment relations	2	2.25	87	97.75

Table 4 shows that majority (87.67%) of employees communicate freely with their employer. Only 12.37 per cent consider that they do not have a free communication channel with the employer. According to the results, the mode of communication does not affect the employment relations. Up to 97.75 per cent indicated that the mode of communication did not affect their relations. This finding is consistent considering that a majority of the workers have free communication system with the employer.

The Effect of Collective Bargaining Structures on Employee Relations

The second objective of the study was to establish how collective bargaining structures affect employee relations at Waridi Ltd. The study results showed that out of 91 unionisable employees, who responded to the question on their trade union membership, 90 or 98.9 per cent were union members while only one or 1.1 per cent was not a member of the trade union.

Data collected from the company also confirmed that the Company has a collective bargaining agreement (CBA) negotiated with the Kenya Plantation and Agricultural Workers Union (KPAWU). The CBA has clear structure on employee job category, basic minimum pay, leave and other terms and conditions of employment. Table 5 gives a summary of the job category of employees and the respective minimum rates of pay as contained in the CBA.

Table 5: Minimum Rates of Pay as per Collective Bargaining Agreement

Job category	Minimum wage
General worker	3600
Semi-skilled worker (picker, grader, irrigator pesticide applicator) security, house servant	4300
Tractor driver	4900
Clerks, small trucks drivers	5800
Large truck drivers	6000

Source: CBA, Waridi Ltd

Table 5 shows that the minimum rates of pay ranges between Ksh. 3,600 per month and Ksh. 6,000 per month. This is within the range of statutory minimum wage provisions as contained in the Minimum Wages Orders.

The Effect of Working Conditions on Employee Relations

The third objective of the study sought to establish the effect of working conditions on employee relations at Waridi Ltd. The study results showed that majority of the employees have a clear job description. According to the results 71 (79.78%) of the unionisable employees interviewed indicated that they have a clear job description. Only 18 (20.22%) indicated that they do not have a clear job description. Consistent with this, 81 or 87.1 per cent of the unionisable employees confirmed that they do not perform other duties outside their job description while only 12 or 12.9 per cent acknowledged performing other duties outside their job description. This confirms that the jobs are clearly defined.

Table 6: Nature of Work or Position of Employment

Position of Employment	Frequency	Per cent
Production	11	11.22
Grower	14	14.29
General Worker	6	6.12
Scout	3	3.06
Pest Control	2	2.04
Grounds Man	1	1.02
Run men	1	1.02
Transporter	1	1.02
Security	16	16.33
Sprayer	13	13.27
Supervisor	1	1.02
Grader	5	5.10
Parker	4	4.08
Post Harvester	1	1.02
Buncher	1	1.02
Fatigation	6	6.12
Non response	12	12.25
Total	98	100

Table 6 shows that majority of the workers interviewed were security staff (16.33%). These were followed by growers (14.29%) and sprayers (13.27%). The job category with the least number of workers was groundsman, transporters, runmen, supervisors, post harvesters and bunchers with one employee each, representing 1.02 per cent of the workers interviewed. The study results also showed that 78 or 79.6 per cent of the unionisable employees interviewed are permanent, 16 or 16.3 per cent are on contract while only one employee is temporary. Three of the workers did not respond to the questions.

According to the results, the workers in Waridi Ltd. work between 1-9 hours in a day. Majority (79.59%) of those interviewed indicated that they work for eight hours a day, with only 16.33 per cent working for nine hours in a day. However 1.02 per cent of the workers indicated that they work for one hour, 2.04 per cent work for four hours while 1.02 per cent works for seven hours in a day. This implies that while majority of the workers in the company is fully employed, a few are underemployed thereby working for less than the normal hours of work, which is eight hours. Up to 99 per cent of the workers confirmed that they have at least one rest day in a working week.

The study results also showed that all the employees are provided with protective clothing. According to the employees, the current working conditions do not affect their performance. In this respect, 88 of the employees interviewed or 97.78 per cent indicated that their current working conditions do not affect their performance. According to these workers, the working conditions are conducive and promote performance. Only two of the workers interviewed had a contrary opinion.

The Role of Recruitment in Employee Relations

The fourth objective of the study sought to establish the role that recruitment plays in employee relations. This was assessed in terms of the job search methods used, existence of written contract of employment, relationship with the employer and the extent to which the recruitment criteria affects employee performance. Table 7 shows the job search methods used by the employees of Waridi Ltd.

Table 7: Job Search Methods

Job Search Method	Frequency	Percent
Advertisement	64	65.3
Relatives	7	7.1
Public Employment Services	5	5.1
No Response	23	23.5
Total	98	100

Table7 shows that the most common job search method and recruitment criterion used by the company is advertisement. The study results show that 64 or 65.3 per cent of the employees got their jobs through adverts while five or 5.1 per cent got their jobs through public employment services. This means that up to 70.4 per cent of the employees got their jobs through formal recruitment channels. However, 7 or 7.1 per cent of the workers were assisted by their relatives to get the jobs. A total of 23 employees declined to respond to the question. The non-response may as well have been as a result of fear to disclose the channels used to acquire employment. Consistent with the results on informal job search methods, nine of the employees are related to their employer while 87 (90.63%) are not related to the employer. Two employees did not respond.

The study results showed that 87 or 90.62 per cent of the unionisable employees interviewed confirmed that they have written contract or appointment letters with the employer. Only 9 of the employees or 9.38 per cent indicated that they do not have written contract or appointment letters with the employer. Only two of the employees did not respond.

According to the results, 75 workers or 76.53 per cent indicated that the recruitment criteria does not affect their performance while three or 3.1 per cent of the employees interviewed indicated that the recruitment criteria affects their performance. Twenty or 20.4 per cent of the employees did not respond to the question.

The Effect of Remuneration on Employee Relations

The study results revealed that the monthly salary of the unionisable interviewed ranged between Ksh. 4,165 and Ksh. 10,500. The mean salary was Ksh. 6,423 with a standard deviation of Ksh. 1,669. The standard deviation shows that the salary differential within the firm is not high. Figure 2 gives a schematic representation of the employee salaries.

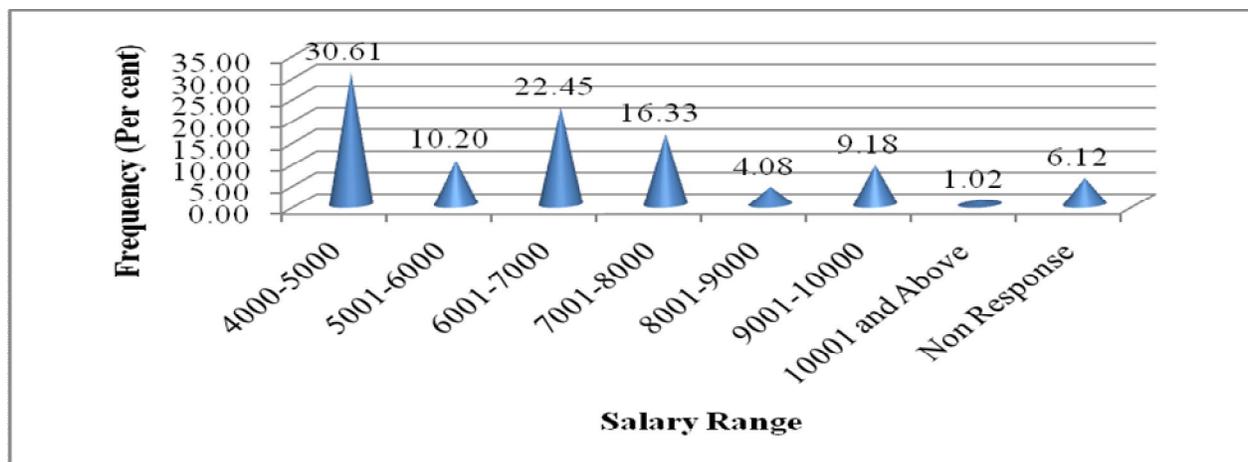


Figure 2: Salary Range

Figure 2 shows that majority (30.61%) of the workers earn a monthly salary of between Ksh. 4000 and Ksh. 5000. Only 1.02 per cent of the employees earn above Ksh. 10,000. Slightly above 6 per cent of the employees did not provide their salary figures. In terms of consistency of the wage payments, 52 of the respondents (58.43%) indicated that the wages are being paid in a consistent manner while 37 or 41.57 per cent of the workers indicated that the payments are not made in a consistent manner. Nine of the employees did not respond to the question.

At the same time, three of the employees (3.3%) confirmed that the pay structure affects their relationship with the employer while 88 or 96.7 per cent indicated that the pay structure does not have any effect on their relations with the employer. Seven employees did not respond to the question.

Employee Views on General Concepts of Employee Relations

Table 8 gives a summary of the rating of employees' approval in respect of the general employee relation concepts.

Table 8: Employee Views on Concepts of Employee Relations (Number of Workers)

Activity	Strongly Disagree	Disagree	Neither	Agree	Strongly agree	Total
Employees are praised for good work.	5	5	9	47	30	96
Employees safety and health conditions are adhered to.	0	1	2	44	47	94
Employees are trusted.	3	2	8	48	31	92
Employee's complaints are dealt with effectively.	1	4	3	51	30	89
Employees are treated with respect.	2	1	3	48	37	91
Employees' issues and grievances are responded to quickly.	3	10	2	51	30	96
Employees are treated fairly without discrimination	3	7	4	40	40	94
Employees hard work is appreciated.	5	11	4	46	27	93
Employee's suggestions and contributions are valued.	2	10	4	41	32	89
Employees are told the truth about the state of the organization.	3	14	4	48	25	94
There is team spirit in the organization.	1	1	4	50	33	89
Employees trust one another.	2	6	4	60	21	93
All employees are committed to the organisation.	1	4	4	51	31	91
Management have confidence on staff	1	1	2	50	38	92
Employees are empowered to make decisions.	6	18	7	36	26	93

The summaries provided in Table 8 reveal that majority of the unionisable employees either agreed or strongly agreed with the general concepts of employee relations as practiced in the company. Based on the likert scale of agree, the highest rating was accorded to employee trust of one another (60), complaints are dealt with effectively (51), employees are committed to the organization (51) and existence of team spirit (50). However, employee empowerment to make decisions, fair treatment and adherence to safety and health conditions were rated fairly low. As for the management staff, majority also agreed or strongly agreed with the general concepts of employee relations as practiced in the company as shown in Table 8.

Discussion

The first objective of the study was to determine the role of communication in employee relation at Waridi Ltd. This variable was measured using different concepts. The aspect of communication was gauged through source of information, whether or not workers communicate freely with the employers and the extent to which the mode of communication affects employee relations. The study established that majority of the workers interviewed get their information through the union with a few getting information from the management. The study also established that employees communicate freely with their employer and that the mode of communication does not affect the employment relations.

The second objective of the study was to examine how collective bargaining structures affect employee relation at Waridi Ltd. The study results showed that majority of the unionisable employees of the company are members of the union. It was also established that the company has a CBA with the KPAWU.

According to the study, Waridi Ltd. has a clear job structure. The minimum rates of pay in the company ranges Ksh. 3,600 per month and Ksh. 6,000 per month, which is within the statutory rates of pay as provided for in the Minimum Wages Orders issued from time to time by the government.

The third objective of the study was to establish how working conditions effect employee relations at Waridi Ltd. The study results showed that majority of the employees have a clear job description. The workers were also found not to perform other duties outside their job description. This implies that the jobs are clearly defined. Along the same lines, majority of the workers in the company are security staff (16.33%) followed by growers (14.29%) and sprayers (13.27%). The job category with the least number of workers was groundsmen, transporters, run men, supervisors, post harvesters and bunchers. Most of the employees in the company are permanent with less than 20 per cent being either on contract or temporary form of engagement. The employees in the company work for between 1-9 hours in a day, with eight hours being the most common. However, a few employees are underemployed, working for less than the normal eight working hours in a day. The study results also showed that all the employees are provided with protective clothing. Overall, the employees interviewed noted that their current working conditions do not affect their performance. They observed that the working conditions are favourable and promote performance.

The fourth objective of the study sought to establish the role that recruitment plays in employee relations. The study established that the most common job search method and recruitment criterion used by the company is advertisement (65.3%), followed by public employment services at 5.1 per cent. The implication is that close to 70 per cent of the employees got their jobs through formal recruitment channels with only a minority using the informal channels such as relatives. According to the study, majority of the workers (90.63%) are not related to the employer. The study also established that most (90.62%) of the unionisable employees have written contract or appointment letters with the employer. According to the study, recruitment criteria do not affect employee performance.

The fifth objective of the study was to establish how remuneration affects employee relation at Waridi Ltd. The monthly salary of the unionisable interviewed ranged between Ksh.4,165 and Ksh.10,500 with the mean salary being Ksh.6,423. The study established that there are no significant salary differentials in the company. However, majority of the workers (30.61%) are in the lower salary band of Ksh.4000-5000 with only 1.02 per cent of the employees being in the highest band. Slightly more than half of the respondents (58.43%) indicated that the wages are being paid in a consistent manner while 41.57 per cent of the workers indicated that the payments are not made in a consistent manner. According to 96.7 per cent of the workers, the pay structure does not have any effect on their relations with the employer. This means that the remuneration does not have an effect on employee relations.

Generally, majority of the employees gave a favourable rating of the general concepts of employee relations as practiced in the company. Based on the likert scale of agree, the highest rating was accorded to employee trust of one another, employee complaints are dealt with effectively, employees are committed to the organization and existence of team spirit. Others were employee suggestions and contribution are valued and that employees are trusted (30). However, employee empowerment to make decisions, fair treatment, employees treated with respect, adherence to safety and health conditions, and employee complaints dealt with effectively were rated fairly low.

Conclusions

This study sought to analyze the factors affecting employee relations in the flower industry in Kenya. The main variables considered were communication, collective bargaining, working conditions, recruitment, remuneration and other general concepts as applied in employee relations. Based on the study findings, it is concluded that free communication and information flow is important in promoting employee relations.

Collective bargaining provides an important channel and framework in determining and maintaining terms and conditions of employment. This is important in enhancing employee relations. Collective bargaining provides the structure for clear job description and work performance. This promotes work performance in organizations. According to the study, recruitment plays an important role in employee relations. This is particularly so if formal recruitment procedures are adopted as opposed to informal procedures where people gain access to employment through relatives. Further, a remuneration and pay structure considered by workers as good has a positive influence on employee relations.

Overall, employee relation concepts such as employee trust of one another, genuine social dialogue, the manner in which employee complaints are dealt with, commitment to the organization and existence of team spirit are all important factors that affect employee relations.

Others such as the extent to which employee suggestions and contribution are valued, degree of trust of employees by the employer, employee empowerment to make decisions, fair treatment and adherence to safety and health conditions are important factors that affect employee relations in the flower firms.

Decisions relating to employment relations management such as those concerned with union recognition, collective bargaining and worker participation are influenced by the manager's ideology, values and philosophy, which form his frame of reference. These values include basic beliefs about how to treat employees, what motivates people and the role of unions in the workplace. Thus managers can be either opposed or supportive of unions.

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