

The Influence of Representation by Works Councils on Organizational Performance of Government Health Care Institutions in Kenya

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Abstract- The influence of representation by works councils has been identified in research to promote organizational commitment, employee job satisfaction and improved individual productivity which in turn leads to organizational performance. The lack of representation by works councils has been identified as the major factor perpetuating strikes and lack of commitment of health workers. This has resulted in loss of lives in the hospitals and poor health services. This study aimed at assessing the influence of representation by works councils on organizational performance among health workers in Kenya. Descriptive survey design was adopted in conducting the study and Stratified sampling techniques was employed to select 384 employees from the selected Kiambu and Machakos Level 5 hospitals as well as Kenyatta National Hospital as the respondents to the study. A response of 87.5% was achieved and both primary and secondary data was used for the study. Questionnaires and interview guides were used as data collection instruments. Data was analyzed using qualitative and quantitative procedure. In addition, a multiple linear regression model was applied to examine the relationship between the variables. SPSS version 24 was used for data analysis and generation of tables, figures and relationships. In conclusion, representation by works councils/trade unions was found to influence organizational performance in Kenya. The study recommends that the management should seek to keep workers and problems separate so as to enable real issues to be debated without damaging working relationships. By listening carefully and paying attention to the interests presented by employees, management will most likely understand them. Workers as well can seek more advice and assistance from trade unions in advocating for their rights and management should not punish their works for joining relevant work councils relevant to them. The study recommends further study on private health institutions to confirm and validate the theories and findings.

Index Terms- Works Councils, Employee involvement, Employee participation

I. INTRODUCTION

Focus on millennium development goals brought a lot of changes in the economy as countries developed new frameworks to enable them achieve millennium development goals. These vast and possibly unprecedented changes taking

place in every economy have altered the modes of operation in different sectors by embracing the widespread adoption of information technologies, deregulation of both product and labour markets, decline of heavy manufacturing and ascendancy of service industries and growing global competition for the provision of goods and services (Summers & Hyman, 2005).

Following these changes, companies are facing severe competitive pressures and rapidly changing markets. The changes mostly involve new trends and technologies, among other factors that make organizations seek ways to become more flexible, adaptive, and competitive. Subsequently, organizations are always very curious in their continuous search for competitive policies to gear up their performance (Singh, 2009). However, finding an answer to the question on the best and most effective way to design, organize, and manage work in line with the changes, that will ensure competitive edge and enhance performance, is not always easy.

Indirect employee participation forms include Works Councils, collective bargaining, joint consultation committees, and employee representation on boards of directors. These forms vary from country to country, but their key feature is the role of representation as a form of employee participation. In Western European countries such as Germany and Netherlands, Works Councils are one of the most important modes of employee representation. Following this premise, and tandem to this background, this study seeks to assess the influence of representation by works councils on organizational performance of the health sector in Kenya.

II. LITERATURE REVIEW

Influence of representation by works councils is a form of employee participation that relates to teams that include selected or elective representatives of all grades of staff in the departments, which were affected by the implementation of a new system and policy. In addition, employee participation through work councils or trade unions involves worker participation in forums that address strategic issues rather than merely workplace or process issues (Modernizing Public Service Group, 1999). It is known as the most widely legislated form of employee participation around the world (Cotton, 1993). The different representatives "can come in the form of work council, worker representatives on the board of directors, or some other format" (Cotton, 1993).

Representative participation is less likely to be a company initiative than a response to external pressures from unions or legal requirements that may force the introduction of representative institutions, such as works councils. However, companies may benefit from representative participation in several ways. Employees may be more likely to accept decisions that they helped to make. Deliberations between employee representatives and management may improve the quality of decisions. Finally, representative participation may improve employee-management relations more generally (Gollan & Markey, 2001).

Representative voice mechanisms encompass both union-centered and non-union mechanisms and the different forms may co-exist at workplace level. The choices made between the different forms, and between all of them and an absence of voice, are a function of government action, worker desires, union behavior and employer choice. For employers, all forms of voice may serve as a mechanism for securing industrial peace and/or for promoting productivity of a product or service quality. It has been argued that a combination of effective voice mechanisms has the potential to increase employee satisfaction and commitment. For employees, the democratic and existential benefits of having a voice at work have often been rehearsed (Ng'ethe et al. 2012). There is also evidence suggesting that high participation workplaces are associated with higher earnings, and this relationship is particularly strong when new forms of participation are matched by a strong union presence. Thus, the co-existence of different forms of voice secures both existential benefits and higher pay for employees. In other words, there may exist mixed effects on performance; higher labor cost may reduce financial performance, while greater acceptance of decision making may increase operational performance (Meyer & Allen, 1997).

However, union voice requires management to give up power, and come to terms with two channels of authority within the firm. The assumption among worker in Kenya is that no company would choose union voice or collective bargaining; this is why the unions are normally formed in a fighting mood to advocate for workers right or pay (Kadian & Mutsotso, 2010). Literature however suggests that representative participation through unions and work councils should be envisaged as a system used to collect views and help in decision making to a common ground before representation (Newstrom & Davis, 2004). It is a system of getting workers voice without collecting information from each individual. On the other hand, Latham et al. (1994) views of unions as a market distortion, interfering with what would otherwise be efficient, individual rational choice based interactions between employer and employee. Hence, a negative effect on performance is expected.

Of these practices, the influence of representation by works councils has been advocated for by most managers and organizations in the public sector based on the premise that when the employees are allowed to participate in decision making, they will feel responsible for all the decisions made and therefore their commitment to their duties will improve subsequently increasing their productivity and organizational performance. Following this premise, and tandem to this background, this study seeks to

assess the influence of representation by works councils on organizational performance of the health sector in Kenya.

III. RESEARCH METHODOLOGY

A descriptive survey design was adopted to capture the categorical description of attitudes of the study population. The study population constitutes employees from the major level 5 hospitals in the Nairobi Metropolitan which includes Kiambu County, Nairobi City County and Machakos County. The major level 5 hospitals in Nairobi Metropolitan was chosen as the target population in this study because they have been prone to strikes with workers citing lack of participation opportunities in decision making as some of the reasons causing their dissatisfaction (Kimutai et al, 2013). The major hospitals included Machakos District Hospital, Kiambu District Hospital and the Kenyatta National Hospital.

The Kenyatta National Hospital (KNH) has a total population of 3000 employees (<http://knh.or.ke/>), Kiambu Hospital 864 employees while Machakos Hospital has a total workforce of 736 employees - making a total population of 4600 employees. The employees were categorized as under: Management, Nurses, Doctors, and Operatives. This is because these groups of health workers are represented by different trade unions with different type of management.

The Fishers formula was used to determine the appropriate sample size of this study. This is because the target population consists of a large number of units (health workers) (Yates, 2004). The researcher assumed 95% desired level of confidence, which is equivalent to standardized normal deviate value of 1.96, and an acceptable margin of error of 5% (standard value of 0.05).
$$n = Z^2 pq/d^2$$

Where:

n = the desired sample size (if target population is large)

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

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

q = 1-p

d = the level of statistical significance set.

Assuming 50% of the population have the characteristics being measured, q = 1-0.5

Assuming we desire accuracy at 0.05 level. The Z-statistic is 1.96 at this level

Therefore $n = (1.96)^2 (.5) (.5) / (.05)^2 = 384$

The targeted respondents from the selected level 5 hospitals were categorized into three groups. These groups included: Management, Nurses, Doctors, and Operatives.

The study employed cluster sampling technique. The cluster sampling technique involves the dividing of the population into mutually exclusive groups and then drawing random samples from each group to interview. The cluster samples from the three selected level 5 hospitals composed of respondent employees as shown on table 3.1 below

Table 3.1: Composition of the Cluster Samples

Selected Hospitals	Management		Doctors		Nurses		Operatives		Total	
	Actual	Cluster	Actual	Cluster	Actual	Cluster	Actual	Cluster	Actual	Cluster
KNH	234	20	443	37	1180	98	1143	95	3000	250
Kiambu Hospital	24	2	62	5	458	38	320	27	864	72
Machakos Hospital	18	2	34	3	386	33	298	24	736	62
Grand Total	276	24	539	45	2024	169	1761	146	4600	384

Purposive sampling was also used to include top managers and directors of departments because the researcher was interested in obtaining data from specific individuals who had the knowledge and information on employee participation thus giving the study its internal validity.

The data collection tools used for the study were a questionnaire and interview schedules to obtain data from primary sources and a document review and analysis for secondary sources. These tools were selected after carefully considering the nature of the data to be collected, the target population, the time frame and the objectives/ research questions of the study. Interview guide was used because of its flexibility and adaptability to individual situations. The questionnaire was the main data collection tool and it contained both open ended and closed ended questions. The questionnaires administered by participants in the pilot study as well as the actual study to investigate the role of employee participation on organisational performance in the health sector.

The questionnaire was pretested before its administration to ensure validity and reliability of the data collected. During questionnaire construction, various validity checks were constructed to ensure the instrument measure what it was supposed to measure and perform as it was designed to perform. The validity tests conducted were: Face validity, content validity, Convergent validity and discriminant validity. Face validity tests if the questions appear to be measuring the intended sections. On the other hand, content validity tests whether all the important aspects of the sections are measured. This was done by first testing the instruments on 10% of the target population and reviewing the findings. Cronbach's alpha ($C\alpha$) a coefficient of reliability that gives an unbiased estimate of data generalizability was used to test reliability of the answered questionnaires. The researcher tested the questionnaire on ten (10) respondents who were not part of the target population and the results were as shown in table 3.2.

Table 3.2: Reliability Test Results

Variable	Cronbach's alpha	Cases
Council Representation	0.8654	10
Organizational Performance	0.8984	10

Table 3.2 shows that the reliability coefficient for council representation was 0.8654, delegation and consultation was 0.8773 and organizational performance 0.8984. All variables had coefficients exceeding the acceptable minimum threshold of 0.7. The researcher booked appointments with the heads of departments from the sampled Health institutions to seek authority to conduct the research in their institutions. The researcher presented a letter from JKUAT as a proof that the study was only meant for academic purposes. As a strategy, aimed at minimizing the time taken to carry out the research, the

study adopted both self-administered and drops and picks strategies in administration of questionnaires.

Data analysis methods employed involved qualitative and qualitative procedures. Qualitative data was analysed using content analysis. Content analysis entails categorizing responses into open ended questions based on emerging themes for making conclusions. Quantitative data was analysed using descriptive and inferential statistical methods and tools. Descriptive analysis involved mean and standard deviations. In addition a linear regression model on role of employee participation versus organizational performance was applied to examine the

relationship between the variables. The model treated organizational performance as the dependent variable while independent variables were forms of employee participation. Quantitative data analysis was aided by SPSS Version 24 to generate those measures because it has got descriptive statistical features that assist in variable response comparison and gives a clear indication of response frequencies. Data from the questionnaires was edited and coded and then keyed into statistical Package for Social Sciences (SPSS) Version 24. Responses on each item for the open ended questions were keyed in.

Data processing operations were carried out by data editing/cleaning and classification. Data editing/ cleaning is the examination of the collected data so as to detect omissions and errors and make corrections whenever possible. Data classification is the arranging of the collected data in classes or groups with common characteristics. Qualitative data obtained from questionnaires and the interviews was edited/cleaned and classified into classes or groups with common characteristics or themes. The content within the themes were then analysed guided by the research objectives.

IV. RESEARCH FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study sought to establish respondents' awareness of workers' union in their place of work. When asked whether there

Quantitative data was tabulated and analyzed using both descriptive and inferential statistics. Descriptive statistics included parameters such as measures of central tendencies and the measure of dispersion. Inferential data analysis techniques such as factorial analysis, Mann-Whitney test and regression analysis were also used to analyze the collected data. Factorial analysis (Principal Component Analysis) was used to establish the number of principal components which accounted for most of the variance within the employee participation, leadership and organizational performance. Mann-Whitney test was used to assess the mean difference between KNH and the level 5 hospitals in terms of employee participation, leadership style and organizational performance. Linear regression was used to ascertain the relationship among employee participation, leadership style and organizational performance. Data analysis and presentation of findings were carried out using statistical software which includes SPSS and Microsoft Excel. These software aided in the generation of suitable graphs, charts and tables which were used in drawing conclusions as well as presenting the research findings.

is a union of any kind at their workplace, majority of the respondents (91%) reported yes.

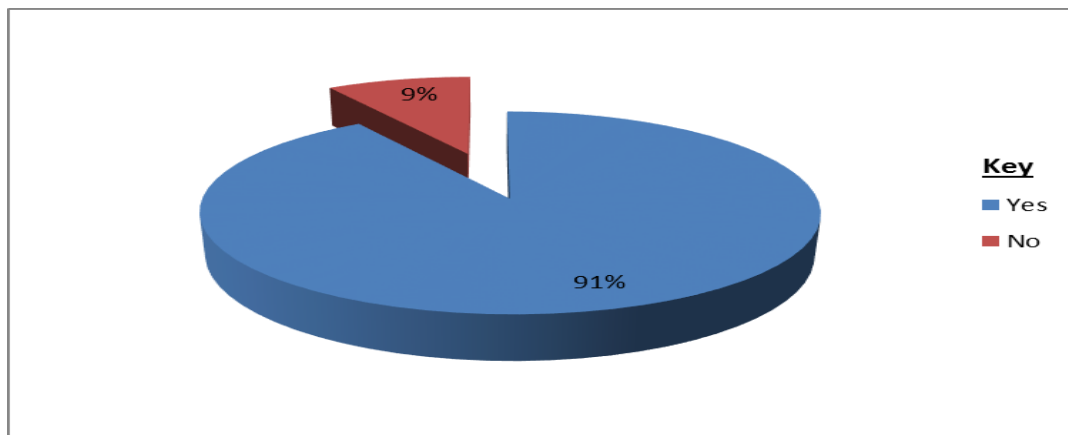


Figure 4.1: Awareness on presence of workers' union

Further, respondents who aware of any union were asked to indicate whether the union present in their organization was

relevant to their job where majority (86%) agreed that it was a union that people doing their sort of job can join.

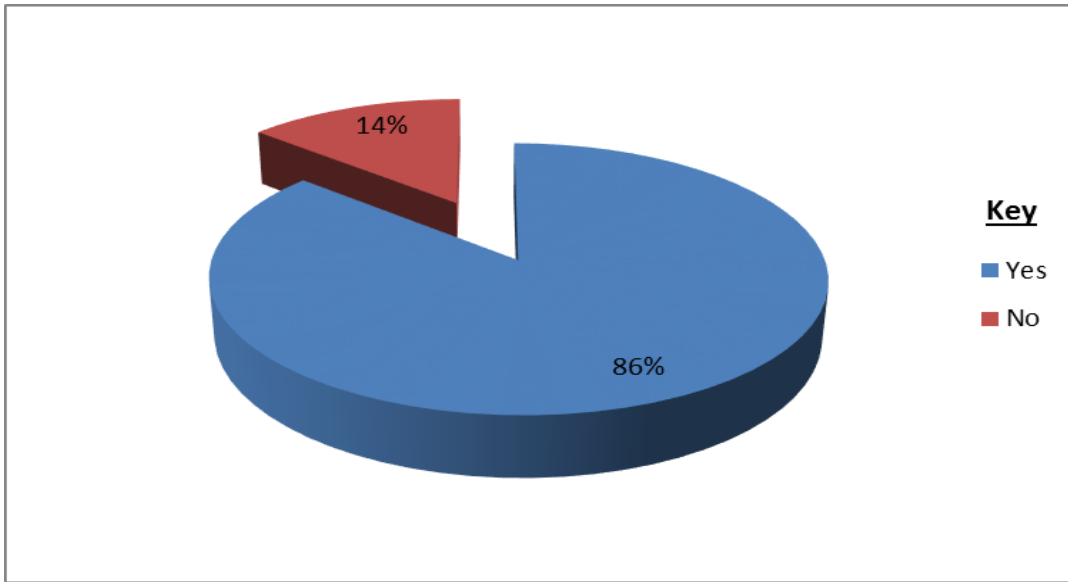


Figure 4.2: Relevance of the union

Respondents were also asked to indicate if they were members of this workers union where majority (87%) reported yes.

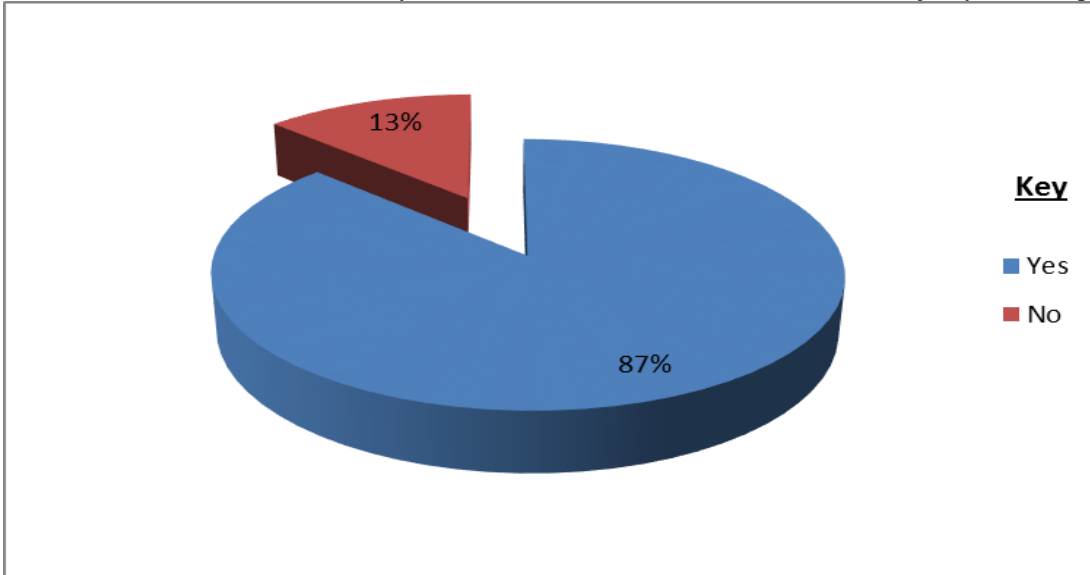


Figure 4.3: Union Membership

Respondents were further asked to indicate if they have ever been members of this or any other union where majority (92%) said yes.

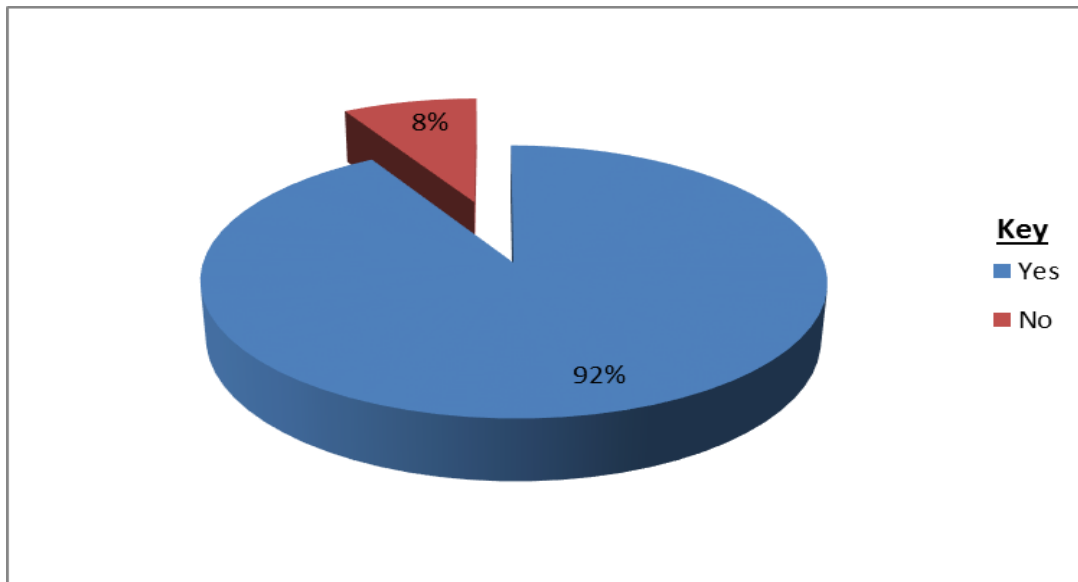


Figure 4.4: Ever been a Union Member

To investigate the participation of employees through their union, respondents were presented with several statements and asked to indicate their level of agreement with each. Most of the respondents (60%) disagreed that management at their workplace really tries to cooperate with the union and 45% disagreed that the union at their workplace really tries to cooperate with management. However, most of the respondents agreed (70%) that unions should cooperate more closely with management, management should cooperate more closely with the union

(53%) and that unions should fight really hard when employee interests are threatened (54%). The view that the union at workplace fights really hard when important employee interests are threatened was disagreed by 58% of the respondents. Most of the respondents agreed to feeling loyal to their union (78%) trusting the union leadership to keep their promises to them and other union members (67%). Most of the respondents (80%) refuted the view that the leadership of their union has a political agenda that they don't share.

Table 4.1: Participation of employees through their union

Statement	SD	D	N	A	SA	Mean
Management at this workplace really tries to cooperate with the union	28%	32%	26%	10%	4%	2.32
The union at this workplace really tries to cooperate with management	12%	33%	23%	21%	11%	2.87
Unions should cooperate more closely with management	2%	16%	12%	50%	20%	3.69
Management should cooperate more closely with the union	4%	14%	29%	49%	4%	3.35
Unions should fight really hard when employee interests are threatened	8%	10%	28%	40%	14%	3.41
The union at my workplace fights really hard when important employee interests are threatened	10%	48%	22%	12%	8%	2.61
I feel loyal to my union	8%	4%	10%	34%	44%	4.01
I trust the union leadership to keep their promises to me and other union members	0%	6%	27%	57%	10%	3.70
The leadership of my union has a political agenda that I don't share	17%	63%	17%	1%	2%	2.07

Seven statements were presented to the respondents to rate their union performance. Most of the respondents ranked their unions poor on winning fair pay increases (79%), understanding and knowledge of your employers' business (67%), being open and accountable to its members (63%), working with

management to improve quality or productivity (62%), making work interesting and enjoyable (59%), protecting workers against unfair treatment (72%) and helping management develop long-term business plans (73%).

Table 4.2: Performance of the union at your workplace

Statement	Failure	Poor	Fair	Good	Excellent	Mean
Winning fair pay increases	23%	56%	19%	2%	0%	2.00

Understanding and knowledge of your employers' business	15%	52%	22%	9%	1%	2.28
Being open and accountable to its members	16%	47%	26%	9%	2%	2.33
Working with management to improve quality or productivity	24%	38%	26%	10%	2%	2.26
Making work interesting and enjoyable	9%	50%	20%	13%	7%	2.59
Protecting workers against unfair treatment	12%	60%	19%	7%	2%	2.27
Helping management develop long-term business plans	17%	56%	19%	6%	2%	2.19

Majority of the respondents reported that there was a union of some kind at their workplace. Further, most respondents agreed that it was a union that people doing their sort of job can join. Most of the respondents were members of that workers union and majority have ever been members of that or any other union. These findings are in line with those of Group (1999) who observed that most employees unions are known as the most widely legislated form of employee participation around the world. Modernizing Public Service Group (1999) asserts that, employee participation through work councils or trade unions involves worker participation in forums that address strategic issues rather than merely workplace or process issues.

Most of the respondents disagreed that management at their workplace really tries to cooperate with the union and close to a half disagreed that the union at their workplace really tries to cooperate with management. However, most of the respondents agreed that unions should cooperate more closely with management, management should cooperate more closely with the union and that unions should fight really hard when employee interests are threatened. The view that the union at workplace fights really hard when important employee interests are threatened was disagreed by more than half of the respondents. Most of the respondents agreed to feel loyal to their union trusting the union leadership to keep their promises to them and other union members. Most of the respondents refuted the view that the leadership of their union has a political agenda that they don't share. Most of the respondents ranked their unions poor on winning fair pay increases, understanding and knowledge of your employers' business, being open and accountable to its members, working with management to improve quality or productivity, making work interesting and enjoyable, protecting workers against unfair treatment and helping management develop long-term business plans. The findings do not conform to those of Gollan & Markey (2001) who noted that deliberations between employee representatives and management may improve the quality of decisions and representative participation may improve employee management relations more generally.

In conclusion, representation by works councils/trade unions was found to influence organizational performance in Kenya. The study recommends that the management should seek to keep workers and problems separate so as to enable real issues to be debated without damaging working relationships. By listening carefully and paying attention to the interests presented by employees, management will most likely understand them.

Workers as well can seek more advice and assistance from trade unions in advocating for their rights and management should not punish their works for joining relevant work councils relevant to them. The study recommends further study on private health institutions to confirm and validate the theories and findings.

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