

**EFFECT OF EMPLOYEE RELATIONS ON EMPLOYEE
PERFORMANCE IN THE ENERGY SECTOR IN NAIROBI
CITY COUNTY, KENYA**

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**Effect of Employee Relations on Employee Performance in the Energy
Sector in Nairobi City County, Kenya**

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Philosophy in Human Resource Management in the Jomo Kenyatta
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DECLARATION

This thesis is my original work and has not been presented for award of a degree in any other University.

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DEDICATION

I dedicate this Thesis to my family for their moral support throughout the entire process. Without their support spiritually, I would not have reached this far. God bless you!

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LIST OF ACRONYMS AND ABBREVIATIONS

CIPD	Chartered Institute of Personnel Development
EFA	Exploratory Factor Analysis
ER	Employee Relations
ERC	Energy Regulatory Commission
ERG	Employee Resource or Interest Groups
GDC	Geothermal Development Company
HR	Human Resource
HRD	Human Resource Department
HRM	Human Resource Management
HRSD	Human Resource Skills and Development
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KENGEN	Kenya Electricity Generating Company
KETRACO	Kenya Electricity Transmission Company

KNEB	Kenya Nuclear Energy Board
KPC	Kenya Power Company
L & D	Learning and Development
MOEP	Ministry of Energy and Petroleum
NCPP	National Centre for Partnership and Performance
NLRA	National Labor Relations Act
NOCK	National Oil Corporation of Kenya
PhD	Doctor of Philosophy
PRP	Performance Related Pay
REA	Rural Electrification Authority
S-M-C-R Model	Some Message Channel Receiver Model
TUC	Trade Union Congress

OPERATIONAL DEFINITION OF TERMS

Arbitration: Is the process of settling disputes by getting a third party, the arbitrator, to review and discuss the negotiating stances of the disagreeing parties and make a recommendation on the terms of settlement that is binding on both parties who therefore lose control over the settlement of their differences (Armstrong & Taylor, 2014).

Bargaining Power: The ability to induce the other side to make a decision or take a course of action that it would otherwise be unwilling to make (Armstrong & Taylor, 2014).

Collective Bargaining: The establishment by negotiation and discussion of agreement on matters of mutual concern to employers and unions covering the employment relationship and terms and conditions of employment (Armstrong & Taylor, 2014).

Communication: Is the exchange of information and ideas within an organization (ACAS, 2005).

Conciliation: As the process of reconciling disagreeing parties (Labour Relations Act, 2007).

Conflict resolution: Is conceptualized as the methods and processes involved in facilitating the peaceful ending of conflict and retribution (Forsyth, 2009).

Employee relations: Is defining the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and their trade unions (Armstrong & Taylor, 2014).

Mediation: Is a voluntary and confidential method of solving conflicts (Kellett, 2007).

Negotiation: Is a discussion between two parties to find out the solution and for the purpose of reaching a joint agreement about differing needs or opinions (Management Guide, 2016).

Performance: The means of getting better results from the organization teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirement (Armstrong & Taylor, 2014).

Trade union: Is an association of employees whose principal purpose is to regulate relations between employees and employers, including any employers' organization (Labour Relations, 2007).

ABSTRACT

This study sought to find out the effect of employee relations on employee performance in the Energy sector in Nairobi County, Kenya. The study sought specifically to establish the effect of collective bargaining; conflict resolution, trade union, involvement & participation and employee communication on employee performance in the energy sector in Nairobi City County, Kenya. The target population of the study was 5,001 staff in the Energy Sector. A representative sample of 356 staff was obtained by use stratified random sampling. This study targeted both Management and Unionisable staff of all companies in the Energy Sector in Nairobi County. The study targets management staff who are charged with the responsibility of formulation and implementation of employee relations policies, procedures and strategies as well as Unionisable staff since they are affected by the policies, procedures and strategies. The study used a descriptive research design to measure the effect of employee relations on employee performance. The study used a questionnaire to collect data. A structured questionnaire was used to collect data. The Statistical Package for Social Sciences version 22 was used to analyze data. Inferential statistics were used to establish the relationships that existed between the variables. The correlation coefficient was used to measure the relationship between independent variables and dependent variable while the regression analysis was used to measure the strength between the independent and dependent variables. Data was presented in form of tables, graphs and charts. The study found out that collective bargaining; conflict resolution, trade union, involvement & participation influence employee performance. The study also found out that motivation has a moderating influence of the relationship between employee relations and employee performance. The study concluded that employee performance in the energy sector will improve if the study variables collective bargaining; conflict resolution, trade union, involvement & participation and motivation are improved. The study therefore recommends that policy makers, government, the energy sector stakeholders and other interested parties should make policies that support improvement of collective bargaining; conflict resolution, trade union, involvement & participation and motivation. There is need also to invest in motivation strategies with the involvement of employees since findings indicated that the level of employee involvement was minimum on designing these strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

This chapter provides an overview of study background. It presents the background where global perspective, regional perspective and local perspectives are discussed. The statement of the problem based on the gaps in the present literature is discussed. The research objectives and research hypothesis for the proposed study are developed; the scope of the study, justification for the study and limitations of the study are also included.

Employees are among an organization's most important resources and coined as most valuable assets. The nature and amount of work performed by them have a direct impact on the productivity of an organization. So maintaining healthy employee relations in an organization is a pre-requisite for any organization in order to achieve growth and success (Sequeira, 2015). According to CIPD (Chartered Institute of Personnel & Development) Employee relations is a broad term that incorporates many issues from collective bargaining, negotiations, employment legislation to more recent considerations such as work-life balance, equal opportunities and managing diversity. It comprises of the practices or initiatives for ensuring that Employees are happy and are productive. Employee Relations offers assistance in a variety of ways including employee recognition, policy development and interpretation, and all types of problem solving and dispute resolution.

Employee relations has its roots in industrial revolution which created the modern employment relationship by spawning free labour markets and large-scale industrial organizations with thousands of wage workers (Kaufman, 2007). As society wrestled with

these massive economic and social changes, labour problems arose. Low wages, long working hours, monotonous and dangerous work, and abusive supervisory practices led to high employee turnover, violent strikes, and the threat of social instability. Intellectually, industrial relations were found at the end of 19th century as a middle ground between classical economics and Marxism, with Sydney Webb and Beatrice Webb industrial democracy being key to intellectual work. Industrial relations thus rejected the classical economics (Kaufman, 2007).

1.1.1 Global Perspective of Employee Relations

In the United States, employee relations are regulated by the National Labor Relations Act (NLRA) which remains the statute enacted as the Wagner Act of 1935 and subsequently amended by the Taft- Hartley Act of 1947 and the Landrum- Griffin Act of 1959. More than half a century has passed since the last major amendments to the NLRA. Over time there has been some reinterpretation of the NLRA by the National Labor Relations Board, as well as by the courts, yet the basic legal framework of labor law remains the same (Malin, 2013).

NLRA is structured around the principles of protection of the right to organize, requirement of majority support by employees for union certification, exclusive representation of bargaining units, duties to bargain in good faith with certified union representatives and use of the economic weapons of strikes and lockouts to resolve impasses in bargaining noted (Malin, 2013). Labor laws governing public sector workers largely follow the same model as the NLRA, with some exceptions such as commonly limiting the right to strike and providing for interest arbitration as an alternative.

In Canada the employee relations system is based on the Wagner Act model. The Wagner Act provided the template for the initial federal law governing labor relations in the 1940s and for subsequent provincial legislation in this area (Carter *et al*, 2002). The Canadian labor legislation incorporated key features of the Wagner Act model, including protection

of the right to organize, majority union support required for certification, exclusive representation of bargaining units, duties to bargain on employment- related matters, and the availability of strike and lockout weapons to support bargaining.

At the same time, Canadian labor laws have developed some distinct doctrines including lack of a bar on employer- dominated representation plans, use of card check and snap elections to determine majority representation status, self- enforceability of labor relations board orders, use of interest arbitration as an alternative to strikes for first contracts, and greater limitations on the use of permanent replacement workers in strikes or lockouts, as well as limitations on temporary replacements in some provinces (HRSD Canada, 2011). Although there have been a series of amendments to existing labor Laws passed in the various Canadian provinces since the 1980s, these represent periodic shifts in power associated with changing provincial governments.

In Britain, from the beginning of the 20th century the industrial relations system had been premised on a doctrine of collective laissez- faire. At the same time, however, government consistently provided implicit support for unions and recognized their place in the economic order (Howell 2005). The result was a distinctive regulatory approach of relying on voluntary collective bargaining to achieve a normative outcome. The thrust of the Thatcher reforms was to transform the role of unions and collective bargaining within the economy and society. This transformation was achieved through a rebalancing of power.

The Thatcher era legislation significantly narrowed the definition of a trade dispute and prohibited secondary picketing to create a tight private ordering model. Legislation also abolished the custom or requirement to recognize unions and the closed shop and required Multi employer bargaining collapsed from covering 30% of the workforce and 18% of private sector workplaces in 1980 to only 3% in 2004 (Brown, Bryson & Forth 2009), reflecting the confinement of industrial relations to the individual enterprise. Concomitantly, a dramatic drop occurred in the percentage of private sector workplaces

in the United Kingdom, where unions were recognized, and a fall in union density from 52.9% in 1980 to 25.7% in 2011 (Brownlie 2012).

In Ireland employee relations has a common heritage with Britain. Employee relations is regulated by the constitution which provides for the right to join a trade union, but it does not give a corresponding obligation on employers to recognize or bargain with them. Nevertheless, the role of unions within the public sphere is accepted, with the Industrial Relations Act, 1946 (and amendments in 1969 and 1976) promoting harmonious industrial relations as a key objective. The voluntarist foundation of Irish industrial relations without collective bargaining rights has been retained and labor law has been comparatively stable (Peters 2004).

In Australia, employee relations has had a gradual transformation, beginning with the Industrial Relations Reform Act, 1993 and particularly the Workplace Relations Act, 1996 (WRA). Although enterprises were the historic location for limited over-award bargaining, these acts progressively decentralized and concentrated industrial relations at the workplace. Beyond this, the Acts allowed individual contracts and non-union collective agreements (as viewed by; outlawed the closed shop, which had covered 54% of Australian workers in 1990 (De Turberville 2007); and did not provide any mechanism for union recognition or good faith bargaining. Strikes and lockouts were legalized, though secondary action and the ability to engage in pattern bargaining were severely restricted under the WRA 1996(Gray 2005). Collective and individual bargaining at the enterprise level continued.

1.1.2 Regional Perspective of Employee Relations

In Nigeria, employee relations have undergone rapid development since the return to democratic governance in 1999. This is hardly surprising considering the central role which labour plays in economic development. Labour is the most important factor of production and is often referred to as the coordinating factor of production. More and

more jobs are being created almost daily and there is a corresponding upsurge in the issue of labour and industrial relations (Dugeri, 2015).

Section 17 (3) of the Nigerian Constitution 1999 provides for the social fundamental objectives and directive principles of state policy and covers the following labour matters: Opportunity for securing adequate means of livelihood; Just and human conditions of work; Health, safety and welfare of all persons in employment; Equal pay for equal work without discrimination on any ground whatsoever; Prohibition of child and aged labour. While section 6(6) of the Constitution makes section 17 unenforceable, the provision provides a labour and industrial relations policy direction for government and other employers of labour. Specific labour legislation and work culture have therefore been tailored towards entrenching these fundamental ideals and in some cases made enforceable.

In Uganda, employee relations is a concept regulated by the constitution of 1995. This constitution of 1995 establishes the freedom of association, right to work under safe and healthy conditions, to form and join unions, collective bargaining and representation and equal payment for equal work. The labour market in Uganda is governed by several acts which includes: The Employment act of 2006 which establishes fundamental rights at work, the Labour Advisory Board and Labour Inspectorate. It also regulates employment relationship, wages, leave, working hours and termination of employment. They have also enacted Trade Union Act and the Labour Disputes (Arbitration & Mediation) Act both of 2006 which regulates Trade Unions, industrial relations, collective bargaining and reaffirms freedom of association.

In the United Republic of Tanzania, employee relations is enshrined in the constitution. The state is obliged to realize the right to work and social welfare. The freedom of association is guaranteed in the constitution. It is also important to note that equal opportunity and just remuneration is enshrined in the constitution. The government enacted pieces of legislation to regulate employee relations which include; The Employment and Labour Relations Act of 2004 which sets fundamental rights at work and regulates hours of work, remuneration, leave, termination of employment, trade unions and employers' organizations, organizational rights, collective bargaining, strikes and lockouts and sets dispute resolution under the Commission for Mediation and Arbitration.

1.1.3 Local Perspective on Employee Relations in Kenya

Right from independence, the legal and institutional framework for employment relations recognized freedom of association and the right to collective bargaining. In fact, these rights are entrenched in Kenya's constitution and form part of the foundation of employment relations in the country. However, changing economic and political conditions had from time to time created conditions that tended to undermine these rights (Tubeyi *et al*, 2015). It is important to note that, public policies of the 1990s led to the denial of labour rights in the industrial zones, while the right to collective bargaining remains unrealized in much of the public sector. After decades of indecisive actualization of labour rights for several categories of workers, the government and the social partners undertook a comprehensive reformulation of the labour code that led to the enactment of five major laws in 2007 (Fashoyin, 2007).

The five labour laws enacted in 2007 included: the Employment Act; the labour Relations Act; the labour Institutions Act; the Work Injury Benefits Act and the Occupation, Safety and Health Act. The following is an overview of the labour laws promulgated in 2007 as a breakthrough in the field of employee relations in Kenya. The Employment Act is a substantial improvement over the old Employment Act, cap 226 (and the Regulation of Wages and Conditions of Employment Act) which it replaced.

The current legal framework is a favourable response to emerging labour market realities, particularly the changing composition of the labour force and the structure of employment. These realities dictated the critical need for greater social safety nets for the growing proportion of workers with inadequate or lack of social protection. Finding a suitable balance between a socially responsive legal framework and the inevitable flexibility in the highly competitive global environment is a major challenge for the tripartite partners. Also, the thrust of some of the provisions of the legal framework remains a source of anxiety among the labour market actors (Fashoyin, 2007).

1.1.4 Employee Performance

Armstrong and Taylor (2014) defines performance as a means of getting better results from the organization teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirement. It must be owned and driven by the line managers. It is also the process of directing and supporting employees to work effectively and efficiently as possible in line with the needs of the organization. Mutsuddi, (2010) asserts that performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities.

According to Mutsuddi (2010), performance management should be regarded as a flexible process, not a system. The use of the term system implies a rigid, standardized and bureaucratic approach that is inconsistent with the concept itself as a flexible and

evolutionary, coherent, process that is applied by managers working with their teams in accordance to the environment and text where they operate.

According to Anon (2015), organization needs a systematic assessment for it to obtain valid information about the performance of an organization and the factors that affect performance. Most of the organizations are constantly trying to adapt, survive, perform and influence. However, they are not always successful. To better understand what they can or should change to improve their ability to perform, organizations can conduct organizational assessments.

Smith (2015) stated that there are several models or frameworks for conducting an organizational performance assessment. The choice of which framework depends on the nature of the organization, on the purpose of the assessment, and on the context in which the assessed organization operates. It is important to note that different frameworks are underpinned by different philosophies and theories of organizational change; an organization should choose a framework that is owned by management beliefs and culture, to ensure that it fully engages in the process and truly benefits from the assessment.

According to Smith (2015), a key decision that an organization needs to make when undertaking an organizational assessment is whether to self-assess its performance, to commission an external assessment, or to use a combination of both approaches. Some advantages of a self-assessment are that it encourages the organization's ownership of the assessment, and thereby increases the latter's acceptance of feedback and commitment to the evaluation's recommendations.

1.1.5 Energy Sector

The Energy sector in Kenya is managed by the Ministry of Energy and Petroleum (MoEP) which is charged with formulation of policies to create an enabling environment for efficient operation and growth of the sector. It sets the strategic direction for the growth

of the sector and provides a long-term vision for all sector players. Kenya Vision 2030 and the Second Medium Plan 2013-2017 identify energy as one of the infrastructure enablers for transformation into “a newly-industrializing, middle-income country, providing a high quality of life to all its citizens in a clean and secure environment”. Access to competitively-priced, reliable, quality, safe and sustainable energy is essential for achievement of the Vision.

The institutional structure of the energy sub sector comprises of the Ministry of Energy and Petroleum (MoEP), Energy Regulatory Commission (ERC), Kenya Electricity Generating Company (KenGen), Kenya Power and Lighting Company, the Rural Electrification Authority (REA), Kenya Electricity Transmission Company (KETRACO), Geothermal Development Company (GDC), Kenya Nuclear Electricity Board (KNEB), Kenya Pipeline Company (KPC), National Oil Corporation of Kenya (NOCK), Kenya Petroleum Refinery Limited, private sector actors and energy service users/customers (MOE &P Website).

The energy sector in Kenya is largely dominated by petroleum and electricity, with wood fuel providing the basic energy needs of the rural communities, urban poor, and the informal sector (MOE &P Website). An analysis of the national energy shows heavy dependency on wood fuel and other biomass that account for 68% of the total energy consumption (petroleum 22%, electricity 9%, others account for 1%). Electricity access in Kenya is low despite the government’s ambitious target to increase electricity connectivity from the current 15% to at least 65% by the year 2022 (MOE &P Website).

In the electric power sub-sector, total installed capacity expanded by 18.2% from - 1885MW in 2013/14 to 2299MW in 2014/15 mainly due to increased geothermal capacity. Total electricity generation expanded by 5% to 9,280GWh in 2014/15. Hydro and geothermal power accounted for the bulk power with a total share of 79.4% during

the period. Domestic demand for electricity registered a growth of 5.6% to 7,615GWh in 2014/15 from 7,205GWh in 2013/14.

The demand for electric power continued to rise significantly over the last five years driven by a combination of normal growth, increased connections in urban and rural areas as well as the country's envisaged transformation into a newly industrialized country as articulated in Vision 2030. However, the power market remained unbalanced with this demand not fully met by supply. This is mostly due to system constraints and weather challenges. The peak demand rose from 1468MW in 2013/14 to 1512MW in 2014/15. The supply of electricity showed a 6.8% increase from 8,839GWh in 2013/14 to 9280GWh in 2014/15. The recorded total consumption also demonstrated a significant increase, recording a total of 7655GWh compared to 7244GWh in 2013/2014.

1.2 Statement of the problem

One of the most pressing issues facing most organizations today is the need to enhance employee performance. There is a widespread belief that performance improvements can only be achieved through a fundamental reform in employee relations. Changes are thought to be necessary both in the organization and structure of work and in the way in which employees are trained, remunerated and motivated. Blyton (2008) conducted a study which revealed that employees do not put up their best performance at workplaces when they are unhappy with management, government or even their own colleagues.

Bad employer – employee relationships results in strike action and lockouts. All these actions taken by employees to display their grievances affect their performance as productivity will be reduced drastically. Moreover, it is argued that these changes cannot be separated from the need to overhaul our system of interest representation and dispute resolution. The activities of trade unions and the operations of arbitration tribunals are often viewed as impediments to management efforts to lift the competitive performance of their organizations.

When performance in the energy sector fails to meet the expected levels, this results into customer complaints, which paint the sector negatively (Blyton 2008). This puts pressure on the various stakeholders in the energy sector who then push employees within the sector to perform. This situation (Armstrong & Taylor, 2014) observe that it lowers workers morale. Yet for effectiveness in performance, individual goals must be aligned with organizational goals, so that key performance indicators for employees are linked to those of the organization (Armstrong & Taylor,2014). Armstrong & Taylor (2014) conducted seventy studies in goal setting, participation in decision making, objective feedback and found out management by objectives programmes when properly implemented and supported had an almost positive effect on productivity.

Several scholars have done studies, which have indicated a positive relationship between employee relations and employee performance in various sectors of the economy. Muhammad, Farrukh & Naureen, (2013) conducted a study on the impact of employee relations on employee performance in hospitality industry of Pakistan. Other researchers such as Dumisani *et al* (2014), conducted a study on the impact of Employer-Employee relationships on business growth. Ngui (2016) conducted a study on the relationship between employee relations strategies and performance of Commercial Banks.

The above studies did not highlight specific employee relations practices/strategies that influence employee performance. It is in the light of this background that the study seeks to find out the influence of employee relations on employee performance in the energy sector in Nairobi City County, Kenya.

1.3 General Objective

1.3.1 To establish the effect of employee relations on employee performance in the Energy Sector in Nairobi City County, Kenya.

1.3.2 Specific Objectives

The specific objectives were:

- i. To determine the effect of collective bargaining on employee performance in the Energy sector in Nairobi City County, Kenya.
- ii. To find out the influence of Conflict resolution on employee performance in the Energy sector in Nairobi City County, Kenya.
- iii. To analyze the influence of involvement and participation on employee performance in the Energy sector in Nairobi City County, Kenya.
- iv. To establish the influence of employee communication on employee performance in the Energy sector in Nairobi City County, Kenya.
- v. To examine the moderating influence of motivation on the relationship between employee relations and employee performance in the Energy sector in Nairobi City County, Kenya.

1.4 Research Hypothesis

- i. The hypothesis of the study were:
- ii. H_{01} Collective bargaining does not have a significant influence on employee performance in the Energy sector in Nairobi City County Kenya
- iii. H_{01} Conflict resolution does not have a significant influence on employee performance in the Energy sector in Nairobi City County Kenya.
- iv. H_{01} Involvement and participation does not have a significant influence on employee performance in the Energy sector in Kenya.

- v. **H₀₁** Employee communication does not have a significant influence on employee performance in the energy sector in Kenya.
- vi. **H₀₁** Motivation does not moderate the effect of employee relations on employee performance in the Energy Sector in Nairobi City County Kenya

1.5 Significance of the study

This study was expected to make contribution to the general body of knowledge on employee relations and performance. The study was expected to generate new knowledge and new models. However, on a more specific basis this study was expected to benefit the following: -

The study findings and recommendations will help the government of Kenya to address the challenges affecting employee relations. This will help the government in developing employee relations strategies that supports harmonious employee relations. The study will benefit the energy sector by providing empirical evidence to develop clear strategies that would help in maintaining cordial employee relations that supports enhancement of employee performance. This will also help the Energy sector put in place a more elaborate and comprehensive framework that will be used in employee relations in view of the highly needed industrial harmony.

The study findings and recommendations are expected to contribute to the body of knowledge that will be useful in enhancing the understanding of researchers and scholars on employee relations. The study also recommends areas for further studies. The study is expected to enrich employees' competencies, skills and attitudes on the effective and efficient management of employee relations. The study is expected to help Human Resource Practitioners enhance their competences on the application and effectiveness of employee relations in maintaining industrial harmony.

1.6 Scope of the study

The study was carried out in the energy sector in Nairobi City County, Kenya. The study opted for Nairobi City County, Kenya since this is the Head office of all companies in the Energy Sector. The target population was five thousand and one (5,001) in Energy sector. The study used stratified random sampling to select a sample size of 356 respondents. The study sought to find out the influence of collective bargaining, conflict resolution, involvement and participation, and employee communication as independent variables on employee performance as dependent variable in the Energy sector in Nairobi County, Kenya. Motivation was a moderating variable for this study.

1.7 Limitations of the study

Respondents were not comfortable to freely give honest opinions due to confidentiality reasons. This was mitigated by assuring them that the study was purely for academic purposes.

Due to their busy schedules directors and senior managers seemed to have an issue with providing timely responses, the response rate was initially low, and quality of responses also seemed an issue initially given the depth and nature of information required. One major fear was that the directors and senior managers would end up delegating. To mitigate this challenge the study had to emphasize the importance of Directors and senior Managers giving their own response since it was aimed at ensuring that employee relations enhances employee performance in their respective organizations.

The directors and senior managers were also given adequate time to complete their questionnaires. The other limitation was that employee performance in the Energy sector is multi- faceted and could not be studied in one study. This was mitigated by the study recommending further studies on other dimensions of performance not covered in this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter reviewed relevant literature on the effect of employee relations on employee performance in the energy sector in Nairobi City County, Kenya. The chapter discussed, theoretical review, conceptual framework, empirical review used in the study based on the study variables. The chapter also provides a critique, a summary of the chapter and identified research gaps that were filled by this study.

2.2 Theoretical Review

A theory is a set of systematic interrelated concepts, definitions, and propositions that are advanced to explain and predict phenomenon (Cooper & Schindler, 2011). Theoretical framework is a collection of interrelated ideas based on theories. It is a reasoned set of propositions, which are supported by data and evidence.

2.2.1 Systems Theory

The systems theory of industrial relations, as propounded by Dunlop (1958), states that industrial relations can be regarded as a system or web of rules regulating employment and the ways in which people behave at work. According to this theory, the role of the system is to produce the regulations and procedural rules that govern how much is distributed in the bargaining process and how the parties involved, or the actors in the industrial relations relate to one another (Ludwig, 1983).

The system is expressed in many formal or informal guises: in legislation and statutory orders, in trade union regulations, in collective agreements and arbitration awards, in social conventions, in managerial decisions, and in accepted custom and practice. The rules

may be defined and coherent, or ill-defined and incoherent. Trade unions will always be anxious to preserve any aspects of custom and practice beneficial to their members and resist attempts by management to make changes. The systems theory supports the variable collective bargaining since it provides for rules and regulations, which are used to govern the collective bargaining process between management and employees in employment relationship.

2.2.2 Cooperative Model

One of the first to develop insight into the beneficial consequences of cooperation as an academic enquiry was Morton Deutsch (1988). In his view, several factors like the nature of the dispute and the goals each party aims at are pivotal in determining the kind of orientation a party would bring to the negotiating table in its attempt to solve the conflict. Two basic orientations exist. These are competitive and cooperative. Deutsch further predicts the type of interactions which would occur between negotiating parties because of their disputing style. Cooperative disposition of the party would evoke an atmosphere of trust and eventually lead to mutually beneficial options for settlement. On the other hand, competitive approach leads to win-lose outcomes. This approach is inclined to intensifying animosity and distrust between parties and is generally considered destructive.

Some critics of this approach argue, both cooperation and competition are essential to some extent to effectuate resolution of conflict since negotiating a desirable agreement always includes common and diverse goals. Thus finding a balance between these two approaches is the key to successful negotiation. The cooperative model theory supports the variable conflict resolution since parties in dispute are expected to cooperate in order to be brought to negotiating table in its attempt to solve the conflict.

2.2.3 Social exchange Theory

Employees will reciprocate their contribution to the organization if they perceive that the organization has treated them well (Balain & Sparrow, 2009). Social exchange theory states that employees engage in reciprocal relationships that can develop into trusting, loyal and mutual commitments when certain 'rules of exchange' are observed. Employees will demonstrate positive attitudes and behaviours when they perceive that their employer values them and their contribution. They will demonstrate higher levels of performance if the work environment is one in which employees have a voice in the sense that they can share their concerns, opinions and ideas with their employers.

Social exchange theory argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic tenet of social exchange theory is that relationships evolve over time into trusting, loyal and mutual commitments as long as the parties abide by certain 'rules' of exchange. These usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. He argued that one way for individuals to repay their organization is through their level of engagement. In other words, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organization. This is consistent with the description of engagement by Robinson *et al* (2004) as a two-way relationship between the employer and the employee. Balain & Sparrow (2009) concluded that: To understand what really causes engagement, and what it causes in turn, we need to embed the idea in a well-founded theory. The one that is considered most appropriate is social exchange theory, which sees feelings of loyalty, commitment and discretionary effort as all being forms of social reciprocation by employees to a good employer. The social exchange theory supports involvement and participation since the theory emphasis on the reciprocal relationship between employees and employers.

2.2.4 Theory of Communication

The theory of communication proposes a vision for communication that engages in dialogue on the practice of communication. Wolfgang (2006) pointed out that communication is possible only upon a common language between sender and receiver. Leonarda & Susana (2009) explains communication theory as an outline on how each one of the elements of communication processes would engage the others in dialogue. The main elements of communication according to communication theory are; source, sender, or transmitter, receiver then feedback which in strategic terms is the actualization of what has been communicated. The theory of communications supports employee communication since it proposes a vision for communication that engages in dialogue.

2.2.5 Herzberg's Two – Factor Model

The two-factor model of motivation developed by Herzberg (1957, 1966) was based on an investigation into the sources of job satisfaction and dissatisfaction of accountants and engineers who were asked what made them feel exceptionally good or exceptionally bad about their jobs. According to Herzberg, the research established that there were two factors that affected feelings of satisfaction or dissatisfaction. Motivating factors or 'satisfiers' relate to the job content and consist of the need for achievement, the interest of the work, responsibility and opportunities for advancement. These needs are the intrinsic motivators. He summed this up in the phrase 'motivation by the work itself'.

Hygiene factors relate to the job context, including such things as pay and working conditions. 'Hygiene' is used in the medical use of the term, meaning preventative and environmental. In themselves hygiene factors neither satisfy nor motivate and they serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. Pay is not a satisfier but if it is inadequate or inequitable it can cause dissatisfaction. However, its provision does not provide lasting satisfaction.

Herzberg's two-factor theory in effect identifies needs but it has been attacked by, for example, Opsahl & Dunnette (1966). The research method has been criticized because no attempt was made to measure the relationship between satisfaction and performance. It has been claimed that the two-factor nature of the theory is an inevitable result of the questioning method used by the interviewers. The underpinning assumption that everyone has the same needs is invalid. Denise Rousseau (2006) in her presidential address to the US Academy of Management summed up these views as follows: 'Herzberg's long discredited two-factor theory is typically included in the motivation, despite the fact that it was discredited as an artefact of method bias over thirty years ago.'

In spite of these objections, the Herzberg two-factor theory continues to thrive; partly because it is easy to understand and seems to be based on real-life rather than academic abstractions, and partly because it convincingly emphasizes the positive value of the intrinsic motivating factors and highlights the need to consider both financial and non-financial factors when developing reward systems. It is also in accord with a fundamental belief in the dignity of labour and the Protestant ethic – that work is good in itself. The Herzberg two-factor theory supports the variable motivation as it considers both intrinsic and extrinsic motivation which leads to job satisfaction hence improved employee morale.

2.2.6 Expectancy Theory

Expectancy theory had been proposed by Victor Vroom (1964). This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman *et al*, 2005).

Expectancy theory proposes that an individual will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behaviour will be. The motivation of the behavior selection is determined by the desirability of the outcome. However, at the core of the theory is the cognitive process of how an individual processes the different motivational elements. This is done before making the ultimate choice. The outcome is not the sole determining factor in making the decision of how to behave. The Expectancy theory supports employee performance since employees expect a desirable outcome because of the selected behavior in discharging their responsibilities.

2.3 Conceptual Framework

Conceptual framework as a hypothesized model identifies the concepts under study and their relationship. It expresses the independent variables, which influence the dependent variable. McGrath (2009), Mosby (2009) and Anderson (2005), defines conceptual framework as a group of concepts that are broadly defined and systematically organized to provide a focus, a rationale, and a tool for the integration and interpretation of information. According to Mugenda & Mugenda (2012), the purpose of a conceptual framework is to help the reader to quickly see the proposed relationships between the independent variables and the dependent variables. Systematically placed in broad structure of explicit prepositions, statement of relationships between two or more variables.

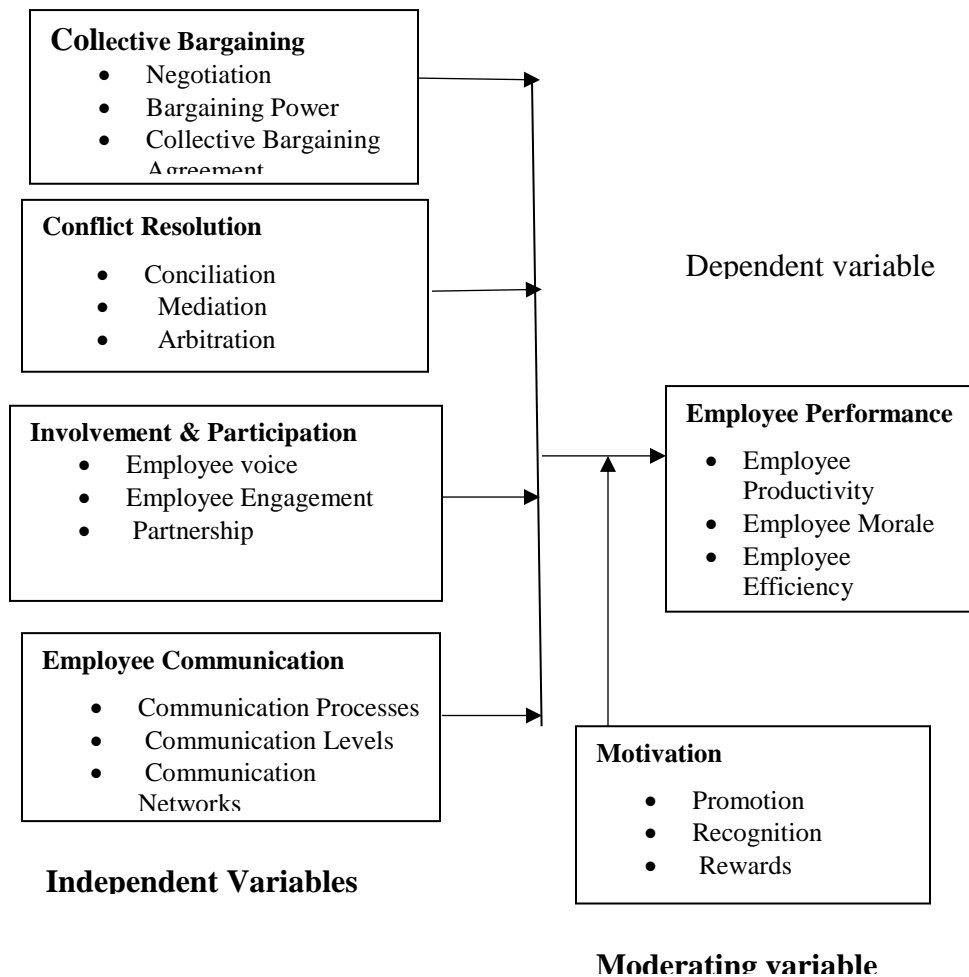


Figure 2.1: Conceptual Framework

2.3.1 Collective Bargaining

The industrial relations system is regulated by collective bargaining. This is defined as a social process that ‘continually turns disagreements into agreements in an orderly fashion. According to Armstrong & Taylor, (2014), Collective bargaining is the establishment by negotiation and discussion of agreement on matters of mutual concern to employers and unions covering the employment relationship and terms and conditions of employment. It

therefore provides a framework within which the views of management and unions about disputed matters that could lead to industrial disorder can be considered, with the aim of eliminating the causes of the disorder.

Collective bargaining is a joint regulating process, dealing with the regulation of management in its relationships with work people as well as the regulation of conditions of employment. It has a political as well as an economic basis both sides are interested in the distribution of power between them as well as the distribution of income. Collective bargaining can be regarded as an exchange relationship in which wage-work bargains take place between employers and employees through the agency of a trade union. Traditionally, the role of trade unions as bargaining agents has been perceived as being to offset the inequalities of individual bargaining power between employers and employees in the labour market.

Collective bargaining has been noted to help promote cooperation and mutual understanding between workers and management by providing a framework for dealing with industrial relations issues without resort to strike and lockouts. Collective bargaining is central to any industrial relations system since it is a tool through which regulated flexibility is achieved (Godfrey *et al.*, 2007). According to Cole (2005) the process of negotiating collective agreement does not occur in a vacuum. The aim of the process, is to achieve a workable relationship with management, found on mutual respect, in which tangible benefits are realized on agreed terms and not just on management's whim.

Collective bargaining is at the heart of trade unionism and industrial relations. Generally, Collective bargaining rests on four fundamental principles. First is the principle of collectivism as opposed to individualism that together there can be purposeful achievement. This means that the numerous workplace problems facing workers can be best resolved by trade unions. The second principle is cooperation as opposed to competition. The third is solidarity as opposed to survival of the fittest. The fourth

principle underlying collective bargaining is economic and social justice and fairness or equity (Budd *et al*, 2008).

Collective bargaining remains the most important service that unions provide for their members in the formal sector. Unions have used the collective bargaining process to negotiate standards that govern employment and labour relations for their members. Collective bargaining is one of the three main pillars of industrial relations and it remains at the centre of industrial relations. The other pillars are conflict prevention and conflict resolution both of which are addressed within the collective bargaining framework. Collective bargaining becomes necessary when individual action fails or is likely to fail in fulfilling the expectations of workers. The effectiveness of collective bargaining depends on the ability of unions to organize (Asch, 2006)

Negotiation is a discussion between two parties to find out the solution and for the purpose of reaching a joint agreement about differing needs or opinions. It involves using the art of ‘persuasion’ to get others to understand and agree with your viewpoint. It works best when an individual has a win-win attitude (Management Guide, 2016). Negotiation takes place when two parties meet to reach an agreement concerning a proposition, such as a pay claim, one party has put to the other.

Purcell (1987) argues that the distinction between pluralist and unitary frames of management has provided a powerful impetus to the debate about management style, but the mutually exclusive nature of these categories has limited further development. Moreover, wide variations can be found within both the unitary and the pluralist approach. He therefore suggests an alternative distinction between ‘individualism are policies focusing on individual employees and ‘collectivism’ – the extent to which groups of workers have an independent voice and participate in decision making with managers. He believes that companies can and do operate on both these dimensions of management style.

The formal outcomes of collective bargaining are substantive agreements, procedural agreements, single-union deals, new-style agreements, partnership agreements and employee relations procedures. Substantive agreements are the outcome of collective bargaining. They set out agreed terms and conditions of employment covering pay and working hours and other aspects such as holidays, overtime regulations, flexibility arrangements and allowances. They are not legally enforceable.

A substantive agreement may detail the operational rules for a payment-by-results scheme, which could include arrangements for timing or re-timing and for payments during waiting time or on new work that has not been timed. Substantive agreements can also deal with the achievement of single status or harmonization. Procedural agreements set out the methods to be used and the procedures or rules to be followed in the processes of collective bargaining and the settlement of industrial disputes. Their purpose is to regulate the behaviour of the parties to the agreement, but they are not legally enforceable and the degree to which they are followed depends on the goodwill of both parties or the balance of power between them. (Armstrong & Taylor, 2014). For purposes of this study, collective bargaining was operationalized through indicators including negotiation, bargaining power and collective bargaining agreement. These formed the basis of the questions that were asked in the questionnaire on collective bargaining.

2.3.2 Conflict Resolution

According to Forsyth (2009), conflict resolution is also known as reconciliation and is conceptualized as the methods and processes involved in facilitating the peaceful ending of conflict and retribution. According to him, conflict resolution may also be used interchangeably with dispute resolution, where arbitration and litigation processes are critically involved. According to Wilmot and Jouyce (2007), the concept of conflict resolution can be thought to encompass the use of nonviolent resistance measures by conflicted parties in an attempt to promote effective resolution. Committed group

members attempt to resolve group conflicts by actively communicating information about their conflicting motives or ideologies to the rest of the group and by engaging in collective negotiation (Mayer, 2012). Conflicts are usually resolved through Conciliation, Mediation and Arbitration.

Conciliation is the process of reconciling disagreeing parties. Conciliation is the act of uniting disputing parties (Labour Relations Act, 2007). It is an attempt through informal discussions to help parties in a dispute to reach their own agreement. Conciliation is normally appropriate only when parties have exhausted their own procedures without resolving the disputes or when they agree overriding their own procedures without resolving the disputes or when they agree overriding consideration require it.

Requests for conciliation assistance come from either trade unions or employers or are made by the parties jointly. It is carried out by a third party who acts in effect as a go-between, attempting to get the employer and trade union representatives to agree on terms. Conciliators can only help the parties to come to an agreement. They do not make recommendations on what that agreement should be; that is the role of an arbitrator. The incentives to seek conciliation are the hope that the conciliator can rebuild bridges and the belief that a determined, if last minute, search for agreement is better than confrontation, even if both parties have to compromise.(Armstrong & Taylor, 2014)

According to Kellett (2007), mediation is a voluntary and confidential method of solving conflicts. An impartial third party (the mediator) is brought in to help the two conflicting parties reach a solution that both find satisfactory. The parties are not obliged to reach an agreement or solution and everyone involved, including the mediator, have the option to terminate the process if they wish to. The goal of the process is for both parties to claim ownership of the conflict. Those in conflict have a chance to speak their truth and having that truth heard and are required in turn to listen and hear the other side's truth as well

(Bannon & Paul 2003). Hopefully this results in a restoration of the dignity of both parties and the relation between them, as well as lasting agreements concerning future interaction.

Mediation is a form of arbitration, although it is stronger than conciliation. It takes place when a third party helps the employer and the union by making recommendations which, however, they are not bound to accept. Mediation means that the employer retains control of the situation by being free to reject or accept the mediator's recommendations. It is cheap and informal relative to an employment tribunal and offers a quick resolution to problems, privacy and confidentiality (Armstrong & Taylor, 2014).

Arbitration is the process of settling disputes by getting a third party, the arbitrator, to review and discuss the negotiating stances of the disagreeing parties and make a recommendation on the terms of settlement that is binding on both parties who therefore lose control over the settlement of their differences. 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. The process of arbitration in its fullest sense, however, only takes place at the request of both parties who agree in advance to accept the arbitrator's findings (Armstrong & Taylor, 2014).

2.3.3 Involvement and Participation

Research conducted by Cox *et al* (2006) as cited in Armstrong & Taylor (2014) indicated that to be effective, employee involvement and participation mechanisms have to be embedded in the organization – well established and part of everyday working life. Combinations of involvement and participation practices worked best. The main barriers to effective employee voice appear to be a partial lack of employee enthusiasm, absence of necessary skills to implement and manage employee voice programmes, and issues concerning line managers – such as middle managers acting as blockers through choice or

ignorance. Making employee voice effective requires top management support, good leadership skills and finding the right mechanisms for involvement and participation.

Employee participation (or ‘workers’ participation’) is a politically intricate, multifaceted and technically indeterminate category that has multiple meanings, including various concepts and aims that commonly refer to the sphere of industrial democracy (Blum-berg, 1968). Unlike economic democracy, which aims at macro-level redistribution, as well as cooperation or financial participation at micro level, industrial democracy entails workers’ involvement in decision-making that more directly concerns production strategies and working conditions (Macpherson, 1987). A significant theoretical contribution – dating back to the origins of this debate – has come from the British tradition of industrial relations (Clegg, 1960; Webb & Webb, 1897). Industrial conflict, collective bargaining and legal enactments—before any form of participatory rights – were long the typical tools through which industrial democracy could be achieved in full autonomy and in the form of organized opposition within the capitalist enterprise. Employee participation usually consists of mechanisms or procedures that allow employees and their representatives to intervene in organizational decision-making within the enterprise and to impose joint decisions on company management, thereby asserting the workers’ point of view.

As for industrial relations, employee participation has traditionally been contrasted with collective bargaining, with the former understood as association (especially if assuming the form of BLER) and the latter as exchange (Treu, 1989). The political outcome of this set up has been to identify participation with integration and bargaining with autonomy. This is because participation generally foresees involvement and, therefore, a degree of shared responsibility of workers in the company’s decision-making, while bargaining is grounded on a clearer distinction of interests with a greater reciprocal freedom of action of the parties concerned.

The TUC (Trades Union Congress) argues it has that longstanding commitment to partnerships between unions and employers. Partnerships at work can deliver higher productivity, improved performance and successful changes to workplace organization. Partnership enables unions to play an active role in shaping an organization's policy and strategy, and increases union involvement in organizational change. The TUC Partnership Institute, launched in January 2001, provides expertise, advice and support to unions and employers on developing successful workplace partnerships. Most partnerships that exist are at the workplace or organizational level and simply involve the employer and the trade union forming an agreement that is based on the concepts of partnerships.

According to Millmore.M *et al* (2007); Partnership agreement can be described as one in which management and trade union(s) agree to work together for mutual gain, and to create a climate of cooperative relations. They are characterized by management being expected to enhance job security and/or employability in return for employees accepting flexible work practices and increasing productivity. In some cases there has been a joint union/management approach, involving the re-writing or extension of existing written recognition and procedural agreements, and changing important aspects of collective bargaining and/or terms and conditions of employment. For purposes of this study Involvement and participation were operationalised under the following indicators employee voice, employee engagement and partnerships. These formed the basis of the questions in the questionnaire under involvement and participation.

2.3.4 Employee Communication

Employee communication processes and systems provide for 'two-way communication'. In one direction they enable organizations to inform employees about matters that will interest them. In the other, they provide for upward communication by giving employees

a voice. Communication should be distinguished from consultation. As the ACAS (2005) guide states, communication is concerned with the exchange of information and ideas within an organization while consultation goes beyond this and involves managers actively seeking and then taking account of the views of employees before deciding. Employee/organizational communications refer to communications and interactions among employees or members of an organization (Cutlip, Center & Broom, 2006).

Deetz (2001) described two ways of seeing and defining internal communications. The most common approach focuses on internal communication as a “phenomenon that exists in organizations”. In this view, the organization is a container in which communication occurs. A second approach sees internal communication as “a way to describe and explain organizations”. Here, communication is the central process through which employees share information, create relationships, make meaning and “construct” organizational culture and values. This process is a combination of people, messages, meaning, practices and purpose (Shockley-Zalabak, 1995), and it is the foundation of modern organizations (D’Aprix, 1996). The first approach has dominated, but the second perspective is gaining wider acceptance as more organizations recognize the crucial role of communication in dealing with complex issues and rapid changes in a turbulent global market.

Communication is one of the most dominant and important activities in organizations (Harris & Nelson, 2008). Fundamentally, relationships grow out of communication, and the functioning and survival of organizations is based on effective relationships among individuals and groups. In addition, organizational capabilities are developed and enacted through “intensely social and communicative processes” (Jones *et al*, 2004). Communication helps individuals and groups coordinate activities to achieve goals, and it’s vital in socialization, decision-making, problem-solving and change-management processes.

Internal communication also provides employees with important information about their jobs, organization, environment and each other. Communication can help motivate, build trust, create shared identity and spur engagement; it provides a way for individuals to express emotions, share hopes and ambitions and celebrate and remember accomplishments. Communication is the basis for individuals and groups to make sense of their organization, what it is and what it means.

Internal communication is a complex and dynamic process, but early models focused on a one-way transmission of messages. The Shannon-Weaver Model (1949), concerned with technology and information distribution, is a classic example. In this **S-M-C-R** model, an information source [S] encoded a message [M] and delivered it through a selected channel [C] to a designated receiver [R], who decoded it. Later versions of the model added a feedback loop from receiver to sender. Nevertheless, the model suggested that all meaning is contained within the message, and the message would be understood if received. It was a sender-focused model.

S-M-C-R model provided a richer interactional perspective. He emphasized relationships between source and receiver and suggested that the more highly developed the communication knowledge and skills of sources and receivers, the more effectively the message would be encoded and decoded. Later models emphasized the transactional nature of the process and how individuals, groups and organizations construct meaning and purpose (Harris & Nelson, 2008).

Today, the model is more complex due to new media and high-speed, multi-directional communications (Burton, 2008; Williams, 2008). However, the core components live on in formal communications planning and implementation. Organizational leaders and communication specialists first develop strategies to achieve objectives, construct relevant messages and then transmit them through diverse channels to stimulate conversations with employees and members. Increasingly, formal communications are grounded in receivers'

needs and concerns. Employees communicate informally with others inside and outside the organization through high-speed communications, too.

Internal communication occurs on multiple levels. Interpersonal or face-to-face (F-T-F) communication between individuals is a primary form of communication, and for years organizations have sought to develop the speaking, writing and presentation skills of leaders, managers and supervisors. Group-level communications occur in teams, units and employee resource or interest groups (ERGs). The focus on this level is information sharing, issue discussion, task coordination, problem solving and consensus building. Organizational-level communications focus on such matters as vision and mission, policies, new initiatives and organizational knowledge and performance. These formal communications often follow a cascade approach where leaders at hierarchical levels communicate with their respective employees, though social media are changing communications at this level.

A network represents how communication flows in an organization. Networks can be formal and informal. In a formal communication network, messages travel through official pathways (e.g., newsletters, memos, policy statements) that reflect the organization's hierarchy. Informal communications move along unofficial paths (e.g., the grapevine, which is now electronic, fast and multidirectional) and include rumors, opinions, aspirations and expressions of emotions. Informal communications are often interpersonal and horizontal, and employees believe they are more authentic than formal communications (Burton, 2008). Employees and members use both networks to understand and interpret their organizations.

Communications also can be described as vertical, horizontal or diagonal. Vertical communication can be downward—flowing down the hierarchy of an organization—or upward, i.e., moving from lower to higher levels in the chain of command. Horizontal communication refers to communication among persons who have no hierarchical

relationship, such as three supervisors from different functions. Diagonal or omnidirectional communication occurs among employees at different levels and in different functions, e.g., a quality control supervisor, accountant and systems analyst. Evolving organizational structures and technologies create opportunities for new and conflicting communication flows (Williams, 2008).

Studies regarding the effectiveness of communication flows often reveal employee dissatisfaction with both downward and upward communications. Findings by the Opinion Research Corporation, which has examined employee perceptions of internal communication for more than 50 years, generally show that more than half of employees are dissatisfied or somewhat dissatisfied with both downward and upward communications (Cutlip, Center & Broom, 2006). Less is known about the effectiveness of horizontal and diagonal communications.

Armstrong & Taylor (2014) asserts that good communication is important for three reasons. First, it is a vital part of any change management programme. If any change is proposed in terms and conditions of employment, HR processes such as contingent pay, working methods, technologies, products and services or organization (including mergers and acquisitions) employees need to know what is proposed and how it will affect them. Resistance to change often arises simply because people do not know what the change is or what it implies for them. Second, commitment to the organization will be enhanced if employees know what the organization has achieved or is trying to achieve and how this benefits them. Third, effective communication generates trust as organizations take the trouble to explain what they are doing and why. However, it should be emphasized that these three benefits of good communication will only be realized in full if employees are given a voice that is the opportunity to comment and respond to the information they obtain from management.

Management and individual managers need to communicate to employees about terms and conditions of employment, what they are expected to do, learning and development opportunities, the objectives, strategies, policies and performance of the organization, and any proposed changes to conditions of employment, working arrangements and requirements, or the structure and policies of the organization. Employees need the opportunity to communicate upwards their comments and reactions to what is proposed will happen or what is actually happening in matters that affect them; for example, pay and other terms of employment, working conditions, work–life balance, equal opportunity, job security, health and safety, and learning and development programmes. For purposes of this study the variable employee communication was operationalized by the indicators communication process, communication levels and communication networks. These formed the basis of the questions on the variable employee communication in the questionnaire.

2.4.5 Employee Motivation

According to Burney *et al*, (2007); conducted a study which revealed that the level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits. Motivation is an inner drive or an external inducement to behave in in some way, typically way that will lead to rewards. Dessler & Harrington (2003) observe that over-achieving, talented employees strive to motivate and hold on the best employees.

According to Greenberg, (2003) & Baron, (2000) definition of motivation could be divided into three parts. The first part looks at arousal that deals with the drive, or energy behind individual(s) action. People turn to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The

second part referring to the choice people make and the direction their behavior takes. The last part deals with maintaining behavior clearly defining how long people have to persist at attempting to meet their goals.

Hitt, Esser & Marriott, (2007) observe that motivation can be intrinsic and extrinsic. Extrinsic motivation concerns behavior influenced by obtaining external rewards, praise or positive feedback, money, and the absence of punishment are examples of extrinsic or external rewards. Intrinsic motivation takes place when individuals feel that their work is important, interesting and challenging and that it provides them with a reasonable degree of autonomy (freedom to act), opportunities to achieve and advance, and the scope to use and develop their skills and abilities. Hagedoorn & Van Yeren, (2003), examples of intrinsic factors are interesting work, recognition, growth and achievement.

Linz (2003) revealed that several studies have found that there is a positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction. This is significant to institutions in today's highly competitive business environment in that intrinsically motivated employees will perform better and, therefore, be more productive, and also because satisfied employees will remain loyal to their institution and feel no pressure or need to move to a different institution.

Landy & Conte, (2010) emphasizes the importance of motivation. If motivation is equal to zero, even the most talented employee will not deliver. Similarly, an energized and highly motivated employee can achieve good performance despite having some knowledge gaps. Robison, (2010) observe that motivated employees feel less stress, enjoy their work, and as a result have better physical and mental health. Furthermore, motivated employees are more committed to their institutions and show less insubordination and grievance (Jurkiewicz *et al*, 2005). For purposes of this study employee motivation was operationalized under the variables indicators promotion, recognition and rewards. These formed the basis of the questions in the questionnaire on employee motivation.

2.3.6 Employee Performance

Armstrong & Taylor (2014) defines performance as a means of getting better results from the organization teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirement. It has to be owned and driven by the line managers. It is also the process of directing and supporting employees to work effectively and efficiently as possible in line with the needs of the organization. Mutsuddi, (2010) asserts that Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities.

Armstrong & Taylor (2014) prefers Balanced Scorecard as the best way for measuring performance as it is a system that strategically plan and manage performance by balancing the major four perspectives of organization (customer, finance, internal business processes, growth and development of the organization). The approaches as reported takes the four perspectives as related and affect each other if not manage well. Meaning that improving all of them enables the organization to enhance its performance, hence leading to productivity. For instance, when organization improves its internal processes perspective then it will in turn enable the organization to create desirable results in the customer and financial perspectives (Balanced Scorecard Institute; 2014).

According to Mutsuddi (2010), performance management should be regarded as a flexible process, not a system. The use of the term system implies a rigid, standardized and bureaucratic approach that is inconsistency with the concept itself as a flexible and evolutionary, coherent, process that is applied by managers working with their teams in accordance to the environment and text where they operate.

According to Anon (2015), organization needs a systematic assessment for it to obtain valid information about the performance of an organization and the factors that affect performance. Most of the organizations are constantly trying to adapt, survive, perform

and influence. However, they are not always successful. To better understand what they can or should change to improve their ability to perform, organizations can conduct organizational assessments.

Smith (2015) stated that there are number of models or frameworks for conducting an organizational performance assessment. The choice of which framework (or combination of frameworks) to use depends on the nature of the organization, on the purpose of the assessment, and on the context in which the assessed organization operates. It is important to note that different frameworks are underpinned by different philosophies and theories of organizational change; an organization should choose a framework that is owned by management beliefs and culture, to ensure that it fully engages in the process and truly benefits from the assessment.

According to Smith (2015), a key decision that an organization needs to make when undertaking an organizational assessment is whether to self-assess its performance, to commission an external assessment, or to use a combination of both approaches. Some advantages of a self-assessment are that it encourages the organization's ownership of the assessment, and thereby increases the latter's acceptance of feedback and commitment to the evaluation's recommendations. For purposes of this study employee performance was operationalized under the indicators employee productivity, employee morale and employee efficiency. These formed the basis of the questions in the questionnaire on employee performance.

2.4 Empirical Review

2.4.1 Collective Bargaining

Akhaukwa *et al* (2013) conducted a study to determine the effect of collective bargaining process on industrial relations environment in Public Universities in Kenya. The data analysis was based on stratified probability sample of 322 respondents interviewed in

2012 in the three public universities in Kenya. Expert judgment was used to determine the validity while Cronbach alpha coefficient was used to determine reliability of research instruments. Qualitative and quantitative data was analyzed using both descriptive and inferential statistics. Exploratory factor analysis was performed to reduce large number of variables for further analysis. Linear regression analysis was employed to determine the effect of collective bargaining process on industrial relations. The result showed that collective bargaining process had a significant effect on industrial relations environment ($\beta=0.495$, $p<0.05$). It was recommended that parties to collective bargaining should reconsider their strategies for engagement in order to enhance their relationship.

Claudio & Federica, (2015) conducted a study on performance-related pay and firm productivity: Evidence from a reform in the structure of collective bargaining. The study provided an estimate of the causal effect on firm productivity of a switch from fixed wages to collective PRP, triggered by a reform of the structure of collective bargaining that occurred in Italy in the mid-1990s. The reform represented an exogenous shock that shifts the probability of adopting collective PRP at the firm level, which they used to identify the productivity effect.

They used a unique and very rich firm-level panel data set for the Italian metal engineering industry, they implemented a fixed-effects model Combined with a quasi-natural experiment and showed that the introduction of collective PRP led to productivity gains of up to 3–5%, which progressively declined over time. The results were in line with previous findings for other countries and confirmed that a modest positive effect when the average size of the premium paid out was rather small. The study found empirical support for the hypothesis that the intensity of incentives does matter for workers' effort and firm performance. They also found that the productivity effects are heterogeneous across different firm types. The results indicated that the productivity gains are larger in medium to large firms, high-tech industries and firms with a low level of unionization.

They showed that the design of the PRP scheme (in terms of the number and types of parameters) also matters for firm performance. They found the productivity gains to be smaller in the case of PRP schemes based on a large number of performance indicators, while they found no effects when a “conditional clause” was used (i.e., when the premium is paid only if the firm makes non-negative profits, regardless of the other targets). This result suggested that collective PRP schemes generated productivity gains when they were targeted to workers’ effort, while they were not effective when introduced to share risks with workers.

In terms of policy implications, the results suggested that reforms of the institutional setting regulating wage determination and the structure of collective bargaining were effective in promoting the diffusion of incentive schemes and ultimately firms’ productivity.

Joseph, (2015) conducted a study on the Constraints on public sector bargaining in Canada. The study examined public sector bargaining in Canada during the consolidation period (1998–2013). The period was associated with economic turbulence (sustained economic growth followed by the global economic crisis), support for neoliberal policies across the entire political spectrum (the adoption of free market policies and austerity budgets) and extensive litigation challenging the constitutionality of legislation restricting collective bargaining rights. The study assessed the impact of these environmental pressures on relative bargaining power. The study examined selected collective bargaining indicators – union membership, wage settlements and strike activity. The results indicated that the relative bargaining power of public sector unions was eroded during this period. The study concluded that a period of highly constrained public sector collective bargaining were to continue in the future.

2.4.2 Conflict Resolution

Alice & Wilco (2013) conducted a study on the effects of group conflict and work stress on employee performance. The study investigated the positive and negative effects of group conflict and work stress. It used a multilevel analysis to examine the effects of task-related conflict and relationship conflict on two different types of work stress, namely, challenge-related stress and hindrance-related stress. Furthermore, the study analyzed the effects these types of stress have on hotel employees, job performance and job satisfaction. The results of hierarchical linear modeling from a survey of 265 employees and their managers in fifty Chinese hotels revealed that the team task conflict was positively associated with challenge-related stress, which in turn, was positively associated with job performance and satisfaction; and team relationship conflict was positively associated with hindrance-related stress, which in turn, was negatively associated with job performance and satisfaction.

They also found that work stress mediated the cross-level relationship between group conflict and the individual outcomes relating to performance and satisfaction. The key implication of the findings was that work-related conflict and stress were not always necessarily bad for organizational outcomes. Instead, task-related conflict and the resulting stress may improve employees' sense of accomplishment when the task is complete. By the same token, relationship-based conflict and stress generally lead to negative outcomes for the employee and organization.

Carla, (2015) conducted a study on the Multidimensional Conflict and Organizational Performance. He argued that Conflict is part of every organization. Scholars have studied the effects of conflict on organization dynamics and their outputs. Literature suggested that not all conflict is detrimental for organizations—some conflict actually helps bolster and refresh organizations. One concern for organizations was the vertical strategic alignment of management strategies. Vertical cohesion or conflict impacted an

organization's ability to reach optimal performance. In the setting of English local governments, the study used vertical strategic differences among two levels of management as the measure of conflict in organizations to examine, one, how it impacted on organization performance, and two, if conflict had a nonlinear relationship with performance. Results indicated that conflict on single strategies had no bearing on organization performance. Total strategy or multidimensional conflict, however, negatively impacts on performance. There was little support for a nonlinear relationship between conflict and performance. Further analyses indicated that the negative impact of conflict is amplified for smaller organizations.

Shivani & Bhalla, (2014) conducted a study on the analytical approach of cluster analysis towards various manifestations of organizational conflict in Public and Private Sector Commercial Banks. They asserted that Conflict exists throughout environments of all kinds. So every employee wants a healthy and competitive working environment in their organization. The main objective of the study was to explore the factors concerning destructive or dysfunctional impacts of conflict in public and private sector banking organizations selected. After the extraction of factors concerning dysfunctional impacts, hierarchical cluster analysis was employed to classify various observations or cases in clusters resulted into two-cluster solution and k-means cluster analysis was further applied to find out the cluster membership according to various observations towards manifestations or impacts of organizational conflict in the selected banks.

The sample included 541 bank employees from 20 commercial banks situated in Amritsar, Jalandhar and Ludhiana cities of Punjab. Eight major factors were extracted with the help of exploratory factor analysis, namely, declining performance, profits and management creditability; health and psychological problems; detrimental impact upon working environment and organization; declining cooperation, collaboration and efficiency among employees; disappointments and widened gap of misunderstanding; declining trust, morale and motivating power; interruptions in organizational operations and job

dissatisfaction and resultant frustration. Further, analysis of variance (ANOVA) revealed significant results towards various clusters so formed with the help of the multivariate technique of cluster analysis.

2.4.3 Involvement and Participation

Karina & Raymond, (2012) conducted a study on the importance of employee participation and perceptions of changes in procedures in a team working intervention. They asserted that the powerful positive results of implementing teamwork are not always achieved. It was suggested that attempts to implement theories regarding teamwork did not always lead to those theories being put into practice, and as a result positive outcomes were not always found.

The participation of employees in the development and implementation of an intervention led to changes taking place. In this longitudinal study ($N = 583$) of teamwork implementation in Denmark, they examined the links between pre-intervention working conditions and well-being, levels of participation in planning and implementation, employees' reports of changes in procedures, and intervention outcomes. Pre-intervention levels of autonomy and job satisfaction predicted the degree of employee participation in the planning and implementation of the intervention. Pre-intervention well-being and social support were linked directly to the degree to which employees reported changes in existing work practices concerning teamwork. In addition, participation and changes in work procedures were significantly associated with post-intervention autonomy, social support and well-being. The results indicated that employee participation in intervention processes is crucial in what appears to be an important association with perceived changes in procedures and, therefore, in intervention outcomes.

Raymond & Keith, (2013) Conducted a study on Contemporary trends in employee involvement and participation. They asserted that Employee involvement and

participation was at the heart of industrial relations since its inception, although much of the contemporary terminology had moved away from ‘industrial democracy’ employed by the Webbs in 1898. The labels and terms for employee involvement and participation had expanded and varied over time, reflecting different disciplinary bases (industrial relations, human resource management, psychology and political science), changing socio-economic contexts, competing goals between management, labour and government, and a variety of practices.

They noted that the complexity became problematical because not all terms were equivalent in their meanings and their different parameters were not always clearly defined. They attempted to provide some clarity by defining ‘employee voice’ or ‘participation’ as umbrella terms denoting a wide range of practices. The study also clearly delineated direct and representative approaches to employee participation, and their interrelationship. Two critical contemporary issues were the role of the state and the link between participation and organizational performance. The study concluded that the sphere of employee involvement and participation were likely to remain contested, but that its strategic viability was enhanced when linked with employee well-being as well as performance. Successful state intervention required public policy integration and dialogue between government, employers and employee representatives.

Adrian, Keith & John, (2013) conducted a study on Reassessing employee involvement and participation: Atrophy, reinvigoration and patchwork in Australian workplaces. They argued that within Australia and internationally, much of the research on employee involvement and participation developed historically with a focus on the role of unions in ensuring employees had the opportunity to play a role in decision-making at the workplace, organization or industry level. Partly in response to changing union fortunes and their lesser centrality to employment relations in many countries, and partly as an acknowledgement to the hitherto inadequate conceptualization of participation.

They noted that researchers developed more nuanced themes to the body of work on employee involvement and participation, such as, formalized non-union participation, informal participation and multiple channels. By adapting and extending a model of participation and drawing on data from five workplaces, they showed that employee involvement and participation is multidimensional and that some elements atrophy while others are reinvigorated, and they found a limited overall strategy and more patchwork to employee involvement and participation architecture in these workplaces. Equally, they found out that despite the interest in the ideas of employee involvement and participation and the idea of multiple channels, it was confined to a limited range of topics, especially information-passing with a hint of consultation, rather than any notion of industrial democracy. The channels were wide rather than deep.

2.4.4 Employee Communication

Reeta & Deborah, (2016); conducted a study on exploring cultural influence on managerial communication in relationship to job satisfaction, organizational commitment, and the employees' propensity to leave in the Insurance Sector of India. The study identified the critical importance of effective downward communication in its relationship to job satisfaction, organizational commitment, and the employees' propensity to leave an organization. Employee turnover within the insurance sector of India had become an issue; therefore, a sample of 105 employees from the insurance sector was surveyed to gather information concerning downward communication, job satisfaction, and organizational commitment. The study used various cultural lenses to understand the influence of national culture on norms, values, beliefs, and practices of the Indian employees and managers.

Results of the survey suggested that there was positively significant relationship between downward communication, employee satisfaction, organizational commitment, and the employees' propensity to leave. The results, which had implications and relevance for all

kinds of industries all over the world, indicated that managers wanted to contribute to the effective functioning of the organization and could do so by providing the right, conducive environment for employees. Managers needed to send clear, precise, and timely job instructions; communicate constructive feedback related to their job performance; and use multiple channels of communication. Taking these actions would enhance job commitment and reduce the likelihood of employees' leaving their organizations.

Linjuan, (2014) conducted a study on Strategic Internal Communication: Transformational Leadership, Communication Channels, and Employee Satisfaction. The study investigated how leadership influenced internal public relations by building the linkage between transformational leadership, the use of communication channels, symmetrical communication, and employee satisfaction. Furthermore, it examined the effectiveness of various internal communication channels.

Through a web survey of 400 employees working in medium-sized and large corporations in the United States, the study showed that transformational leadership positively influences the organization's symmetrical internal communication and employee relational satisfaction. Transformational leaders most often used information-rich face-to-face channels to communicate with followers. Leaders' use of face-to-face channels was positively associated with employee satisfaction. Employees mostly preferred emails to receive information from the organization regarding new decisions, policies, events, or changes, followed by general employee meetings and interpersonal communication with managers. Theoretical and practical implications were discussed.

Alan, Joy, & Joshua, (2015) conducted study on Communication Competence, Leadership Behaviors, and Employee Outcomes in Supervisor Employee Relationships. The study used Supervisor communication competence and leadership style to predict specific employee outcomes. In the study, 276 participants working in various industries completed measures of communication competence and leadership styles about their

direct supervisor along with measures of their job satisfaction, motivation, and organizational commitment. As predicted, effective and appropriate communication were both positively related to satisfaction, motivation, and organizational commitment.

Halvor, (2015) conducted a study on the Experienced Challenges in Pre-hospital Management: Communication and Cooperation in Manager–Employee Interaction. The study presented an exploratory qualitative study of how managers of ambulance stations experience communication with employees working as authorized paramedics. The aim was to understand how the managers perceived challenges in this communication, and how they thought it was possible to meet these challenges. The study involved semi-structured interviews with 20 managers, supplemented with observation studies in ambulance stations.

The interviews were analyzed on the basis of a methodological reflective life world approach, and compared to the participant observations of interaction between managers and employees. The managers thought it was difficult to secure good communication. The reasons varied, but everybody referred to lack of time, knowledge gaps and unpredictable, hectic work schedules. This implied that employee dialogue often had to be brief and direct, and that it was difficult to conform to ideals of extensive communication. In the light of these challenges, the managers held that it was important to focus on attitudes, interpersonal relations and team building in order to develop well-functioning services.

2.4.5 Employee Motivation

Mensah1 & Tawiah (2016). Conducted a study on Employee Motivation and Work Performance: A Comparative Study of Mining Companies in Ghana. The study employed exploratory research design in gathering data from four large-scale Gold mining

companies in Ghana with regards to their policies and structures in the effectiveness of motivational tools and strategies used by these companies.

The study observed that, due to the risk factors associated with the mining industry, management has to ensure that employees are well motivated to curb the rate at which employees embark on industrial unrest which affect performance, and employees are to comply with health and safety rules because the industry contribute hugely to the Gross Domestic Product (GDP) of the country. The limitations included the researcher's inability to contact other mining companies. However, the study suggested that possibilities for future research including contacting other mining companies, expanding the sample size, managers ensuring that the safety and health needs of staff are addressed particularly those exposed to toxic and harmful chemicals.

Dobre (2013),Cconducted a study on Employee motivation and organizational performance. Motivation and performance of the employees are essential tools for the success of any organization in the long run. On the one hand, measuring performance is critical to organization's management, as it highlights the evolution and achievement of the organization. On the other hand, there is a positive relationship between employee motivation and organizational effectiveness, reflected in numerous studies. This study analyzed the drivers of employee motivation to high levels of organizational performance.

The literature showed that factors such as empowerment and recognition increase employee motivation. If the empowerment and recognition of employees is increased, their motivation to work will also improve, as well as their accomplishments and the organizational performance. The study observed that, employee dissatisfactions caused by monotonous jobs and pressure from clients, might weaken the organizational performance. The study noted that jobs absenteeism rates may increase and employees might leave the organization to joint competitors that offer better work conditions and

higher incentives. Not all individuals are the same, so each one should be motivated using different strategies.

2.4.6 Employee Performance

Nyberg, Pieper & Trevor, (2013) conducted a study on the Pay-for-Performance's Effect on Future Employee Performance: Integrating Psychological and Economic Principles toward a Contingency Perspective. They asserted that although pay-for-performance's potential effect on employee performance is a compelling issue, understanding the dynamic was constrained by narrow approaches to pay-for-performance conceptualization, measurement, and surrounding conditions. In response, they took a more nuanced perspective by integrating fundamental principles of economics and psychology to identify and incorporate employee characteristics, job characteristics, pay system characteristics, and pay system experience into a contingency model of the pay-for-performance–future performance relationship.

They tested the role that those four key contextual factors played in pay-for-performance effectiveness using 11,939 employees over a 5-year period. They found that merit and bonus pay, as well as their multiyear trends, were positively associated with future employee performance. Furthermore, their findings indicated that, contrary to what traditional economic perspectives would predict, bonus pay had a stronger effect on future performance than merit pay. Their results also supported a contingency approach to pay-for-performance's impact on future employee performance, as they found that merit pay and bonus pay can substitute for each other and that the strength of pay-for-performance's effect is a function of employee tenure, the pay-for-performance trend over time, and job type (presumably due to differences in the measurability of employee performance across jobs).

Alagaraja & Shuck, (2015) conducted a study on Exploring Organizational Alignment-Employee Engagement Linkages and Impact on Individual Performance: A Conceptual

Model. They explored existing perspectives of organizational alignment and employee engagement from the literature to better understand the alignment-engagement linkages to individual performance. This was an underexplored area of inquiry in human resource development (HRD). Their analysis of the alignment and engagement literatures resulted in the development of an exploratory conceptual model.

The conceptual model elaborated on the organizational alignment–employee engagement linkages and their impact on individual performance. These interconnections emphasized the importance of developing internally consistent HRD interventions or programs that align individual skills and knowledge with job characteristics and organizational systems and routines. Furthermore, the model highlighted the dynamic nature of the alignment-engagement linkages both as a source and context which facilitated individual performance, and influenced the extent to which employees exhibited essential as well as discretionary behaviors. They elaborated on the implications for HRD theory, research, and practice.

Alshaibani & Bakir, (2016) conducted a study on Reading in cross-cultural service encounter: Exploring the relationship between cultural intelligence, employee performance and service quality. They asserted that a multi-disciplinary reading in cross-cultural service interactions in hospitality and service management literature was undertaken focusing on employee's attitudes and behaviour that are seen to influence service quality. The interplay of the competing constructs of employee personality, emotional intelligence and cultural intelligence in the service encounter was looked at in relation to employee performance and customer perception of service quality.

The reading suggested that cultural intelligence of service employees was the most relevant construct in the encounter. As there were no studies linking cultural intelligence to service quality, the dialogue with the literature allowed the development of a theoretical model of relationships which proposed that cultural intelligence was related to service

quality through employee performance. The reading added to the cross-cultural hospitality and service management literature and had potential implications for management and employee training and development in these fields.

2.5 Critique of Literature Reviewed

The study in this literature reveals that employee relations is important in influencing employee performance but has not demonstrated how it should be applied in enhancing the performance. The literature has pointed out how employee relations will ensure harmony prevails in an organization making employees satisfied with the entire process but it failed to point out how it will translate to improved performance in line with the performance targets set.

Researchers and Authors have discussed extensively on the employee relations and how it should be applied to maintain cordial and harmonious relationship in the organization. They have only given theoretical framework but have left out practical aspects of how it will impact on the employee performance. It is critical to note that, we may have harmony in the organization where production is not affected but then employees may not be fully engaged in terms of key deliverables in line with their key performance indicators. This is an area that Scholars failed to point out in demonstration of the overall implementation of employee relations with a view of improving employee performance. It should also be noted that the proponents of theories did not critically focus on how employee relations affect employee performance. It is clear that when there is disharmony in the organizations then will lead to low productivity since operation will be disrupted if events such as strikes and lock-outs occur. The critical aspect that is not explained in the literature is the morale of employees and how it impacts on the employee's performance.

Akhaukwa *et al* (2013) conducted a study to determine the effect of collective bargaining process on industrial relations environment in Public Universities in Kenya. The study established that there is a significant effect between collective bargaining and industrial

relations. The study recommended that the parties in collective bargaining should reconsider their strategies of engagement in order to enhance relationships but failed to recommend specific strategies that will be ideal for the parties to implement.

Joseph, (2015) conducted a study on the Constraints on public sector bargaining in Canada. The study examined public sector bargaining in Canada during the consolidation period (1998–2013). The study did not give the methodology and sampling techniques used during the study. The researcher did not basically provide information on the methodology of the study. This would have provided a basis of how data was collected, analyzed and made inferences based on the results achieved.

Gitika,*et al*,(2013) conducted a study on the impact of union presence and strategic human resource management on employee voice in Multinational enterprises in Australia. This study was paramount in terms of implementation of strategic human resource management in Multinational enterprises which revealed that employee voice is critical. However, the study failed to show the kind of relationship or correlation between union presence, employee voice and strategic human resource management which was a basis of the study.

Karina & Raymond (2012) conducted a study on the importance of employee participation and perceptions of changes in procedures in a team working intervention. The study deduced that employee participation was critical in changes in the procedures and teamwork intervention as it will create an element of ownership on part of the employees but the study did not give correlation or regression results that were used in making the findings. The study also did not specify the methodology used.

Reeta & Deborah, (2016) conducted a study on exploring cultural influence on managerial communication in relationship to job satisfaction, organizational commitment, and the employees' propensity to leave in the Insurance Sector of India. The study gave a sample size but failed to give target population in the study and how they determined the sample size. This is important in helping to know whether the sample size is a representative of

the target population. The study pointed out that they were positively correlated but did not give to what extent in terms of correlation. Most of the studies used exploratory design, however this study used a descriptive research design. Hence this study sought to fill these gaps.

2.6 Summary of Literature Reviewed

The study reviewed relevant literature on the influence of employee relations on employee performance. Employee relations the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and their trade unions(Armstrong & Taylor, 2014). The study conducted theoretical reviews of relevant theories on all variables of the study which are collective bargaining, conflict resolution, involvement and participation, employee communication, employee motivation and employee performance. The theories which are relevant to the study includes Systems theory, Cooperative Model, Social Exchange theory, Theory of Communications, ,Expectancy theory, Reinforcement theory and Hertzberg Theory. The study reviewed the relevant literature covering all the variables which were also operationalized. The study also reviewed the empirical studies relevant to each variable under the study. The study finally gave a critique of the literature. The last section was on research gaps.

2.7 Research gaps

Researchers have conducted studies on the effect of human resources management, on employee performance in various sectors including Hospitality industry, Manufacturing and Banking sectors. Researchers have studied on collective bargaining; Conflict resolution; involvement and participation; employee communication, employee motivation and their effect on collective related pay, employee voice, teamwork and harmony within the organizations as well as organizational performance but did not clearly indicate how employee relations affect employee performance. The researchers

also failed to recommend how employee relations should be implemented to enhance employee performance. In the light of literature reviewed no study was seen to have been done on the effect of employee relations on employee performance in the energy sector in Nairobi City County, Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covered the methodology, research philosophy, the research design, population, sampling frame and sampling techniques used in the study. It also discussed the data collection instruments, data collection procedure, pilot testing, data analysis and presentation. The questionnaire was framed in such a way as to establish the effect of employee relations on the employee performance in the energy sector.

3.2 Research Design

A research design can be thought as the structure of research. A design is used to structure the research, to show how all the major parts of the research project work together to try and address the central research questions (Kombo & Tromp, 2011). Research design is the plan, structure of investigation conceived so as to obtain answers to research questions and control variance (Ng'ang'a et al, 2009).

Research design is the strategy for a study and the plan by which the strategy is to be carried out; it specifies the methods and procedures for the collection, measurement and analysis of data (Donald R. C & Pamela S. S, 2014). A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure, hence a research design is the conceptual structure within which research is conducted, it constitutes the blue print for collection, measurement and analysis of data (.Kothari & Garg, 2014).

The study adopted a descriptive research design. Descriptive research design is used when the research is concerned with finding out who, what, where, when or how much (Cooper

& Pamela. Schindler, 2014). The research design was used to measure the effect of each variable namely; Collective Bargaining; Conflict Resolution; Involvement and Participation, Employee Communication, on employee performance individually. It was used to measure how employee motivation moderates the effect of employee relations on employee performance. The study sought to establish the effect of employee relations of employee performance in energy sector in Nairobi, City County, Kenya.

3.2.1 Research Philosophy

A research philosophy is a belief about the way in which data about a phenomenon should be gathered, analyzed and used. There are two major research philosophies that have been identified in the western tradition of sciences, namely positivist such as building scientific philosophy and phenomenology such as explore theory (Merleau – ponty, 2012). The belief that science sometimes incorporates new ideas that are discontinuous from old ones, the belief that science involves the idea of unity of science, that there is, underlying various scientific disciplines, basically one science about one real world. The belief that science is nature and nature is science and out of that all theories and postulates get evolved and applied (Chiesser, 2015).

Positivist philosophy is considered relevant in understanding the effect of employee relations on employee performance of the energy sector in Nairobi city county, Kenya and hence this provides the philosophical background for the study. According to Hudson & Ozanne, (1988), Positivism ontology asserts that there is a single, eternal and objective reality to any question regardless of the researcher's belief. Thus positivist researchers take controlled and structural approach in conducting research by initially identifying a research topic, constructing appropriate research questions and hypothesis and by adopting a suitable methodology. Positivists also claim it is important to clearly distinguish between fact and value judgement. As positivist researches, they seek objectivity and use consistently rational and logical approaches to research. Further

statistical and mathematical techniques are central in the research methods adopted by positivist researchers and they adhere to specifically structured research techniques to uncover single and objective realities. The goal of positivist research is to make generalizations because human actions can be explained as a result of real causes that precedes the behavior. This study used a positivism philosophy based on the discussion above.

3.3 Target Population

Sunders *et al* (2009) defines population as the complete set of case or group members. According to Sekaran (2010) defines population as the entire group of people or things of interest that the researcher wishes to investigate. The population of the study was all the staff in the Nairobi City County for seven (7) companies in Energy sector. The target population was 5,001 staff.

Table 3.1: Target Population

Name of the Company	Total Number of staff
Kenya Power	2055
KenGen	2407
Kenya Electricity Transmission Company	165
Geothermal Development Company	133
Rural Electrification Authority	153
Energy Regulatory Commission	76
Kenya Nuclear Electricity Board	32
Grand Total	5001

Source: Approved Manpower Planning for Respective Companies September 2016

3.4 Sampling Frame

Sampling frame is the actual set of units from which a sample has been drawn (Mugenda & Mugenda, 2012). It is a physical representation of the target population and comprises all the units that are potential members of the sample (Kothari, 2014). The sample frame consisted of all employees of the companies in the energy sector in Nairobi City County, Kenya. As per September, 2016 staff establishment of seven respective companies in energy sector in Nairobi City County the sampling frame was 5,001 employees. The companies include Kenya Power, KenGen, Kenya Electricity Transmission Company, Geothermal Development Company, Rural Electrification Authority, Energy Regulatory Commission and Kenya Nuclear Electricity Board.

3.5 Sample Size and Sampling Technique

According to Kothari (2014), a sample size refers to the number of items to be selected from the universe to constitute a sample. An optimum sample is one that fulfils the requirements of efficiency, representativeness, reliability and flexibility. While deciding on the size of the sample, the study must determine the desired precision and also an acceptable confidence level for the estimate. Kothari (2014) recommends that the larger the sample size, the greater the probability the sample will reflect the general population. Sampling techniques are the specific activities involved in picking the sample.

Patten (2004) states that obtaining an unbiased sample is the main criterion when evaluating the adequacy of a sample. The study used stratified random sampling technique so that every member of the population had equal chance of being selected to form the sample size. The study used stratified random sampling in order to achieve the desired representation from various sub groups in the companies in the energy sector.

In stratified random sampling subject were selected in such a way that the existing subgroups in the population were more or less reproduced in the sample (Mugenda & Mugenda, 2012). In ideal stratification each stratum and stratification is also important when the researcher wants to study the characteristics of each of certain population subgroups (Cooper *et al*, 2006). The study had seven (7) heterogeneous stratum from energy sector consisting of Kenya Power, Kengen, KETRACO, Geothermal Development Company, Rural Electrification Authority, Energy Regulatory Commission and Kenya Nuclear Energy Board.

The study calculated the sample size using the following formula given by Mugenda & Mugenda (2012).

$$n = \frac{Z^2 pq}{d^2}$$

where:

n = the desired sample size (If the target population is greater than 10,000)

z = the standard normal deviate at the required confidence level.

P= the proportion in the target population estimated to have characteristics being measured.

q = 1-p

d = the level of statistical significance set.

If there is no estimate available of the proportion in the target population assumed to have the characteristics of interest 50% should be used (Mugenda & Mugenda ,2012).Z statistics is taken as 1.96 and desired accuracy at the 0.5 level. The sample size is:

$$n = \frac{(1.96)^2 (.50)(.50)}{(0.50)^2}$$

$$= 384$$

If the target population is less than 10, 000, the required sample size will be smaller and is calculated using the formula below (Mugenda and Mugenda, 2012).

$$n^f = \frac{n}{1 + \frac{(n-1)}{N}}$$

$$n^f = \frac{384}{1 + \frac{(384-1)}{5,001}}$$

$$= 356$$

In order to get equal representation from each stratum the study computed percentage presentation by considering the size of each stratum as a percentage of total population. The study then multiplied the percentages of each stratum with 356 to get proportionate representative from each stratum.

Table 3.2: Sample Size

Name of the Company	Total	Representative of each stratum	Sample size of
	Population	$\frac{x}{y} \times 100 = Z\%$	Z% of
356			
Kenya Power	2,055	41	146
KenGen	2,407	48	170
KETRCO	165	3	12
GDC	113	2	8
REA	153	3	12
ERC	76	2	5
KNEB	32	1	3
Grand Total	5,001	100	356

Where: x = The number of employees in the respective company; y = Total Target population; and Z = sample size per strata.

3.6 Data Collection Instruments

Zikmund (2003) defines data collection tools as the instruments used to collect information in research or the methods employed to collect research data. The choice of

the methods to be used is influenced by the nature of the problem and by the availability of time and money (Cooper & Schindler, 2006).

3.6.1 Primary Data

Primary data is the data which is collected a fresh and for the first time and thus happen to be original in character (Kothari, 2014). Louis *et al.*, (2007) describes primary data as those items that are original to the problem under study. Primary data was collected through administration of semi-structured questionnaires to both Management and Unionisable employees of the respective companies in the energy sector in Nairobi City County, Kenya. A questionnaire is a data collection tool, designed by the study and whose main purpose is to communicate to the respondents what is intended and to elicit desired response in terms of empirical data from the respondents in order to achieve research objectives (Mugenda & Mugenda, 2012). It is a means of eliciting the feelings, beliefs, experiences, perceptions, or attitudes of some sample of individuals (Zikmund, 2003). According to Kothari & Garg (2014) this method of data collection is quite popular, particularly in case of big enquiries. In this method a questionnaire was distributed to respondents with a request to answer the questions and return the questionnaire.

In this study, questionnaires were used as the main instrument of data collection from both Management and unionisable staff in the respective companies in the energy sector. According to Kothari & Garg, (2014) questionnaires give a detailed answer to complex problems. Additionally, questionnaires are also a popular method for data collection in deduction because of the relative ease and cost-effectiveness with which they are constructed and administered.

The researcher also relied on library and desk research, study of various books, Scholarly journals and articles, reports, internet and publications on the subject matter and related topics.

3.6.2 Secondary Data

Secondary data involves the data collected using information from studies that other studies have made of subject (Dawson, 2009). Zikmund (2003) describes secondary data as data collected by others and found by the comparative researcher in ethnographies, censuses and histories.

3.7 Data Collection Procedure

The study administered the questionnaires to the entire sample through personal delivery. The study exercised care and control to ensure that all questionnaires were issued to the respondents and to achieve this, the study maintained a register of questionnaires, which were sent, and received back. The study employed telephone calls and personal visits to follow up on the respondents to ensure that they completed the questionnaires, and drop them back.

3.8 Pilot Testing

The pilot testing to the questionnaire involved a small-scale trial run of the questionnaire. According to Cooper (2004) pre-testing of the instruments is intended to reveal errors in the design and the improper control of extraneous or environmental conditions. This permits refinement before the final test. Pre-testing will also measure the reliability of the questionnaire, so that this will confirm, from the response if the instrument is measuring what it is intended to measure.

If this is not achieved, then the questions will be adjusted accordingly. The rule of the thumb is that 10% of the sample should constitute the pilot test (Cooper & Schilder, 2011). The pilot testing was conducted on forty (40) which was 10 % of the sample size of 356 to test the appropriateness of the questions and their comprehension. The respondents that were used in the pilot study were excluded from the final study.

3.8.1 Reliability of the Instrument

According to (Mugenda & Mugenda, 2012), reliability is the consistency of measurement of degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. Cooper (2004) states that; “reliability is concerned with estimates of the degree to which measurement is free of random or unstable error”. A measure is considered reliable if a person’s score on the same test twice is similar.

Reliability test is carried out to ensure consistency of the results from the research instruments. Cronbach’s Coefficient Alpha was used to test the internal reliability of each of the composite constructs. Data collected was entered in the SPSS version 22 software. Cronbach’s Coefficient Alpha was then computed to determine how items correlate among themselves. The goal of reliability was to minimize the errors and biases in the study. If the result $r > 0.7$ then the tool would be reliable.

Table 3.3: Cronbach Alpha Coefficient for Reliability

	Cronbach's Alpha	N of Items
Bargaining	.785	4
Conflict Resolution Mechanism	.768	4
Involvement and Participation	.907	4
Employee Communication	.803	4
Employee Motivation	.810	4
Employee Performance	.825	4
Overall	.935	24

3.8.2 Validity of the instrument

Validity is the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually

represent the phenomenon under study. Validity therefore has to do with how accurately the data obtained in the study represents the variables of the study (Mugenda & Mugenda, 2012). According to (Kothari, 2014) validity refers to the degree to which the instrument truly measures what it is intended to measure. In other words, validity ensures content, construct and criterion related in the study. The researcher performed Factor analysis by entering data in the SPSS Version 22. If the Factor analysis is > 0.5 then the tool will measure what it's supposed to measure.

3.9 Data Analysis and Presentation

According to Kothari & Garg, (2014), data analysis is the process of bringing order, structure and meaning to the mass of information collected. The data collected by use of the questionnaire was thoroughly edited and checked for completeness and comprehensibility. Both qualitative and quantitative data analysis methods were used. Qualitative research provided insights and understanding while quantitative data was used to generalize those insights to a population pattern. Quantitative data was edited, summarized and coded for easy classification in order to facilitate interpretation of the data. The tabulated data was analyzed using Statistical Package for Social Science version 22 (SPSS Version 22).

The study used descriptive statistics in the form of percentages, means and measures of dispersion; which allows presentation of data in a more meaningful way and thus simpler interpretation of data. The use of percentages is important as they simplify data by reducing all the numbers to a range between 0 and 100, and help translate the data into standard form with a base of 100 relative comparisons and easier interpretations (Cooper & Scindler, 2011). The analyzed data was then interpreted and presented in frequency tables, bar charts, graphs and pie charts. Responses from open – ended questions were coded, interpreted and their frequencies determined through cross tabulations on differences between respondents and central tendencies of the responses of each factor.

3.9.1 Statistical Measurement Model

According to Topal (2014), a multiple regression model has one dependent variable and more than one independent variable. The study adopted two linear multiple regression models, one with effect of moderating variable and the other without. The general forms of the models will be as follows:

1. $Y = \beta_0 + \beta_1(X_1)M + \beta_2(X_2)M + \beta_3(X_3)M + \beta_4(X_4)M + \epsilon$ Model with moderating effect

2. $Y = \beta_0 + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + \epsilon$ Model without a moderator effect

Where; Y =Employee performance

X_1 = Collective Bargaining

X_2 =Conflict Resolution

X_3 = Involvement and Participation

X_4 = Employee Communication

M= Employee Motivation

ϵ = is the error term

Multiple regression analysis was computed to establish whether the hypotheses were statistically supported or not at 95% confidence level (Cooper & schindler, 2008). t- test based on t -distribution were used for judging the significance of the regression coefficient (Kothari & Garg, 2014). Test of significance was used to determine whether results would be held at a given confidence level (Mugenda & Mugenda, 2012). Multiple regression analysis was conducted on each of the hypothesis indicating whether the individual hypothesis is statistically supported or not at 95% confidence level (Cooper & schindler, 2008). t- test based on t -distribution was used for judging the significance of the regression coefficient (Kothari, 2014). t-test of significance was used to test whether the change of the independent variables (Collective Bargaining, Conflict Resolution, Involvement and Participation, and Employee Communication) are statistically significant at 95% confidence level.

The Pearson Moment correlation coefficient was used to test the strength of the relationship between independent and dependent variables. The Pearson correlation coefficient is a measure of how closely related two variables are. The coefficient of correlation (r), determine the degree (strength) of relationship and its value is between -1 and 1. A value 0 implies no relationship, 1 implies a perfect positive relationship, -1 means a negative relationship. An absolute value of r between 0.5 and less than 1 implies a strong relationship between the variables. If the value r is greater than 0.3 and less than 0.5 then the relationship is moderate. The relationship is weak if the value of r is less than 0.3 (Kothari, 2014).

3.9.2 Moderating Effect Analysis

A moderating is a variable that affects the direction and the strength of the relationship between an independent or predictor variables and dependent criterion variable. This variable may reduce or enhance the direction of the relationship between a predictor

variable and dependent variable, or it may change the direction of the relationship between the two variables from positive to negative.

3.9.3 Hypothesis Testing

Testing of the study hypotheses was done based on dependent variable. Each of the independent variables and their effects on the dependent variable was also analyzed further using each construct.

Hypothesis 1

To test the first hypothesis that collective bargaining does not have any effect on employee performance in Energy sector, the following regression will be used. The first regression is the wholesome effect of X_1 while the second comprises of the sub-constructs of X_1 on the dependent variable.

1. a) $Y = \beta_0 + \beta_1 X_1 + \epsilon$Model for hypothesis 1

b) $Y = \beta_0 + (\beta_1 X_{1i} + \beta_1 X_{1ii} + \beta_1 X_{1iii}) + \epsilon$Testing effect of each construct under variable X_1

Hypothesis 2

To test the second hypothesis that conflict resolution does not have any effect on employee performance in Energy sector, the following regression will be used. The first regression is the wholesome effect of X_2 while the second comprises of the sub-constructs of X_2 on the dependent variable.

2. a) $Y = \beta_0 + \beta_2 X_2 + \epsilon$Model for hypothesis 2

b) $Y = \beta_0 + (\beta_2 X_{2i} + \beta_2 X_{2ii} + \beta_2 X_{2iii}) + \epsilon$Testing effect of each construct under variable X_2

Hypothesis 3

To test the third hypothesis that involvement and participation does not have any effect on employee performance in Energy sector, the following regression will be used. The first regression is the wholesome effect of X_3 while the second comprises of the sub-constructs of X_3 on the dependent variable.

3. a) $Y = \beta_0 + \beta_3 X_3 + \epsilon$Model for hypothesis 3

b) $Y = \beta_0 + (\beta_3 X_{3i} + \beta_3 X_{3ii} + \beta_3 X_{3iii}) + \epsilon$Testing effect of each construct under variable X_3

Hypothesis 4

To test the fourth hypothesis that employee communication does not have any effect on employee performance in Energy sector, the following regression will be used. The first regression is the wholesome effect of X_4 while the second comprises of the sub-constructs of X_4 on the dependent variable.

4. a) $Y = \beta_0 + \beta_4 X_4 + \epsilon$Model for hypothesis 4

b) $Y = \beta_0 + (\beta_4 X_{4i} + \beta_4 X_{4ii} + \beta_4 X_{4iii}) + \epsilon$Testing effect of each construct under variable X_4

3.10 Diagnostic Tests

It was essential to ensure non-violations of the assumptions of the classical linear regression model (CLRM) before attempting to estimate equation. Estimating these equations when the assumptions of the linear regression are violated runs the risk of obtaining biased, inefficient, and inconsistent parameter estimates (Brooks, 2008). Consequently, linearity test, the multicollinearity, normality and heteroscedasticity tests were conducted to ensure proper specification of equations and as given above.

3.10.1 Linearity Test

Linearity means that two variables, "x" and "y," are related by a mathematical equation "y = cx," where "c" is any constant number. The importance of testing for linearity lies in the fact that many statistical methods require an assumption of linearity of data. This occurs when data is sampled from a population that relates to the variables of interest in a linear fashion. This means that before using common methods like linear regression, tests for linearity must be performed (Jin, Parthasarathy, Kuyel, Geiger, and Chen, 2005). Linearity test was conducted for each variable. SPSS, statistical software tool through ANOVA testing methods, was used to observe with ease the possibility of the data arriving from a linear population.

3.10.2 Normality Tests

Tests such as correlation and multiple regression analysis require normal data. When data is not normally distributed it can distort the results of any further analysis. Preliminary analysis to assess if the data fits a normal distribution was performed. To assess the normality of the distribution of scores, Kolmogorov-Smirnov test and graphical method approach were used. When non-significant results (> 0.05) are obtained for a score it shows the data fits a normal distribution (Tabachnik & Fidell, 2007).

3.10.3 Multicollinearity

Tests for multi-collinearity were carried out because in severe cases of perfect correlations between predictor variables, multi-collinearity can imply that a unique least squares solution to a regression analysis cannot be computed, Field, (2009). Multi-collinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors. Multi-collinearity was assessed in this study using the Variance Inflation Factor and tolerance.

3.10.4 Heteroscedasticity

Since the data for this research is a cross-section of firms, this raises concerns about the existence of heteroscedasticity. The Classical Linear Regression Models (CLRM) assumes that the error term is homoscedastic, that is, it has constant variance. If the error variance is not constant, then there is heteroscedasticity in the data. Running a regression model without accounting for heteroscedasticity would lead to biased parameter estimates. To test for heteroscedasticity, the Breusch-Pagan/Godfrey test (1979) was used. The null hypothesis of this study was that the error variance is homoscedastic. If the null hypothesis is rejected and a conclusion made that heteroscedasticity is present in the panel data, then this would be accounted for by running a Feasible Generalized Least Squares (FGLS) model.

3.10.5 Homoscedasticity test

In this study, homoscedasticity refers to one of the assumptions of the study that the dependent variable gives similar amounts of variance across the range of regression values for an independent variable. The homoscedasticity test was evaluated for pairs of variables using the Levene statistic.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The study sought to examine the effect of employee relations on employee performance in the energy sector in Nairobi City County, Kenya. This chapter presents and discusses the findings and interpretation of the findings obtained from the field by use of a questionnaire. The chapter presents the background information of the respondents as well as the descriptive statistics based on the study variables. The collected data was sorted to remove the incompleteness and to facilitate coding then keyed into SPSS Version 22.0 for analysis and discussion. Diagnostic tests as well as statistical modeling (inferential statistics) were computed, and the results presented in the form of figures, tables and charts.

4.2 Response Rate

The study targeted a sample size of 356 staff in Nairobi City County for seven (7) companies in energy sector. A total of 311 questionnaires were filled and returned giving a response rate of 87% as shown in table 4.1. According to Mugenda and Mugenda (2012), a response rate of 50% is adequate for analysis and reporting; a response rate of 60% is good and a response rate of 70% and above is excellent. Based on the assertion, the response rate for this study (87%) was considered excellent for data analysis.

Table 4. 1 Response Rate

Questionnaires	Frequency	Percent
Returned	311	87
Unreturned	45	13
Total	356	100.00

4.3 Reliability and Validity Tests

4.3.1 Reliability Test Results

The purpose of the reliability test was to refine the questionnaire so that respondents had no problems in answering the questions. Considering time, costs and practicality, reliability was tested using questionnaires duly completed by forty (40) randomly selected respondents. The respondents used were, however, not used in the final study sample in order to control for response biasness. The Cronbach alpha was calculated in a bid to measure the reliability of the questionnaire. Cronbach alpha is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test. Table 4.2 presents reliability results. The findings shows that all the variables were reliable since their Cronbach alpha was above 0.7, a cut-off of reliability for this study.

Table 4.2: Reliability Test Results

Variable	No of Items	α =Alpha	Comment
Collective Bargaining	8	0.851	Accepted
Conflict Resolution	7	0.725	Accepted
Involvement & Participation	9	0.826	Accepted
Employee Communication	6	0.781	Accepted
Employee Motivation	7	0.823	Accepted
Employee Performance	7	0.823	Accepted

4.3.2 Validity Test

Validity refers to whether a questionnaire is measuring what it purports to measure (Bryman and Cramer 1997). It describes validity as the degree of congruence between the explanations of the phenomena and the realities of the world. While absolute validity is

difficult to establish, demonstrating the validity of a developing measure is very important in research (Bowling, 1997).

This study used both construct validity and content validity. For construct validity, the questionnaire was divided into several sections to ensure that each section assessed information for a specific objective, and also ensured that the same closely ties to the conceptual framework for this study. To ensure content validity, the questionnaire was subjected to thorough examination by various experts. They were asked to evaluate the statements in the questionnaire for relevance and whether they were meaningful, clear and loaded of offensive. On the basis of the evaluation, the instrument were adjusted appropriately before subjecting it to the final data collection exercise. Their review comments was used to ensure that content validity was enhanced.

4.4 Demographic Characteristics

The section gives the study findings on the demographic characteristics of the respondents. The characteristics sought from the respondents included the gender of the respondents, their age, marital status and their highest level of education. It also presents the findings on the number of years the respondents had worked in their respective energy companies.

4.4.1 Gender of the Respondents

The gender representation numbers were arrived by inputting the data into the SPSS software then running the descriptive frequencies to generate the gender frequencies. Figure 4.1 shows that 62 % of the respondents were male while 38 % were female. This shows that majority of the respondents from Nairobi City County in the energy sector were male. This analysis is consistent with that of Gauge (2001) and Gakure (2003) studies that have identified male domination in the formal and informal sectors included. Other studies however, found that in spite of women being major actors in Kenya's

economy, men dominate in the formal sector citing the ratio of men to women in formal sector as 74%:26% (Ellis, Cutura, Dione, Gillson, Manuel & Thongori , 2007).

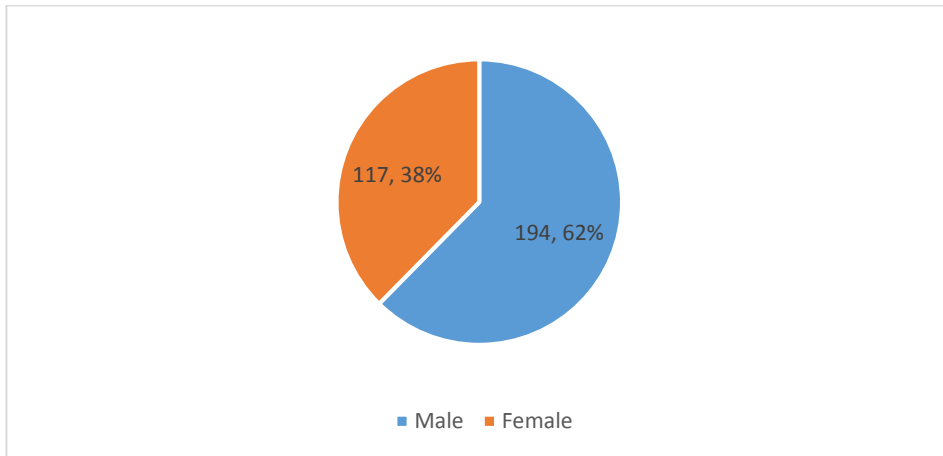


Figure 4.1: Gender of Respondents

4.4.2 Age of the respondents

The respondents were requested to indicate their age brackets. The aim was to find out if the age has an influence on response and overall results. From the results in Table 4.3, the findings on the age of the respondents indicated that 10% were in the age bracket 18-24 years, while 55% of the respondents were aged 25-34 years, 28% were aged 35-44 years while 7% were aged 45-54 years. The findings imply that majority of the staff in the energy companies in Nairobi City County were aged between 25 and 44 years. This implies that majority of the respondents were middle aged, according to the Population Situation Analysis Report (2014) the trend of population growth for persons aged 21-40 years has increased from about 12% in 1999 to nearly 15% in the year 2009. Therefore, the finding of this study reflects the current trend of the Kenya population indices.

Table 4.3: Age of Respondents

Age	Frequency	Percent
18-24	30	10
25-34 years	171	55
35-44 years	87	28
45-54 years	23	7
Total	311	100

4.4.3. Marital Status

The findings on the marital status of the respondents indicate that most respondents (76%) were married, 13% were single, 5% were widowed while 6% were separated. The findings imply that the majority of the staff in the energy companies in Nairobi City County are married. The findings are presented in Figure 4.2. The results concur with those of other scholars. Shivani & Bhalla, (2014) articulate that the number of married employees has been on the increase.

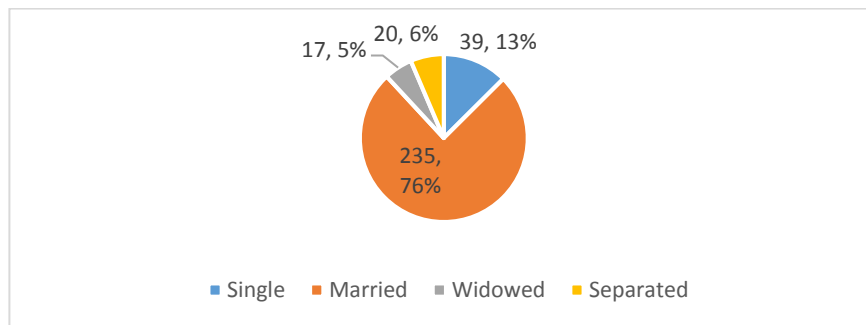


Figure 4.2: Respondents' Marital Status

4.4.4 Highest Level of Education

Data findings on the highest level of education attained by the respondents, revealed that 47% of the respondents had attained Diploma as their highest level of education, 42% had degrees, 5% had Masters' degrees, 3% had certificates while 3% had attained PhD. The findings imply that most staff in the energy companies in Nairobi City County have

attained higher levels of education. This finding agrees with those of other scholars. This echoes Blass (2007) who posit that Knowledge and skills are largely products of academic and skill acquisition and have a direct impact on the competitiveness. The findings are shown in Figure 4.3.

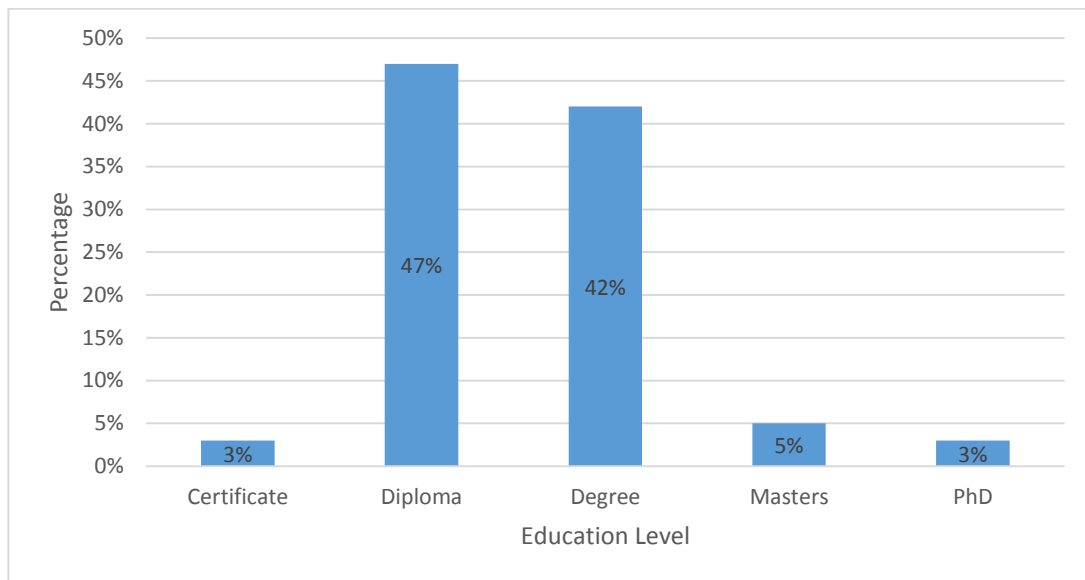


Figure 4.3: Highest Level of Education Attained by Respondents

4.4.5 Work Experience

The findings on work experience of the respondents, in table 4.4 indicated that 6% of the respondents had worked for less than 5 years. A total of 39% of the respondents had worked for 6-10 years in the energy companies, 27% had worked for 11-15 years, while 3% had worked for between 16 -20 years, a total of 25% had worked for 20 years and more. The findings show that most respondents had worked for over 5 years, which show that they had relatively higher levels of experience. The findings are shown in table 4.4. In as far as the title of study is concerned, the results imply that, the respondents were expected to understand the questionnaire and give valid response since they had a better understanding as guided by their level of education which in this case majority having

university education as the highest level of education. Education is key to productivity (Nyberg, Pieper & Trevor, 2013).

Table 4.4: Work Experience

Work Experience	Frequency	Percent
Below 5 years	20	6%
6-10 years	121	39%
11-15 years	85	27%
16-20 years	9	3%
Above 20 years	76	25%
Total	311	100%

4.5 Descriptive Analysis of Variables

This section presents the descriptive findings of the study based on the variables. The study was guided by the following variables: Collective bargaining, Conflict resolution, Involvement & Participation, Employee communication, Motivation and Employee Performance in the Energy Sector in Nairobi City County, Kenya.

4.5.1 Collective Bargaining

The first objective of the study was to find out the effect of collective bargaining on employee performance in the Energy sector in Nairobi City County, Kenya. The findings in table 4.5 are based on means and standard deviations obtained from the responses given on a 5-point Likert scale. The data collected on this scale showed the level of agreement of the respondents to the given aspects of collective bargaining and employee performance. Based on the Likert scale, a mean value in the interval of 0- 1 is an indication of a strong extent of disagreement, 1.0 – 1.9 is disagreement, 2.0 – 2.9 is a moderate extent of agreement, 3.0 – 3.9 is agreement and a mean value of above 4.0 is an indication of a strong extent of agreement. The standard deviation measures the level of variance in the responses from the actual mean.

The study found that majority of the respondents agreed that employees participate in negotiation through collective bargaining ($M = 3.84$; $SD = 0.934$). The respondents strongly agreed that they had strong bargaining power during collective bargaining ($M = 4.00$; $SD = 0.868$); majority agreed that collective bargaining agreement was adhered to by management ($M = 3.96$; $SD = 0.763$) and that collective bargaining influenced employee performance ($M = 3.89$; $SD = 0.830$). The findings indicate that there are clear guidelines on collective bargaining ($M=3.70$; $SD 0.829$). Respondents agreed that there is external influence on the collective bargaining process ($M=4.00$; $SD=0.818$). The respondents also agreed that best practices were fairly adhered to ($M=3.00$; $SD+ 0.801$). The standard deviations were showing small variations from the individual means.

These findings agree with those by other scholars. Godfrey *et al.* (2007) noted that when there is negotiation in collective bargaining, there is usually promotion of cooperation and mutual understanding between workers and management by providing a framework for dealing with industrial relations issues without resort to strike and lockouts. Cole (2005) agreeing with these findings notes that strong bargaining in collective bargaining is central to any industrial relations system since it is a tool through which regulated flexibility is achieved. When it is adhered to by the management, it influences employee performance. Similar results were postulated by Budd *et al.* (2008) who determined that when the collective bargaining is adhered by those in management, it achieves a workable relationship with management, found on mutual respect, in which tangible benefits are realized on agreed terms and not just on management's whim.

Table 4.5: Descriptive Statistics on Collective Bargaining

	N	Mean	Std. Deviation
Employees participate in negotiation during collective bargaining	303	3.84	.934
We have strong bargaining power during collective bargaining	310	4.00	.868
Collective bargaining agreement is adhered to by management	311	3.96	.763
Collective bargaining activities influences employee performance	303	3.89	.830
There are clear guidelines on the collective bargaining process	303	3.70	.829
There is external influence in our collective bargaining	311	4.00	.818
Current trends are embraced in the collective bargaining process	300	3.00	.801

4.5.2 Conflict Resolution

The second objective of the study was to examine the effect of conflict resolution on employee performance in the energy sector in Nairobi City County, Kenya. The results in table 4.6 showed that 60.9% agreed with the statement that a conflict resolution framework exists in their organization. A total of 58.6% agreed that there are clear grievance procedures for employees, while 75.2% agreed that the conflict resolution framework is adhered to, 58.2% disagreed that a formal a procedure is followed in handling grievances, while 66.5% agreed that conciliation is practiced in their organizations. A total of 59.7% respondents agreed that they were well versed with the use of conciliation to resolve conflicts, while 86.2% agreed that conflict resolution enhanced performance. A total of 51% respondents agreed that arbitration is used to resolve conflicts in their organization. The overall mean of the responses was 3.73 which indicates that majority of the respondents agreed with the statements on conflict resolution. The standard deviation of 0.97 indicates that the responses were varied. The

findings agree with those of other scholars. Mayer, (2012) articulates conflicts are usually resolved through Conciliation, Mediation and Arbitration in order to improve performance.

Table 4.6: Conflict Resolution

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviatio
Conflict resolution framework exists	7.9%	7.9%	23.3%	54.9%	6.0%	3.4	1.0
We have a clear grievance procedure	9.8%	7.9%	23.7%	53.9%	4.7%	3.3	1.0
Conflict resolution framework is rarely adhered to.	2.5%	14.9%	7.4%	51.1%	24.1%	3.8	1.0
A formal procedure is adhered to in conflict resolution	16.1%	42.1%	36.8%	2.8%	2.2%	3.6	0.8
Conciliation is practiced	7.7%	10.9%	14.9%	39.7%	26.8%	3.7	0.9
I am well versed with the use of conciliation in conflict resolution.	7.7%	10.3%	22.3%	37.8%	21.9%	3.9	1.0
Conflict resolution enhances performance	1.5%	7.1%	3.1%	52.0%	36.2%	4.1	0.8
Arbitration is used to solve conflicts in my organization	10%	9%	30%	35%	26%	4.1	0.8
Average						3.7	0.9
						3	7

4.5.3 Involvement and Participation

The third objective of the study was to analyze the effect of involvement and participation on employee performance in the Energy sector in Nairobi City County, Kenya. Findings in table 4.7 show that the majority of respondents at 85% agreed that they had a clear involvement and participation framework in their organizations; while 75% agreed that

employees have a voice in decision making; while 80% agreed that employees participated in the formulation of organization strategies, policies and processes. A total of 60% of the respondents agreed that they freely participate in strategy implementation.

A total of 55% respondents agreed that they participate in strategy, policy and process, M & E in their organizations. Few respondents at 45% agreed that their feedback is put into consideration. Majority of the respondents at 88% agreed that involvement and participation enhanced employee performance. Findings are consistent with those of other scholars. Raymond & Keith, (2013) Conducted a study on Contemporary trends in employee involvement and participation. Raymond *et al* (2013) suggested a linear relationship between employee involvement & participation and performance.

Table 4.7: Descriptive Statistics on Involvement and Participation

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N	Mean	SD
We have a clear involvement and participation framework in our organization	50%	35%	2%	10%	3%	288	4.28	.891
Employees have a voice in decision making	40%	35%	10%	11%	4%	288	4.08	.757
Employees participate in the formulation of organization strategies, policies and processes.	42%	38%	12%	4%	4%	288	4.33	.851

Involvement and participation enhance employee performance	60%	28%	2%	5%	5%	288	4.24	.71
Employees are freely involved in strategy implementation.	30%	30%	15%	10%	20%	311	3.11	.612
Employees participate in the M & E of strategy, policy and processes	25%	30%	20%	20%	5%	311	3.61	.623
The employees feedback is respected	20%	25%	25%	20%	10%	311	3.55	.567
Average							4.01	0.70
								1

4.5.4 Employee Communication

The study sought to establish the effect of employee communication on employee performance in the Energy sector in Nairobi City County, Kenya. The findings in table 4.8 indicate that 70.1% of the respondents agreed that they have open channels of communication. A total of 51.4% agreed that there are multiple levels of communication, while 73.4% of the respondents agreed that employees are kept abreast with company strategies, policies and procedures. A total of 67.1% respondents agreed that they are given chance to air their views. A total of 72.6 % of the respondents agreed that they use modern technology to communicate, while another 57.3% agreed that employees use a language that is understood by all to communicate. Findings show that 85% of the respondents agreed that communication improves performance. Reeta & Deborah, (2016) agreeing with this position asserts that communication especially downward communication has a positive effect on performance.

Table 4.8: Employee Communication

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation
We have open channels of communication	45%	25.1%	13.3%	10.9%	6.6%	3.43	1.000
There are multiple levels of communication in our organization	20.5%	30.9%	23.7%	20.9%	6.7%	3.36	1.047
Employees are kept abreast on company policies, strategies & Employees are encouraged to air their views.	42.5%	30.9%	7.4%	10.1%	9.9%	3.80	1.053
We use modern modes of communication e.g. IT	25%	42.1%	26.8%	2.8%	4.2 %	3.67	0.861
Employees use a language understood by everyone to communicate	57.7%	24.9%	8.9%	5.7%	3.8%	3.75	0.932
Communication enhances performance	27%	30.3%	12.3%	20.8%	2.9%	3.96	1.032
Average						3.75	0.971

4.5.5 Employee Motivation

The study sought to examine the extent to which employee motivation moderates the effect of employee relations on employee performance in the Energy sector in Nairobi City County, Kenya. Research findings in Table 4.9 indicate that 48.6% of the respondents

agree that employees are promoted from within the organization, while 40.9 % disagree. A total of 40.7% respondents agree that there are adequate incentives/benefits in the organization while 44.6% disagree. A total of 17.4% respondents agree that motivation is freely and fairly done. Majority of respondents at 58.2% agree that there are clear policies on motivation in the organization. Majority of respondents at 65.3% disagreed that employees are involved in designing motivation strategies, but only 18.6 % agreed on this position. A total of 19.5% agreed that performing employees are recognised publicly, while 61% disagreed.

A total of 83.6% of the respondents agreed that motivation enhances performance. Mensah1 & Tawiah (2016) agreeing with these findings articulate that employees must be motivated for them to perform well.

Table 4.9: Employee Motivation

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Deviation
Employees are promoted from within our organization.	20.9%	27.9 %	13.3 %	30.9 %	10.0 %	3.43	.810
There are adequate incentives/benefits	22.8%	17.9 %	20.7 %	23.9 %	20.7 %	3.36	.721
Motivation is done freely and fairly	2.5%	14.9 %	7.4% %	51.1 %	24.1 %	3.80	1.05
There are clear policies on motivation	16.1%	42.1 %	36.8 %	2.8% %	2.2 %	3.67	0.86
Employees are involved in designing motivation strategies	7.7%	10.9 %	14.9 %	39.7 %	26.8 %	3.65	0.93
Employee motivation enhances performance	36.2%	52.1 %	3.1% %	7.1% %	1.1 %	4.14	0.89
Employees are publicly recognised for good performance	10%	9.9% %	20.1 %	35% %	26% %	4.1	0.81
Average						3.73	0.97

4.5.6 Employee Performance

Research findings in table 4.10 showed that 60.9% strongly agree that there is high employee performance, while 58.6% agreed that lead times in operations are low. A total of 75.2% of the respondents agreed that the quality of goods and services is good. A total of 44.3% agreed that effectiveness is common practice. On efficiency a total of 51% agreed that this is common in operations. Majority at 59.7% agreed that absenteeism is low, while 86.4% agreed that presenteeism is low. Findings agree with those of Carla, (2015) who asserts that by the very nature of the energy sector, employees are duty bound to deliver.

Table 4.10: Employee Performance

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviatio
There is high employee productivity	7.9%	7.9%	23.3%	54.9%	6.0%	3.43	1.00
The lead times in operations are low	9.8%	7.9%	23.7%	53.9%	4.7%	3.36	1.04
The quality of goods/services is good	2.5%	14.9%	7.4%	51.1%	24.1%	3.80	1.05
Effectiveness is a common practice	16.1%	3.1%	36.8%	42.1%	2.2 %	3.67	0.86
The employee morale is good	7.7%	10.9%	14.9%	39.7%	26.8%	3.75	0.93
Absentism is low	7.7%	10.3%	22.3%	37.8%	21.9%	3.96	1.03
Presenteeism is low	1.5%	7.1%	3.1%	52.0%	36.2%	4.14	0.89
Efficiency is common in operation							
	10%	9%	30%	35%	26%	4.1	0.81
Average						3.73	0.97

4.6 Diagnostic Tests

4.6.1 Test for Normality

Parametric tests such as correlation and multiple regression analysis require normal data. When data is not normally distributed it can distort the results of any further analysis. Preliminary analysis to assess if the data fits a normal distribution was performed. To assess the normality of the distribution of scores, Kolmogorov-Smirnov test and graphical method approach were used. When non-significant results (> 0.05) are obtained for a score it shows the data fits a normal distribution (Tabachnik & Fidell, 2007). The data in table 4.11 below shows the results of the Kolmogorov-Smirnov test. The results indicate that the data in relation to each variable is normally distributed as the significance value in all cases is greater than 0.05. This implies the data was suitable for analysis using correlation and regression analysis. Graphical method results are shown in figure 4.4. The results indicate that the residuals are normally distributed.

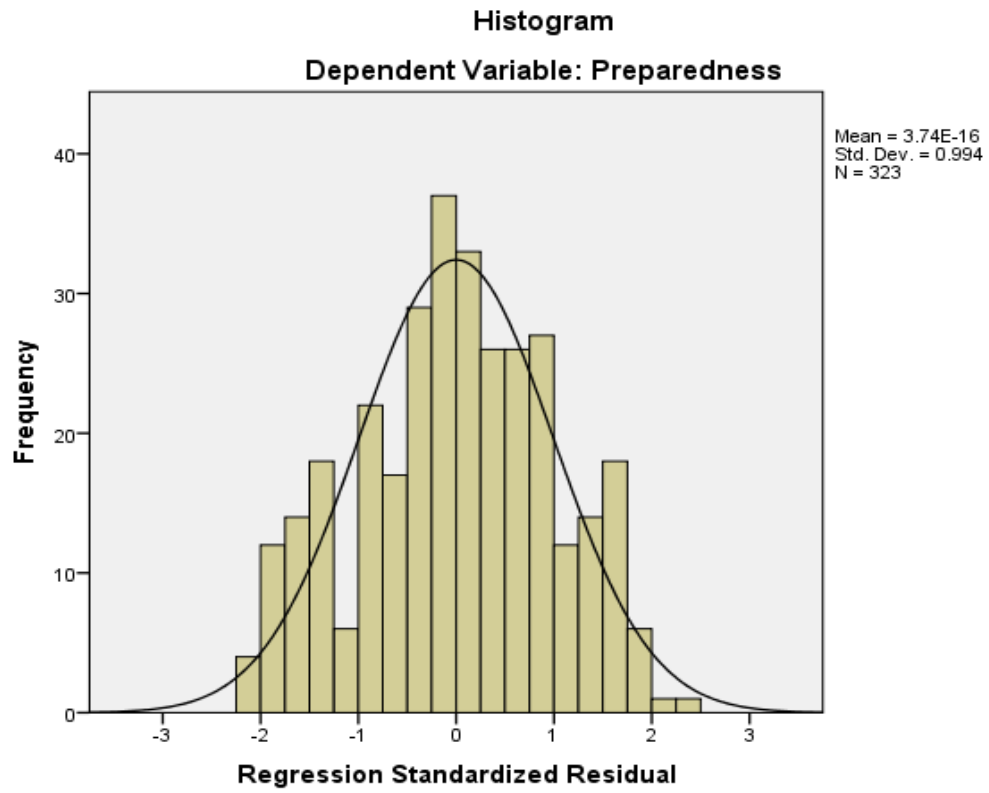


Figure 4.4: Test for Normality

Table 4.11: Results of Kolmogorov-Smirnov Test for Normality

Variable	K-S Test Statistic	Df	Sig.
Collective bargaining	0.158	323	0.093
Conflict Resolution	0.169	323	0.054
Involvement & Participation	0.178	323	0.065
Employee Communication	0.143	323	0.066
Motivation	0.201	323	0.096
Employee Performance	0.167	323	0.089

4.6.2 Linearity Test

Linearity means that two variables, "x" and "y," are related by a mathematical equation " $y = cx$," where "c" is a constant number. The importance of testing for linearity lies in the fact that many statistical methods require an assumption of linearity of data. This occurs when data is sampled from a population that relates to the variables of interest in a linear fashion. This means that before using common methods like linear regression, tests for linearity must be performed (Jin, Parthasarathy, Kuyel, Geiger, and Chen, 2005).

Linearity test was conducted for the variables. SPSS, statistical software tool through scatter graph graphical method was used to observe with ease the possibility of the data arriving from a linear population. The scatter graph in figure 4.5 show that the data used was linear.

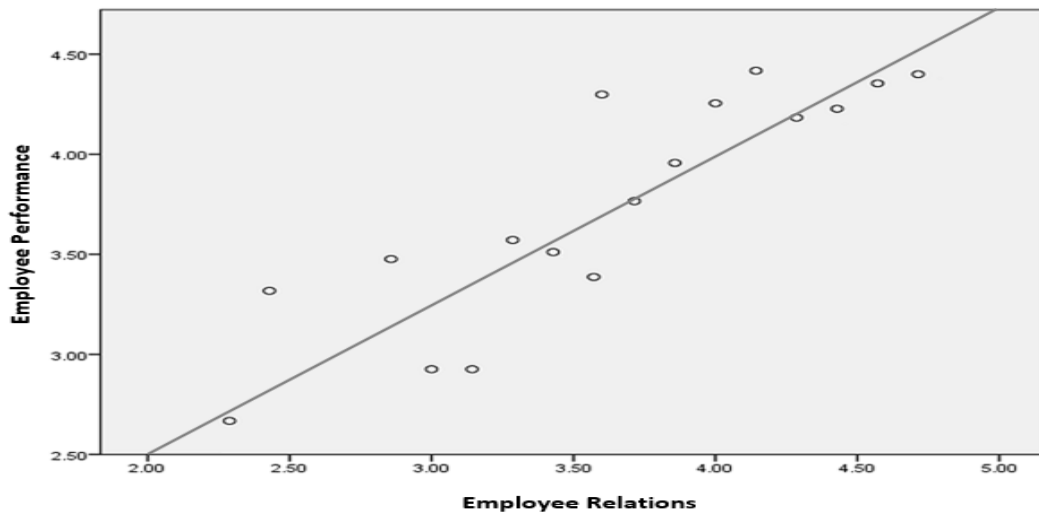


Figure 4.5: Scatter Plot

4.6.3 Test for Multicollinearity

Multicollinearity is a situation where two or more predictor variables in multiple regression are highly correlated, meaning that one can be linearly predicted from the other predictor with a substantial degree of accuracy. Multicollinearity is tested by the Tolerance and VIF values. The Tolerance value of less than 0.01 and VIF values of more than 1 suggest the presence of multicollinearity. In this study multicollinearity was tested first and the results are shown in Table 4.12. From table 4.12, it can be seen that the predictors are not correlated. Where X1- Collective bargaining, X2- Conflict Resolution, X3- Involvement & participation, X4- Employee communication, and X5- Motivation.

Table 4.12: Test for Multicollinearity

	Tolerance	VIF
X1	.687	1.455
X2	.539	1.854
X3	.513	1.949
X4	.626	1.597
X5	.525	1.712

4.6.4 Test for Heteroscedasticity

Since the data for this research is obtained from a cross-section of organizations, it raises concerns about the existence of heteroscedasticity. The Breusch-Pagan/Cook-Weisberg test was carried out to confirm if the error variance was not constant in which case there could have been heteroscedasticity in the data. Running a regression model without accounting for heteroscedasticity may lead to biased parameter estimates. To test for heteroscedasticity was necessary to make a hypothesis in respect to the error variance and test the error variances to confirm or reject the hypothesis.

For the purposes of applying the Breusch-Pagan/Cook-Weisberg test, a null hypothesis (H_0) of this was formulated that the error variance is not heteroscedastic while the alternative hypothesis (H_1) was that the error variance is heteroscedastic. The Breusch-Pagan/Cook-Weisberg test models the error variance as $\sigma^2_i = \sigma^2_h(z_i\alpha)$ where z_i is a vector of the independent variables. It tests $H_0: \alpha=0$ versus $H_1: \alpha \neq 0$. Table 4.13 shows the results obtained when the Breusch-Pagan/Cook-Weisberg test was conducted. The results in Table 4.13 indicated that the p value is greater than 0.05 (0.093) and so the null hypothesis set up for this test was supported. It was found that the variables under this study did not suffer from heteroscedasticity.

Table 4.13: Results of Breusch-Pagan / Cook-Weisberg Test for Heteroscedasticity

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity
chi2(1) = 9.764
Prob > chi2 = 0.093

4.6.5 Homoscedasticity Test

In this study, homoscedasticity refers to one of the assumption of the study that the dependent variable gives similar amounts of variance across the range of regression values for an independent variable. The study findings had the homoscedasticity test evaluated for pairs of variables using the Levene statistic. The results are then given as shown in Table 4.14.

The null hypothesis for the test of homogeneity of variance states that the variance of the dependent variable is equal across groups defined by the independent variable, i.e., the variance is homogeneous. From the study findings of test for homogeneity, the probability associated with the Levene Statistic is more than the level of significance (0.05) testing at 1%-tail test at 5% significance level for all variables, hence the variance is homogeneous.

Table 4.14: Homoscedasticity Test Results

	Levene Statistic	df1	df2	Sig.
Collective Bargaining	20.325	7	303	.178
Conflict Resolution	6.348	7	303	.092
Involvement and Participation	7.231	7	303	.232
Employee Communication	5.996	7	303	.111
Employee Motivation	13.308	7	303	.099

4.7 Inferential Statistics

Various statistical tests were computed to establish the relationships that existed between the variables. Tests were also done to establish the strength of the relationships.

4.7.1 Correlational Analysis

Pearson's product-moment correlation was carried out to determine whether there were significant associations between collective bargaining, conflict resolution, involvement & participation, employee communication, motivation and employee performance. In this study, Pearson's product-moment correlation coefficient (r) was used to explore relationships between the variables, specifically to assess both the direction and strength. The correlation test was conducted at the 5% level of significance in a 2-tailed test. Thus, a critical value was set at 0.025 above which the association would be found not statistically significant. This was crucial to assess the nature of relationships existing between the variables before carrying out further analysis.

Pearson's product-moment correlation coefficient (r) was used to examine the extent of correlation between the variables of study and to show the strength of the linear relationships between the variables in the regression. The r value ranges between ± 1 . Where $r = +0.7$ and above it indicates a very strong positive relationship; $r = +0.5 - 0.7$ is a strong positive relationship; $r = 0.3 - 0.49$ is a moderate positive relationship while $r = 0.29$ and below indicates a weak positive relationship. Where $r = 0$ it indicates that there is no relationship and if less than 0 then a negative correlation between variables exists. (Esther-Smith, Thorge & Love, 1999). The results of correlation analysis are presented in table 4.15.

The study found that collective bargaining had a moderate positive significant relationship with employee performance, $r = .547$, $p = .000$. The study also found that conflict resolution had a moderate positive significant influence on employee performance, $r =$

.550, $p = .000$. The study found a strong positive significant influence of involvement and participation on employee performance, $r = .715$, $p = .000$. A strong positive relationship was also determined between employee communication and employee performance, $r = .745$, $p = .000$. The variables were found to be suitable for further analysis using multiple regression. The value of N indicates the sample size used in this study. The findings are shown in Table 4.11. The findings corroborate well with those of other scholars. Anon (2015), asserts that performance is a product of many factors.

Table 4.15: Correlation Matrix

		Collective Bargaining	Conflict Resolution	Involvement and Participation	Employee Communication	Employee Motivation	Employee Performance
Collective Bargaining	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	311					
Conflict Resolution	Pearson Correlation	.837**	1				
	Sig. (2-tailed)	.000					
	N	311	311				
Involvement and Participation	Pearson Correlation	.787**	.854**	1			
	Sig. (2-tailed)	.000	.000				
	N	311	311	311			
Employee Communication	Pearson Correlation	.550**	.539**	.690**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	311	311	311	311		
Employee Performance	Pearson Correlation	.547**	.550**	.715**	.745**	.878**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	311	311	311	311	311	311

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

4.7.2 Regression Analysis

Regression analysis was done for individual variables to establish how individual constructs by which a variable was operationalized contributed to the variation in the relationship between the variables.

Effect of Collective Bargaining on Employee Performance

A regression model was run on the indicators of collective bargaining. The results in table 4.16 show the fitness of the model used in explaining the strength of the relationship between the constructs of collective bargaining and employee performance. The collective bargaining indicators negotiation, bargaining power and collective bargaining agreement were found to be satisfactory variables in determining employee performance. This implies that negotiation, bargaining power and collective bargaining agreement explain 30.0% variation in employee performance. This was supported by the coefficient of determination also known as R-square value of 0.30. Thus, based on this coefficient, other factors that were not considered in study amount to 70.0 % ($1-0.300=0.70$ expressed as percentage) of the variability in employee performance in the energy sector in Kenya. The results are presented in Table 4.16.

Table 4.16: Model Summary for Collective Bargaining

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.547 ^a	.300	.297	.41868

a. Predictors: (Constant), Collective Bargaining

Further tests on ANOVA as showed in the table 4.17 revealed that the F_{cal} 31.121 was greater than the F_{crit} 5.80 and the P value 0.005 which was less than the level of significance 0.05. implying the results were statistically significant and there was

goodness of fit of the model fitted for this relationship. . The results also mean that negotiation, bargaining power and collective bargaining agreement are good predictors of employee performance .

Table 4.17: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.860	4	17.215	31.121	0.005
Residual	89.566	306	0.282		
Total	158.425	310			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Collective Bargaining

The study found that collective bargaining significantly predicted employee performance, $\beta = .547$, $t = 11.496$, $p < .000$. Since the t and p value were significant, this finding implied rejection of the null hypothesis and therefore the study accepted the alternative hypothesis that collective bargaining has a significant effect on employee performance in the Energy sector in Kenya. The results are presented in Table 4.18.

Table 4.18: Regression Coefficients for Collective Bargaining

Model		Unstandardized		Standardized t	Sig.
		Coefficients			
		B	Std. Error	Beta	
	(Constant)	3.102	.125	24.723	.000
1	Collective Bargaining	.362	.031	.547	.000

a. Dependent Variable: Employee Performance

Based on these, the regression model fitted as : $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ therefore holds true.

The following regression model was postulated; $Y = 3.102 + 0.362X_1 + 0.125$

The findings obtained in the study imply that for every one unit change in collective bargaining, employee performance increases by 0.362 hence implying a positive impact of collective bargaining on employee performance. These findings align with the findings posited by Cole (2005) that strong bargaining in collective bargaining is central to any industrial relations system since it is a tool through which regulated flexibility is achieved. When it is adhered to by the management, it influences employee performance. Similar results were postulated by Budd *et al.* (2008) who determined that when the collective bargaining is adhered to by those in management, it achieves a workable relationship with management, found on mutual respect, in which tangible benefits are realized on agreed terms and not just on management's whim.

Hypothesis Testing

Linear regression was used to test the hypothesis. The criteria used in hypothesis testing was that research hypothesis was to be accepted if the p value is 0.05 or more. The research hypothesis was to be rejected if the p value is less than 0.05. In other words, if the p-value is less than 0.05 then it was concluded that the model was significant and had good predictors of the dependent variable and that the results was based on chance. If the p-value was greater than 0.05 then the model was not significant and was not used to explain the variations in the dependent variable. The first objective of the study was to determine the effect collective bargaining on the employee performance the energy sector in Kenya. The research hypothesis was that there is no significant relationship between collective bargaining and employee performance in the energy sector in Kenya..

Table 4.17 show a that the $p= 0.005$ which is less than 0.05, the research hypothesis was rejected and therefore it was concluded that there is a positive significant relationship between collective bargaining and employee performance in the energy sector in Kenya. This finding is consistent with that of Akhaukwa *et al* (2013) who assert that collective bargaining affects performance.

Influence of Conflict Resolution on Employee Performance

A regression model was run on the indicators of conflict resolution. The results in table 4.19 show the fitness of the model used in explaining the strength of the relationship between the constructs of conflict resolution and employee performance. The conflict resolution indicators conciliation, mediation and arbitration were found to be satisfactory variables in determining employee performance. This was supported by the coefficient of determination also known as R-square value of 0.302. The study found that conflict resolution explained 30.2% of the proportion in employee performance in the energy sector in Kenya, $R^2= .302$. Thus, based on this coefficient, other factors that were not considered in study, amount to 69.8% of the variability in employee performance in the energy sector in Kenya. The results are presented in Table 4.19.

Table 4.19: Model Summary for Conflict Resolution

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550 ^a	.302	.300	.41786

a. Predictors: (Constant), Conflict Resolution

Further tests on ANOVA as showed in the table 4.20 revealed that the $F_{cal} 29.1221$ was greater than the $F_{crit} 5.80$ and the P value 0.006 which was less than the level of significance 0.05. implying the results were statistically significant and there was

goodness of fit of the model fitted for this relationship. The results also mean that conciliation, mediation and arbitration are good predictors of employee performance .

Table 4.20: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.860	4	17.215	29.122	0.006
Residual	89.566	306	0.282		
Total	158.425	310			

b. Predictors: (Constant), Conflict Resolution

The study determined that conflict resolution significantly predicted employee performance, $\beta = .550$, $t = 11.571$, $p < .000$. This finding implied rejection of the null hypothesis and therefore the study accepted the alternative hypothesis that conflict resolution has a significant influence on employee performance in the Energy sector in Kenya. The results are presented in Table 4.21.

Table 4.21: Regression Coefficients for Conflict Resolution

Model		Unstandardized		Standardized t	Sig.
		Coefficients			
		B	Std. Error	Beta	
	(Constant)	2.551	.172	14.863	.000
1	Conflict Resolution	.472	.041	.550	.000

a. Dependent Variable: Employee Performance

Based on these, the regression model fitted as : $Y = \beta_0 + \beta_2X_2 + \varepsilon$ therefore holds true.

The following regression model was postulated; $Y = 2.551 + 0.472X_1 + 0.172$

The findings obtained in the study imply that for every one unit change in conflict resolution, employee performance increases by 0.472 hence implying a positive impact of conflict resolution on employee performance. The study findings are supported by Gitika *et al.* (2013) who found that conflict resolution significantly affected employee performance. This study also revealed that employee voice was critical in contributing to conflict resolution in the process of affecting performance. However, the study failed to show the kind of relationship between conflict resolution and employee performance in the multinational companies studied.

Hypothesis Testing

The second objective of the study was to find out the influence of conflict resolution on employee performance the energy sector in Kenya. The research hypothesis predicted that there was no significant relationship between conflict resolution and employee performance in the energy sector in Kenya. The criteria used in testing research hypothesis was that it was accepted if the p value is 0.05 or more. The research hypothesis was to be rejected if the p value is less than 0.05. Table 4.20 show a that the $p = 0.006$ which is less than 0.05, the research hypothesis was therefore rejected and it was concluded that there is a positive significant relationship between conflict resolution and employee performance in the energy sector in Kenya. This finding is consistent with that of Alice & Wilco (2013) who noted a link between conflict resolution and employee performance.

Effect of Involvement and Participation on Employee Performance

A regression model was run on the indicators of involvement and participation. The results in table 4.22 show the fitness of the model used in explaining the strength of the relationship between the constructs of Involvement & participation and employee

performance. The indicators of involvement & participation; employee voice, employee engagement and partnership were found to be satisfactory variables in determining employee performance. This was supported by the coefficient of determination also known as R-square value of 0.512. This implies that employee voice, employee engagement and partnership explain 51.2 % variation in employee performance. Thus, based on this coefficient, other factors that were not considered in study, amount to 48.8% of the variability in employee performance in the energy sector in Kenya. The results are presented in Table 4.22.

Table 4.22: Model Summary for Involvement and Participation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715 ^a	.512	.510	.34951

a. Predictors: (Constant), Involvement and Participation

Further tests on ANOVA as showed in the table 4.23 revealed that the F_{cal} 37.221 was greater than the F_{crit} 5.80 and the P value 0.005 was less than the level of significance 0.05. implying the results were statistically significant and there was goodness of fit of the model fitted for this relationship. The results also mean that negotiation, bargaining power and collective bargaining agreement are good predictors of employee performance.

Table 4.23: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.860	4	17.215	37.221	0.005
Residual	89.566	306	0.282		
Total	158.425	310			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Involvement and Participation

The study found that involvement and participation significantly predicted employee performance, $\beta = .715$, $t = 18.001$, $p < .000$. Since the t and p value were significant, this finding implied rejection of the null hypothesis and therefore the study accepted the alternative hypothesis that involvement and participation has a significant effect on employee performance in the Energy sector in Kenya. The results are presented in Table 4.24.

Table 4.24: Regression Coefficients for Involvement and Participation

Model	Unstandardized Coefficients		Standardized t	Sig.
	B	Std. Error	Beta	
(Constant)	2.615	.108	24.316	.000
1 Involvement and Participation	.445	.025	.715	18.001 .000

a. Dependent Variable: Employee Performance

Based on these, the regression model fitted as : $Y = \beta_0 + \beta_3 X_3 + \varepsilon$ therefore holds true.

The following regression model was postulated; $Y = 2.615 + 0.445X_1 + 0.108$.

The findings imply that for every one unit change in involvement and participation, employee performance increases by 0.445, implying a positive impact of involvement and participation on employee performance. The findings obtained in the study support the findings of Karina and Raymond (2012) who found a significant relationship between employee involvement & participation and employee performance. In addition, it was determined that employee involvement and participation enhances teamwork, and creates an element of ownership on part of the employees.

Hypothesis Testing

The third objective of the study was to examine the effect of involvement and participation on the employee performance in the energy sector in Kenya. The research hypothesis predicted that there was no significant relationship between involvement and participation and employee performance in the energy sector in Kenya. The criteria used in testing research hypothesis was that it was accepted if the p value is 0.05 or more. The research hypothesis was to be rejected if the p value is less than 0.05. Results in table 4.23 shows that the $p= 0.005$ which is less than 0.05, the research hypothesis was therefore rejected and it was concluded that there is a positive significant relationship between involvement and participation and the employee performance in the energy sector in Kenya. This finding is consistent with that of Karina & Raymond, (2012) who noted a positive link between involvement & participation and employee performance.

Effect of Employee Communication on Employee Performance

A regression model was run on the indicators of employee communication. The results in table 4.27 show the fitness of the model used in explaining the strength of the relationship between the constructs of employee communication and employee performance. The indicators of employee communication namely communication process, communication levels and communication networks were found to be satisfactory variables in determining employee performance. This was supported by the coefficient of determination also known as R-square value of 0.554. This implies that communication process, communication levels and communication networks explain 55.4 % variation in employee performance. The study found that employee communication explained 55.4% of the proportion in employee performance in the energy sector in Kenya, $R^2= .554$. Thus, based on this coefficient, other factors that were not considered in study, amount to 44.6% of the variability in employee performance in the energy sector in Kenya. The results are presented in Table 4.25.

Table 4.25: Model Summary for Employee Communication

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.554	.553	.33398

a. Predictors: (Constant), Employee Communication

Further tests on ANOVA as showed in the table 4.26 revealed that the F_{calc} 39.222 was greater than the F_{crit} 5.80 and the P value 0.000 was less than the level of significance 0.05. implying the results were statistically significant and there was goodness of fit of the model fitted for this relationship. The results also mean that communication process, communication levels and communication networks are good predictors of employee performance .

Table 4.26: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.860	4	17.215	39.222	0.000
Residual	89.566	306	0.282		
Total	158.425	310			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Employee Communication

The study found that employee communication significantly predicted employee performance, $\beta = .745$, $t = 19.603$, $p < .000$. Since the t and p value were significant, this finding implied rejection of the null hypothesis and therefore the study accepted the alternative hypothesis that employee communication has a significant effect on employee performance in the Energy sector in Kenya. The results are presented in Table 4.27.

Table 4.27: Regression Coefficients for Employee Communication

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.688	.146		11.591	.000
1 Employee Communication	.671	.034	.745	19.603	.000

a. Dependent Variable: Employee Performance

Based on these, the regression model fitted as : $Y = \beta_0 + \beta_4 X_4 + \varepsilon$ therefore holds true.

The following regression model was postulated; $Y = 1.688 + 0.671X_1 + 0.146$.

The findings imply that for every one unit change in employee communication, employee performance increases by 0.671, implying a positive impact of employee communication on employee performance. These findings are in line with those of Reeta and Deborah (2016) who found that managerial communication had a positive relationship with employee performance which was measured using the aspects of job satisfaction and organizational commitment.

Hypothesis Testing

The fourth objective of the study was to determine the effect of employee communication on employee performance in the energy sector in Kenya. The research hypothesis was that there was no significant relationship between employee communication and employee performance in the energy sector in Kenya. Table 4.27 show that the $p= 0.000$ which is less than 0.05, the research hypothesis was therefore rejected and it was concluded that

there is a positive significant relationship between employee communication and employee performance in the energy sector in Kenya. This finding is consistent with that of Reeta & Deborah, (2016); who note that employee communication positively affects employee performance.

4.7.3 Overall Regression Results

A regression model was first run before moderation. The results in Table 4.28 present the fitness of model used in explaining the relationship between collective bargaining, conflict resolution, involvement & participation, employee communication and employee performance. The independent variables (collective bargaining, conflict resolution, involvement & participation and employee communication) were found to be satisfactory variables in determining employee performance. This was supported by the coefficient of determination also known as the R-square of 0.637. This means that collective bargaining, conflict resolution, involvement & participation and employee communication explain 63.7 % of the variations in the dependent variable which is employee performance. These results further mean that the model applied to link the relationship of the variables was satisfactory.

Table 4.28: Model Summary for the effect of Employee Relations on Employee Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798 ^a	.637	.632	.30286

a. Predictors: (Constant), Collective Bargaining, Conflict Resolution, Involvement and Participation, Employee Communication

4.7.4 Analysis of Variance (ANOVA)-Results on the Effect of Employee Relations on Employee Performance

Table 4.29 provides the results on the analysis of the variance (ANOVA). The results indicate F calculated was 61.121 which was greater than f critical (5.80) implying that the model was statistically significant and there was goodness of fit of the model. Further, the results imply that the independent variables collective bargaining, conflict resolution, involvement & participation and employee communication were good predictors of employee performance. This was also supported by the reported $p=0.000$ which was less than the conventional probability of 0.05 significance level.

Table 4.29: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.860	4	17.215	61.121	0.000
Residual	89.566	306	0.282		
Total	158.425	310			

From Table 4.30, collective bargaining had coefficients, $\beta = .110$, $t = 3.921$, $p < .005$ showing a significant effect of collective bargaining on employee performance. Conflict resolution also showed a significant influence on employee performance with the coefficients, $\beta = .127$, $t = 3.890$, $p < .006$ indicating a positive effect on employee performance. Involvement and participation had coefficients, $\beta = .317$, $t = 6.461$, $p < .000$ showing a positive and significant effect was also the case with employee communication which showed coefficients of $\beta = .418$, $t = 9.612$, $p < .000$. Testing the influence of employee motivation as well showed a significant influence to the relationship as shown by coefficients $\beta = .666$, $t = 17.107$, $p < .000$.

Table 4.30 : Regression Coefficients of the effect of Employee Relations on Employee Performance.

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1.889	.169		11.212	.000
Collective Bargaining	.110	.043	.114	3.921	.005
Conflict Resolution	.127	.067	.148	3.890	.006
1 Involvement and Participation	.317	.049	.510	6.461	.000
Employee Communication	.418	.044	.464	9.612	.000

a. Dependent Variable: Employee Performance

The estimates of the regression coefficients, t-statistics and the p-values for the effect of employee relations on employee performance are presented in Table 4.31. These coefficients answer the first regression model relating the dependent and the independent variables.

Based on these, the regression model: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$ therefore becomes;

$$Y = 1.889 + 0.110 X_1 + 0.127 X_2 + 0.317 X_3 + 0.418 X_4$$

The estimates of the regression coefficients, t-statistics and the p-values for the effect of employee relations on employee performance are presented in Table 4.31. These coefficients answer the regression model relating the dependent and the independent variables.

4.7.5. Moderating effect of employee Motivation to Employee Relations on Employee Performance

The final test which involved testing the effect of moderating variable on the relationship was conducted with employee motivation as an additional variable. From the results in table 4.29, the change in R^2 shows a positive change where the percentage of the variability accounted for by the predictor variables went up from 63.7% to 85.9 %. Based on the coefficients, the predictor variables (collective bargaining, conflict resolution, involvement and participation and employee communication being moderated by employee motivation) explain 85.9 % of the variation in employee performance in the energy sector in Kenya.

Results in Table 4.31 indicate the regression model summary showing the extent to which the independent variables influence the dependent variable. The model was obtained after the data was subjected to hierarchical regression test through which the initial test gave the results for the relationship between the dependent and independent variables. The final test which involved testing whether employee motivation has a moderating effect on the effect of employee relations on employee performance. From the results, the change in R^2 shows a positive change where the percentage of the variability accounted for by the predictor variables went up from 63.7% to 85.9%. Based on the coefficients, the predictor variables (collective bargaining, conflict resolution, involvement and participation, employee communication and employee motivation) explain 85.9 % of the variation in employee performance in the energy sector in Kenya.

Table 4.31: Model Summary for the Moderated Multiple Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927 ^a	.859	.848	.24496

a. Predictors: (Constant), Collective Bargaining, Conflict Resolution, Involvement and Participation, Employee Communication

b. Predictors: (Constant), Collective Bargaining, Conflict Resolution, Involvement and Participation, Employee Communication, Employee Motivation

From Table 4.32, the significance value in testing the reliability of the model for the relationship between employee relations and employee performance was obtained as 0.000 which is less than 0.05 the critical value at 95% significance level. Therefore, the model is statistically significant in predicting the relationship between employee relations and employee performance in the energy sector in Kenya. The F value calculated is 140.031 indicating a significant model for the relationship as given by the regression coefficients. This shows that the overall model was statistically significant and reliable in explaining the influence of the predictor variables to employee performance. The second model showing the effect of employee motivation also proves this as the significance value is also less than 0.05.

Table 4.32: ANOVA Test for the Moderated Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.820	7	8.403	140.031	.000 ^b
	Residual	17.642	294	.060		
	Total	76.462	301			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Collective Bargaining, Conflict Resolution, Involvement and Participation, Employee Communication, Collective Bargaining*Employee Motivation, Conflict Resolution*Employee Motivation, Involvement and Participation*Employee Motivation, Employee Communication*Employee Motivation

4.7.6 Regression Coefficients for a moderated multiple variables

Table 4.33: Regression Coefficients for the Moderated Multiple Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.675	.160	10.474	.000	
	Collective Bargaining*Employee Motivation	.045	.018	.118	2.540	.012
	Conflict Resolution*Employee Motivation	.216	.027	.371	7.934	.000

Involvement and Participation*Employee Motivation	.274	.032	.419	8.429	.000
Employee Communication*Employee Motivation	.165	.027	.272	6.024	.000

a. Dependent Variable: Employee Performance

The estimates of the regression coefficients, t-statistics and the p-values for the relationship between employee relations and employee performance are presented in Table 4.33. These coefficients answer the first regression model relating the dependent and the independent variables.

Based on these, the regression model: From Table 4.33 when employee motivation (moderator) is used as a moderating variable, collective bargaining had coefficients, $\beta = .118, t = 2.540, p < .012$ showing a significant effect of collective bargaining on employee performance. Conflict resolution also showed a significant influence on employee performance with the coefficients, $\beta = .371, t = 7.934, p < .000$ indicating a positive effect on employee performance. Involvement and participation had coefficients, $\beta = .419, t = 8.429, p < .000$ showing a positive significant influence which was also the case with employee communication which showed coefficients of $\beta = .272, t = 6.024, p < .000$.

The results for the model showed that the moderating variable significantly improves the model on the effect of employee relations on employee performance. The individual interaction variables were also found to all have significant influence on employee performance. The interaction variables between each independent variable and employee motivation were all found to have p-values less than 0.05 implying significance at 0.05 level of significance. The final model generated an equation given by;

$$Y = \beta_0 + \beta_1 X_1 * M + \beta_2 X_2 * M + \beta_3 X_3 * M + \beta_4 X_4 * M + \epsilon$$

Where;

Y=Employee Performance

M-the moderator-Motivation

$\beta_1, \beta_2, \beta_3$ and β_4 are model parameters

X_1 =Collective bargaining

X_2 =Conflict resolution

X_3 =Participation & Involvement

X_4 =Employee communication

ϵ =Error term

The final model of the study therefore becomes;

$$Y = 1.675 + 0.045X_1 *M+ 0.216X_2 *M + 0.274X_3 *M+ 0.165X_4 *M+ 0.160$$

The results show that that employee motivation had a moderating effect on the effect of employee relations variables on employee performance. The coefficients also showed a positive significant effect of employee relations on employee performance. Since the t and p values were significant, these findings implied rejection of the null hypothesis and therefore the study accepted the alternative hypothesis that employee motivation

moderates the effect of employee relations on employee performance in the Energy sector in Kenya.

4.8 Hypothesis Testing of a moderating Variable

The objective was to assess the moderating effect of motivation on the relationship between employee relations and employee performance in the energy sector in Kenya.

H₀: There is no significant moderating effect of motivation on the effect of employee relations on employee performance in the energy sector in Kenya.

In order to establish interaction effects between the independent variables and the dependent variable, motivation was used as a moderating variable. The hierarchical linear regression analysis was used to test the moderating influence. The R² without moderation was 0.637 and R² with moderation was 0.859 . The change in R² is 0.222 which implies that motivation had a significant moderating effect on the effect of employee relations on employee performance. Therefore the research hypothesis was rejected and it was concluded that there is significant moderating effect of motivation on the effect of employee relations on employee performance in the energy sector in Kenya. This findings agree with those of (Cauvery *et al.*, 2010) who observe that motivation moderates several tests where performance is the dependent variable.

4.7.9 Summary of Results of Hypothesis Test

The results of the regression analysis indicated that all the four research hypotheses were rejected and the alternative hypotheses accepted. Results are shown in table 4.32.

Table 4.34: Summary of the Results

Objective No	Objective	Hypothesis	Rule	p-value	Comment
One	To determine the effect of collective bargaining on employee performance in the energy sector in Kenya	H₀₁: There is no significant relationship between collective bargaining and employee performance in the energy sector in Kenya	Reject H₀₁ if p value < 0.05 and accept H₁	p<0.05	The null hypothesis was rejected; therefore, there is a positive significant effect of collective bargaining on employee performance in the energy sector in Kenya
Two	To examine the effect of conflict resolution on employee performance in the energy sector in Kenya	H₀₂: There is no significant relationship between conflict resolution on employee performance in the energy sector in Kenya	Reject H₀₂ if p value < 0.05 and accept H₁	p<0.05	The null hypothesis was rejected; therefore, there is a positive significant effect on conflict resolution on employee performance in the energy sector in Kenya
Three	To establish the influence of Involvement and participation on employee performance in the energy sector in Kenya	H₀₃: There is a positive significant effect of Involvement and participation on employee performance in the energy sector in Kenya	Reject H₀₃ if p value <0.05 and accept H₁	p<0.05	The null hypothesis was rejected; therefore, there is a positive significant effect of Involvement and participation on employee performance in the energy sector in Kenya

Objective No	Objective	Hypothesis	Rule	p-value	Comment
Four	To evaluate the effects of employee communication on employee performance in the energy sector in Kenya	H₀₄: There is no significant effect of employee communication on employee performance in the energy sector in Kenya	Reject H₀₄ if p value < 0.05	p<0.05	The null hypothesis was rejected; therefore, there is a positive significant effect of employee communication on employee performance in the energy sector in Kenya
Five	To assess the moderating effect of motivation on collective bargaining, conflict resolution, Involvement & participation and employee communication on performance of employees in the energy sector in Kenya.	H₀₅: There is no significant moderating effect of motivation on the relationship of collective bargaining, conflict resolution, Involvement & participation and employee communication on performance of employees in the energy sector in Kenya.	Reject H₀₅ if p value of interaction term <0.05	The p value of interaction term <0.05	The null hypothesis was rejected therefore there is a positive significant moderating effect of motivation on the relationship of collective bargaining, conflict resolution, Involvement & participation and employee communication on performance of employees in the energy sector in Kenya.

4.9 The Optimal Model

Based on the outcomes of the requisite and inferential analysis, the following figure is the optimal model for the study. All the variables were found to be valid; none of them was rendered redundant. There was no need for revision as hypothesis were tested and all the variables statistically established to be relevant. The revised conceptual framework is presented in the figure 4.6

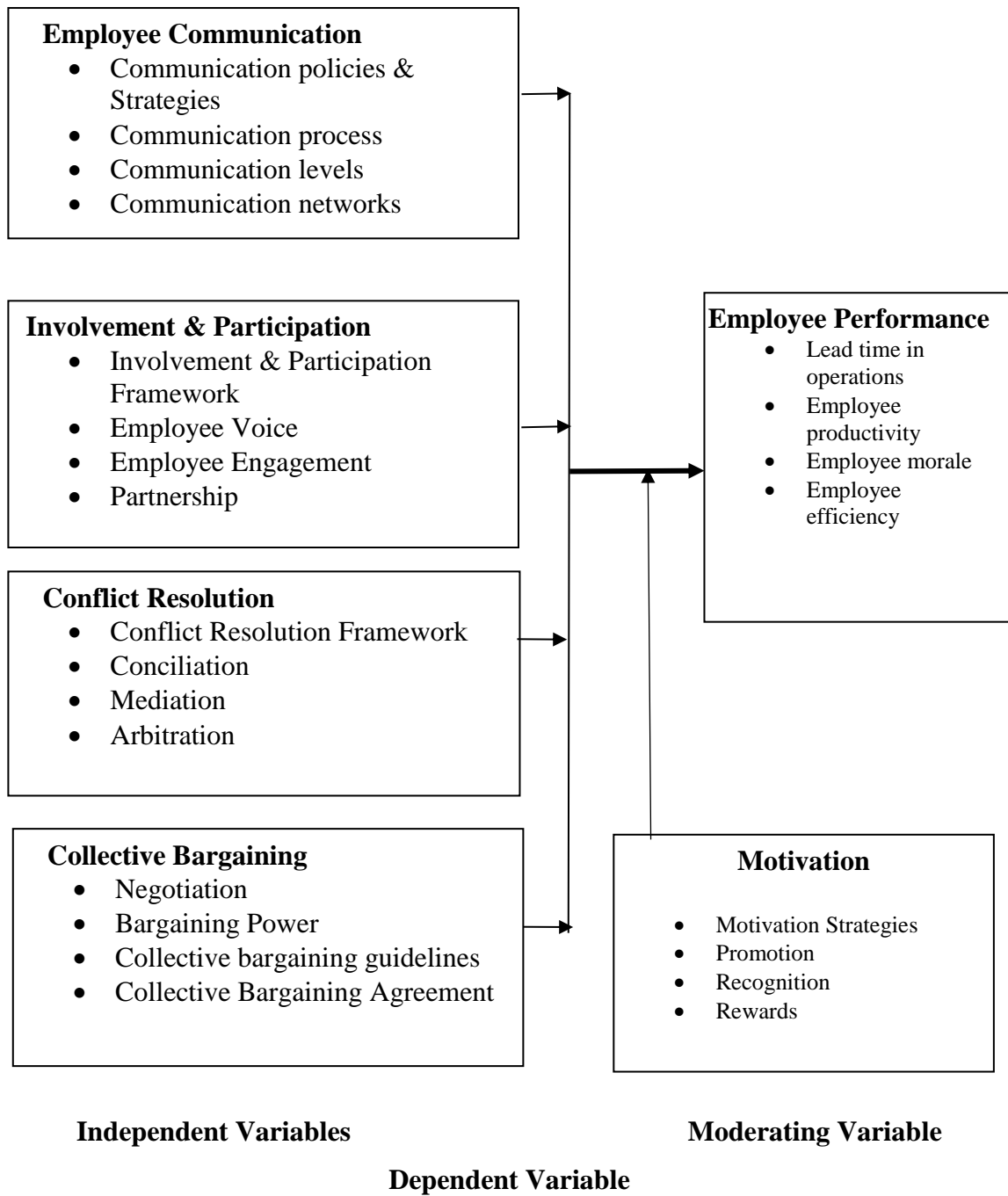


Figure 4.6: Revised Conceptual Framework Model

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of major findings of the study, relevant discussions, conclusions and the recommendations. The study sought to examine the effect of employee relations on employee performance in the energy sector in Kenya. The summary of key findings, conclusions and recommendations is done in line with the objectives of the study based on the output of the descriptive and inferential statistical analyses guided to test the research hypothesis of the study.

5.2 Summary

The main purpose of this study was to empirically establish the effect of employee relations on employee performance in the energy sector in Kenya. The specific objectives included collective bargaining, conflict resolution, involvement & participation, employee communication, motivation and performance. The population of the study was all the staff in the Nairobi City County for seven (7) companies in Energy sector. The target population was 5,001 staff, from which a sample of 356 was selected. A total of 311 questionnaires were filled and returned.

5.2.1 Effect of Collective Bargaining on Employee Performance

The first objective of the study was to determine the effect of collective bargaining on employee performance in the energy sector. Various tests were carried out to determine the relationship that existed between the two variables. The study found that collective bargaining had a moderate positive significant relationship with employee performance. Multiple linear regression analysis was used to test the hypothesis which indicated that there is a positive significant relationship between collective bargaining and employee performance in the energy sector. This indicated that the research hypothesis was rejected and it was therefore concluded that there is a positive significant relationship between collective bargaining and employee performance in the energy sector.

A regression analysis was also done to determine the effect that motivation had on the relationship between collective bargaining and employee performance in the energy sector. The results of coefficients showed that the coefficient of collective bargaining intersection with motivation was significant, it implied that motivation had a moderating effect on the relationship between collective bargaining and employee performance in the energy sector.

5.2.2 Effect of Conflict Resolution on Employee Performance

The second objective of the study was to determine the effect of conflict resolution on employee performance in the energy sector. Various tests were carried out to determine the relationship that existed between the two variables. The study found that collective bargaining had a moderate positive significant relationship with employee performance.

Multiple linear regression analysis was used to test the hypothesis which indicated that there is a positive significant relationship between conflict resolution and employee performance in the energy sector. The results of coefficients to the model estimates were significant. This indicated that the research hypothesis was rejected and it was therefore concluded that there is a positive significant relationship between conflict resolution and employee performance in the energy sector.

A regression analysis was also done to determine the effect that motivation had on the relationship between conflict resolution and employee performance in the energy sector. The results of coefficients showed that the coefficient of conflict resolution intersection with motivation was significant. This implied that motivation had a moderating effect on the relationship between conflict resolution and employee performance in the energy sector.

5.2.3 Effect of Involvement & Participation on Employee Performance

The third objective of the study was to determine the effect of involvement & participation on employee performance in the energy sector. Various tests were carried out to determine the relationship that existed between the two variables. The study found that involvement and participation had a strong positive significant relationship with employee performance. Multiple linear regression analysis was used to test the hypothesis which indicated that there is a positive significant relationship between involvement & participation and employee performance in the energy sector. The results of coefficients to the model estimates were significant. This indicated that the research hypothesis was rejected and it was concluded that there is a positive significant effect of involvement & participation on employee performance in the energy sector.

A regression analysis was also done to determine the moderating effect of employee motivation on the effect of involvement and participation on employee performance in the energy sector. The results of coefficients showed that the coefficient of involvement &

participation with employee motivation as a moderator was significant. Since the coefficient of moderating effect was significant, it implied that motivation had a moderating effect on the effect of involvement & participation on employee performance in the energy sector.

5.2.4 Effect of Employee communication on Employee Performance

The fourth objective of the study was to determine the effect of employee communication on employee performance in the energy sector. Various tests were carried out to determine the effect of employee communication on employee performance. The study found that communication had a strong positive significant effect on employee performance. Multiple linear regression analysis was used to test the hypothesis which indicated that there is a positive significant effect of employee communication on employee performance in the energy sector. The results of coefficients to the model estimates were significant. This indicated that the research hypothesis was rejected and it was concluded that there is a positive significant effect of employee communication on employee performance in the energy sector.

A regression analysis was also done to determine the moderating effect of motivation of communication on employee performance in the energy sector. The results of coefficients showed that communication with motivation had a moderating effect which was significant. This implied that motivation had a moderating effect on the effect of communication on employee performance in the energy sector.

5.2.5 The Moderating Effect of Motivation

The fifth objective was to assess the moderating effect of motivation on the effect of collective bargaining, conflict resolution, involvement & participation and communication on employee performance in the energy sector. It was hypothesized that there is a positive significant moderating effect of motivation on the effect of collective

bargaining, conflict resolution, involvement & participation and communication on employee performance in the energy sector. Multiple linear regression was carried out to test this hypothesis.

Before moderation the study found that R^2 value which indicated that the explanatory power collective bargaining, conflict resolution, involvement & participation and communication was 0.637. This means that 63.7% of employee performance in the energy sector in Nairobi City County, Kenya was explained by collective bargaining, conflict resolution, involvement & participation and communication. After moderation the R^2 was 0.859 implying that jointly, the variables after the moderation effect of motivation explain 85.9% of employee performance in the energy sector.

5.3 Conclusion

The study found there exist a relationship between collective bargaining and employee performance in the energy sector in Nairobi City County, Kenya. The statistical results of coefficients showed that motivation had a moderating effect on the relationship between collective bargaining and employee performance in the energy sector. From the forgoing, it can be concluded that an improvement in collective bargaining leads to a positive improvement in employee performance in the energy sector.

The study found there exist a relationship between conflict resolution and employee performance in the energy sector. The statistical results of coefficients showed that motivation had a moderating effect on the relationship between conflict resolution and employee performance in the energy sector. From the forgoing, it can be concluded that an improvement in conflict resolution leads to a positive improvement in employee performance in the energy sector in Nairobi City County, Kenya.

On the third variable the study found there exist a positive relationship between involvement & participation and employee performance in the energy sector in Nairobi

City County, Kenya. The statistical results of coefficients showed that motivation had a moderating effect on the relationship between involvement & participation and employee performance in the energy sector in Nairobi City County, Kenya. From the forgoing, it can be concluded that an improvement in involvement & participation leads to a positive improvement in employee performance in the energy sector in Nairobi City County, Kenya.

The study found that there exist a relationship between communication and employee performance in the energy sector. The statistical results of coefficients showed that motivation had a moderating effect on the relationship between communication and employee performance in the energy sector. From the forgoing, it can be concluded that an improvement in motivation leads to a positive improvement in employee performance in the energy sector.

The results further revealed that the joint effect of collective bargaining, conflict resolution, involvement & participation and communication after moderation of motivation had a greater contribution than before the moderation. From the above findings it can be concluded that motivation lead to better and sustained superior performance if the energy sector invests in motivating their staff to improve performance.

5.4 Recommendations

The study findings indicated that there exists positive relationships between collective bargaining, conflict resolution, involvement & participation, communication and employee performance. The findings also revealed that motivation has a moderating effect on the relationship between collective bargaining, conflict resolution, involvement & participation, communication and employee performance.

The study therefore recommends that the energy sector should stipulate policies that would improve the instruments of collective bargaining, conflict resolution, involvement

& participation and communication so as to improve employee performance. There is need also to invest in motivation strategies with the involvement of employees since findings indicated that the level of employee involvement is minimum on designing these strategies.

The study also recommends that the energy sector should invest in capacity building for employees and management to have an enhanced understanding of the dynamics of employee relations, motivation and performance.

5.5 Areas for Further Research

In this section, suggestions for further research in areas related to this study are given. In future, it is recommended that research be done to address the limitations of this study. This study considered only the energy sector future researchers could consider carrying out a similar study in a different sector or sectors to assess any variation in responses. It would be interesting to explore how the results obtained when the methods applied in this study are applied in other contexts for example in other countries at higher or lower stages of development. It would be worthwhile establishing the extent to which the findings of this study are generalizable to other industries, sectors or settings.

Future researchers could also introduce different variables other than the one used and test for moderation or mediating effect of such variables on the relationship between employee relations and performance. Studies using other additional variables, such as organization culture, government regulation as moderators or mediators can be carried out to gain further insights into the relationship.

The current study is cross-sectional other scholars can carry out the study as a longitudinal study. Since it is recommended to have continuous engagements for retention practices in place, a longitudinal study will show whether the findings vary over time. It could also reveal how the practices affects performance over time. Further research could also carry

out in-depth studies on specific companies or groups of companies to analyze further the reasons for certain results specific to them.

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APPENDICES

Appendix 1: Introduction Letter

Dear Sir/Madam

I am a PhD candidate of Jomo Kenyatta University of Agriculture and Technology carrying out a research study on the effect of employee relations on employee performance in Energy sector in partial fulfillment of the requirement for the Doctor of Philosophy in Human Resource Management. I kindly request you to answer the questions below. All responses will be treated confidentially and will be used only for this study.

Let me take this opportunity to thank you in advance for taking part in this study.

Yours sincerely,

Kennedy Juma Mulunda

Appendix II: Questionnaire

Introduction

The purpose of this questionnaire is to help the study collect data for a research proposal in fulfillment of the requirements for a proposal for Doctor of Philosophy in Human Resource Management, Jomo Kenyatta university of Agriculture and Technology. The respondent is requested to give accurate and independent responses as requested in the questionnaire.

Please take note that the questionnaire will remain strictly confidential and will be used for academic purposes only.

Date _____

Questionnaire No:

SECTION A: General Information

1. Gender

Male Female

2. Age

18 – 24 25 – 34

35 – 44 45 – 54

55 – 64

3. Marital status

Single Married

Widowed Separated

Divorced

4. What is your highest level of Education?

Certificate Diploma

Degree Masters

PhD

5. What is your Job Title? -----

6. How many years of experience have you worked for the organization?

0– 5 6 – 10

11 – 15 16– 20

Over 20

Section A: Collective Bargaining

Based on the Likert scale where SD=strongly disagree, D=disagree, N=Neutral, A=agree and SA=strongly agree. Indicate your honest opinion.

1. To what extent do you agree with the following statements relating to effects of collective bargaining on employee performance.

Item	Statement on Collective Bargaining	SD	D	N	A	S A
1	Employees participate in negotiation during collective bargaining					
2	We have a strong bargaining power during collective bargaining					
3	Collective bargaining is adhered to by management					
4	We have a collective bargaining agreement					
5	Collective bargaining influences employee performance					
6	Current trends are embraced in the collective bargaining process					
7	There is external influence in our collective bargaining					

8	There are clear guidelines on the collective bargaining process.					
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2. Apart from those mentioned above how else does collective bargaining affect employee performance?

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Section B: Conflict Resolution

1. To what extent do you agree with the following statements relating to effects of conflict resolution on employee performance.

Item	Statement on Conflict resolution	SD	D	N	A	SA
1	Conflict resolution framework exists in our organization					
2	We have a clear grievance procedure					

3	Conflict resolution framework is rarely adhered to					
4	A formal procedure is adhered to in conflict resolution					
5	Conciliation is practiced in my organization					
6	Conflict resolution is clear, open and fair to employees					
7	Am well versed with the use of conciliation in conflict resolution					
8	Arbitration is used to solve conflicts in my organization					
9	Conflict resolution enhances employee performance					

2. Apart from those mentioned above how else does conflict resolution affect

employee performance?

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Section C: Involvement and Participation

1. To what extent do you agree with the following statements relating to effects of Involvement and participation on employee performance.

Item	Statement on Involvement and Participation	SD	D	N	A	SA
1	We have a clear involvement and participation framework in our organization					
2	Employees have a voice in decision making					
3	Employees participate(are engaged) in the formulation implementation of organization strategies, policies and processes					
4	Involvement and participation enhances employee performance					
5	Employees are freely involved in strategy implementation					
6	Employees participate in the M & E of strategy, policy and processes					
7	The employees feedback is respecte					

2. Apart from those mentioned above how else does involvement and participation affect

employee performance?

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Section D: Employee communication

1. To what extent do you agree with the following statements relating to effects of employee communication on employee performance.

Item	Statement on Employee communication	SD	D	N	A	SA
1	We have open channels of communication in our organization					
2	There are multiple communication levels in our organization					

3	Employees are kept abreast on company strategies, policies and programs through clear communication networks					
4	Employees are encouraged to share their views					
5	We use modern modes of communication e.g IT					
6	Employees use a language understood by everyone to communicate					
7	Employee communication enhances employee performance					

2. Apart from those mentioned above how else does employee communication affect employee performance?

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Section E: Employee Motivation

1. To what extent do you agree with the following statements relating to effects of employee communication on employee performance.

Item	Statement on Employee Motivation	SD	D	N	A	SA
1	Employees are promoted from within our organization.					
2	We have adequate incentive and benefits schemes that motivate employees					
3	Motivation is done freely and fairly					
4	There are clear policies on motivation					
5	Employees are involved in designing motivation strategies					
6	Employees are publicly recognised for good performance					
7	Employee motivation enhances employee performance					

2. Apart from those mentioned above how else does employee motivation affect employee performance?
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Section F: Employee Performance

1. To what extent do you agree with the following statements relating to effects of employee relations on employee performance.

Item	Statement on Employee Performance	SD	D	N	A	SA
1	There is high employee productivity					
2	The lead times in operations are low					
3	The quality of goods/services is good					
4	Effectiveness is a common practice					
5	The employee morale is good					
6	Absetism is low					
7	Presenteeism is low					
8	Efficiency is common in operation					

2. Apart from those mentioned above how else does employee relations affect employee performance?

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Section G: Secondary Data on Employee Performance

S/N	Statements on Performance	2013	2014	2015	2016	2017	Remark
1	There is high employee productivity						
2	The lead times in operations are low						
3	The quality of goods/services is good						
4	Effectiveness is a common practice						
5	The employee morale is good						
6	Absetism is low						
7	Presenteeism is low						

8	Efficiency is common in operation						
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Appendix III: Research Work Plan

ACTIVIY/ TIME	MONTHS											
	1	2	3	4	5	6	7	8	9	10	11	12
Topic Formulation	■											
Research Proposal Writing		■										
Consultation with supervisors			■	■								
Proposal Defense					■							
Seminar Defense						■						
Pilot Testing							■	■				
Data collection							■	■				
Data Analysis									■			
Consultation with supervisors										■	■	■
Research Report writing/Publication										■	■	■
Thesis defense											■	■
Thesis Submission											■	■

Appendix IV: Budget Estimate

No.	Item	Cost (Ksh.)
1	Literature retrieval	100,000.00
2	Typing	20,000.00
3	Stationery, printing and binding	80,000.00
4	Photocopying	20,000.00
5	Library, internet and communication	100,000.00
6	Data collection and analysis	160,000.00
7	Transport costs	50,000.00
8	Publication	100,000.00
9	Miscellaneous	20,000.00
	Grand Total	650,000.00