



RESEARCH ARTICLE

The Effect of the Role of Social Partners on the Performance of State Corporations in Kenya

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Abstract

The study sought to establish the effect of the role of social partners on the performance of state corporations in Kenya. Methodology: Data was obtained through a descriptive design involving 279 employees both unionized and non-unionized of state corporations in Nairobi County. A structured questionnaire with likert scale questions was used to collect data from the selected subjects of the study. Interviews were also conducted with human resource managers/ employee relations officers, shop floor union officials, officers of the Ministry of Labour, officers of Federation of Kenya Employers (FKE), officers of Central Organizations of Trade Unions, Kenya (COTU). The study was supported by the Dunlop's systems model. The output of the system's approach are rules. The rules govern the duties and performance expected of employees and employers and the procedures set by the state to govern the performance of the roles. Finding: The study found that employers and trade unions performed their duties adequately, but they did not embrace the publicity and acquaintance of Industrial Relations Charter which prescribed the roles to be played by the partners. The Ministry as the third party initiated, elaborated and implemented labour policy and law. The Ministry however had human resource constraints, in terms of numbers and competence. It also suffered infrastructural incapacity and inadequate budgetary allocation. However the partners' roles positively influenced the performance of state corporations. Limitation: The study was conducted in a few state corporations and therefore cannot be generalized in the private sector in the country. Practical Implications: Provides evidence on the roles of the social partners and how they have affected the performance of state corporations. It provides recommendations on what the social actors can do to improve the performance of their roles and consequently enhance harmonious industrial relations to improve on performance. Originality: This is the first study of this nature conducted in Nairobi County in Kenya focusing on the effects of the social partners' roles on the performance of state corporations.

Keywords: Kenya, Nairobi County, Social Partners, State Corporations.

Introduction

The roles of social partners are envisaged in the Tripartite Consultation Convention No. 144 of 1976, one of the four international conventions designated as a priority instrument, to make the world conscious that world peace may be affected by unjust conditions of its working population [1]. The roles of social partners in Kenya have evolved from both the legal framework and Industrial Relations Charter, the latter being a voluntary agreed set of tripartite code of practice and procedure between the social partners [2].

The prescribed mechanism of participation of the social actors gives them an opportunity to meet and discuss formally at an equal footing according to an established procedure issues of common concern. They are made to exchange information

and explore possible means of solving problems confronting them [3]. However, a study carried out showed that trade unions had been subjected to restrictions by the government, and were weak in influencing key managerial decisions [2]. Aluchio [4] has emphasized that unions in Kenya came into existence as vehicles of protest against working conditions. Most of them were formed either out of direct confrontation of workers and employers or out of collusion between workers and politicians. The legacy of confrontation had remained in union approach to labour issues.

Jerome and O'dowd [5] are emphatic that confrontational approach by labour unions developed out of the basic assumption that employers would not willingly grant improvement

to pay and conditions of employment. Hence, it is the traditional way of settlement of pay, conditions of work in unionized organizations. It is worth noting that confrontational approach had been embraced by Kenyan strong labour unions. Hence, social partners playing their legitimate roles in an environment of strained relations is in itself a great challenge to all of them. Thus, the purpose of the study was to establish whether the role of social partners had influenced the performance of state corporations.

Models that Support the Study

Dunlop's Systems Model

The study is supported by the Dunlop's systems model. Dunlop is credited with the application of the systems approach to Industrial Relations (IR). He visualized IR as a systematic construct namely; a sub-system of society. The systems approach essentially comprises four processes which include input acquisition, input transformation, output and feedback [6]. In the four sub-systems in the process, all the social partners have roles they are expected to collectively play for harmonious working environment.

The creation of rules according to Dunlop is the output that an IR system seeks to create. Rules in this context comprise the duties, rights and performance expected of employers and employees including legislation and terms of collective agreements. In the input transformation and feedback process the three actors are involved [7]. The Dunlop's systems Model is as shown in Fig 1.

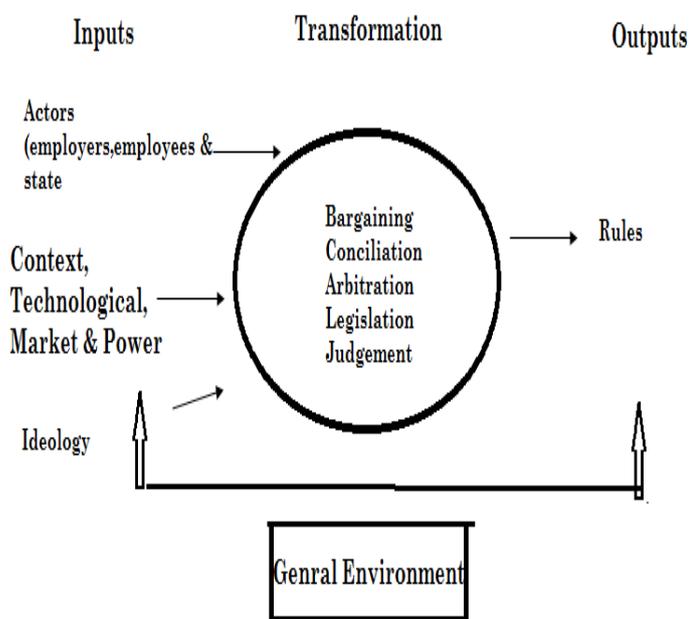


Fig.1: Dunlop's Systems Model

Pluralism Approach

The pluralism view resulted from the Chicago experiment by Elton Mayo and associates at the Hawthorne work of the western electric company (1927-1932). The Hawthorne works significantly contributed to the attention paid by various states to trade unionism. The study implied that workers could no longer be regarded as socially isolated individuals acting independently of workmates to maximize income [7].

The recent approach of pluralism emanates from Allan Flanders who is regarded as the chief theorist of pluralism. Pluralists view organizations as coalitions of competing interest and trade unions as legitimate representatives of employees' interests. The stability of relations is viewed as a product of concessions and compromise between management and union. Conflict between management and workers is understood as inevitable and viewed as conducive for innovation and growth [8].

In a pluralist view employees join unions to protect their interests and influence decision making by the management. Hence, a strong union is not only desirable but necessary. Similarly, societies' interests are protected by state's intervention through legislation and industrial tribunals. These provide orderly processes for regulation and resolution of conflict [6].

Literature Review

The major role of the social partners is confined to analysing situations and putting forward suggestions on labour relations. The assumption in participation that there exists unity of interests of employers and employees is contradictory to the reality that employers have always had an opposite stance towards employees. Consequently, the prescribed roles may play a limited and diminishing role in resolving labour disputes [9].

Fashoyin [2] has pointed out that Kenya has recognized social dialogue as a useful mechanism for building consensus among the key stakeholders. However, for social dialogue to be effective, the parties must be internally strong and cohesive in order to engage effectively in negotiations and consultative processes. Indeed, any unilateral action, be it by the public authority or by employers is not the appropriate approach today. Though involvement has been experienced among the partners some unilateral decisions

have been made by the government and employers.

It is worth noting that an established mechanism of performance of the roles in the partnership approach does not necessarily lead to improved organizational performance or harmonious industrial relations. Hence, there is need to adopt the mechanism and implement it effectively through specific practices [10]. In the Kenyan context, this is prescribed by the Industrial Relations Charter

The involvement of social partners in their performance of various roles rarely involves the true distribution of power between equals. It is true that union officials gain access to senior management and involvement in decision making. However, their role may be eroded when they become incorporated into the top management [11]. Cases of union officials having been 'bought' during industrial actions in Kenya are very common.

The Federation of Kenya Employers (FKE) is the Premier Employer's Organizations in Kenya, established in 1959 under the Trade Unions Act Cap 233. It represents the collective interests of employers in Kenya. Its membership includes employers in the private and public sectors including state corporations, local authorities and employers associations. FKE provides a forum for employers in promoting sound industrial relations and observance of fair labour practices. In addition, it provides good management practices and develops sustainable capacity and competence among its members [12].

As the leading employers' voice in the labour market, FKE is expected to play an important role of negotiating and signing of collective agreements on behalf of its member companies at both industrial / sectoral and at company level. It is also expected to offer training and development on human resource management, management in periods of economic difficulty and provide strategic responses, to the impact of liberalization on the competitiveness of Kenyan Industries [13]. As a signatory to the Industrial Relations Charter [14], FKE committed itself to perform various responsibilities. Employers were not to interfere with the rights of employees to enroll or to continue as union members, not to discriminate, restrain or coerce any employee because of recognized activity of trade union.

The Ministry of labour as a partner is the key government department responsible for the

initiation, elaboration and implementation of government labour policy, including laws and general regulation of industrial relations. The ministry is expected to promote and enforce appropriate legal framework by ensuring social partners' independence and fundamental rights, such as Freedom of Association and Protection of the Right to Organize Convention, No. 87 of 1948 and the Right to Organize and Collective Bargaining Convention No. 98 of 1949 [15].

Trade unions as a third partner on the other hand committed themselves through Central Organization of Trade Unions, the umbrella body according to the Industrial Relations Charter [14] to play the following roles: to discourage any breach of peace or civil commotion by union members, not to engage in union activity during working hours unless provided by the law, to discourage practices such as negligence of duty, damage to property, insubordination, abusive language, avoid careless operations; to display in conspicuous places in union offices the provisions of the Charter, and impress upon their officers and members the content of the Charter.

Furthermore, trade unions are expected as explained by Nzuve [16] to: help secure fairer wages in the light of the cost of living and prevailing standards, improve worker's working conditions by securing shorter working hours, better working facilities, assure workers of a share of increased profitability of the organization by providing adequate payments for the job done, protect workers' interests and safeguarding them against exploitation, ensure workers' job security by resisting retrenchment and providing a medium through which workers' interests and grievances can be expressed. It is worth noting that these roles can only be performed in an atmosphere of harmonious relations. The confrontational stance by strong Kenyan labour unions and legal provision protecting employers' right can influence the performance of the prescribed roles.

Method of Data Collection and Analysis

A descriptive design was adopted to establish the effects of roles of social partners on the performance of state corporations in Kenya. The population of the study was concentrated on the state corporations in Kenya, with specific attention to unionized state corporations in Nairobi County. Nairobi County houses 108 state corporations out of the 172 nationally, hence making a 62 percent. Out of the 108 state corporations 34 are unionized and fourteen were

randomly chosen from which study subjects were drawn. The sample size of the study was 341 respondents. These constituted, unionized and non-unionized employees, officers from the Ministry of Labour, Federation of Kenya Employers (FKE), Central Organization of Trade Unions Kenya (COTU) K, and shop floor union officials.

A questionnaire with likert scale questions was administered on the employees. An interview schedule was developed and conducted on human resource managers, shop floor union officials, officers of the Ministry of Labour, FKE and COTU (K). Cronbach's Coefficient Alpha was used to determine the reliability of the study instruments and validity of data [17].

Out of the 341 questionnaires given out 279 were responded to making a response rate of 82%. To analyze the data, Statistical Package of Social Sciences (SPSS) was used. Then, Factor Analysis was administered on data to establish factor thresholds and those with loading of .33 and above were considered for interpretation [18]. Descriptive statistics such as percentages, tables and stack graphs were used to present the data. Besides, correlation and regression analysis were applied on the data.

Findings and Discussions

Performance of State Corporations

Performance of state corporations was the dependent variable of the study. The study sought to establish whether performance of state

corporations was influenced by industrial relations system in the country. As Armstrong [19] put it performance is a multi-dimensional construct whose measurement varies depending on a variety of factors. The study considered partnership practices enhancing performance. It also investigated whether effects of tripartite consultation in relation to performance had been experienced in state corporations.

The study found that consultation had led to low absenteeism and low rate of turnover. Davis and Lanbury [20] emphasized that low absenteeism and low turnover rates are linked to workforce performance. The duo are emphatic that maximum available productivity can only be achieved through a workforce that willingly and constantly commits itself to responsibility for production, growth and quality control. Such enterprises in turn have better-motivated and committed workforce. However, it could not be established through responses whether consultation had led to improved performance of organizations. This finding is echoed by Trebilcock as quoted in Ishikawa [21] that while economic impact of tripartite social dialogue cannot be easily measured, it can be emphasized that it ensures a degree of social peace and progress that sets a healthy stage for economic growth. Indeed, evidence has shown that social dialogue has helped a revive countries economic performance in developed and developing countries such as Ireland, Netherlands, Denmark and Australia, hence Kenya to is not an exception. The findings were as presented in Table 1.

Table 1: Item statistics on the effects of tripartite consultation on the performance of state corporations

Statements	SA	A	N	D	SD
More productive organizations	10.8	31.9	25.8	28.3	3.2
Improved quality services	7.2	27.2	21.9	38.9	5
Better motivated staff	2.5	6.8	11.1	7.6	9
More committed staff	3.2	6.1	10.8	69.5	10.4
Recorded low absenteeism	11.2	45.3	19.4	17.6	6.5
High staff retention	9	47	21.5	15.8	6.8
Improved performance	9	25.1	42.3	14	9.7
Average	7.6	27	21.8	36.4	7.2

The partnership practices which had enhanced performance included training. Training was considered by workers to increase their marketability in the labour market and their personal contribution to their organizations. This

gave them a sense of job security and fair financial rewards, all translating to better performance [10]. Besides, there had been integration of management interests with those of employees. This supported the principle of

involvement as a strategy of high commitment, having been heralded as a Panacea for success in organizational performance for decades. Integration had led to increased job satisfaction giving employees a sense of fulfillment and control over their work [22].

Moreover, there was a strong feeling that fair financial rewards lacked. This was echoed by Siringi and Manaseh [23] who explained that Kenya is ranked among the top ten unequal countries in the world and the fifth in Africa in regard to income distribution. This had been compounded by high inflation rates which, though

there had been increase in salaries by 3.5 percent, prices of goods and services rose at a higher rate of 4.1 percent, leaving workers with negative real wages [24]. It is worth noting that the Kenya Government under the new dispensation had realised the effect of salary differentials. This led to establishment of Salaries and Remuneration Commission; whose one of its terms of references is harmonization of salaries nationally. However, its move had been highly challenged by the current members of parliament, who felt that they were underpaid, though they had been quoted as among the best paid legislators globally. The findings were as presented in Fig. 2.

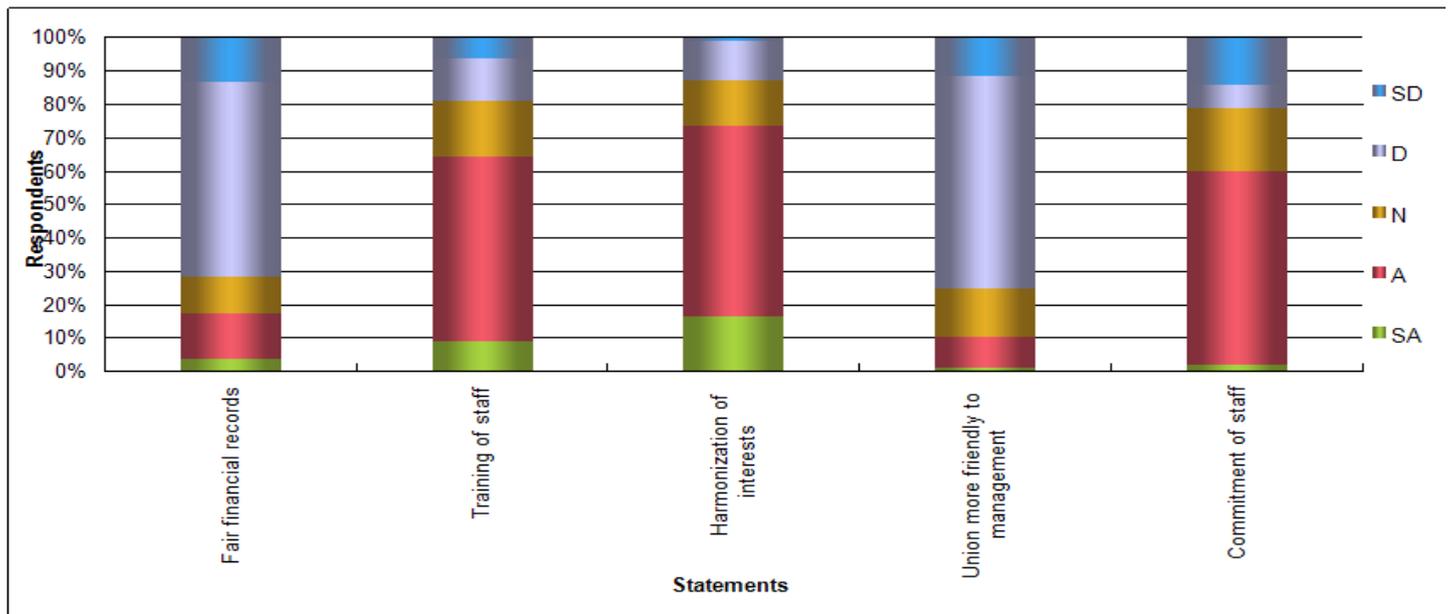


Fig. 2: Partnership approaches enhancing performance

Role of Trade Unions

The study found that trade unions had discouraged breach of peace by union members, had discouraged union activities during working hours unless allowed by law, had discouraged negligence of duty, damage to property, insubordination, use of abusive language, had maintained a high number of union members in organizations, had acted as a medium through which workers' interests and grievances were expressed, had engaged in collective bargaining and always sought to bring strikes to an end. The roles played by unions as found by the study are supported by Nzuve [25] who has explained the prescribed trade unions roles in organizations.

Besides, Waweru [26] has asserted that trade unions are expected to engage in collective bargaining which the study established. Indeed, Alby, Azam and Rospabe [27] have elaborated that in response to the power of employers over

workers, governments empower labour unions to represent workers collectively and protects particular union strategies in negotiations with employers, a situation experienced in the country. This protection is enshrined in the Labour Relations Act [28]. The Act gives trade unions the right to participate in collective bargaining and management is obliged to disclose all relevant information that allows unions to negotiate effectively. However, some state corporation had failed to disclose information to trade unions making in difficult to prepare negotiation proposals.

There was as strong feeling that trade unions had not secured fairer wages in the light of the cost of living. However, it is important to note that as Irungu [24] put it, nominal wages of Kenyan workers had been reviewed and had gone up by an average of 3.5 percent. However, prizes of good

and services had risen to a higher rate of 4.1 percent, leaving workers with negative real wages according to the Economic Survey [28]. Hence, it does not mean that unions had not secured fairer

wages, but the effect of high inflation which hit the country had eroded the already reviewed salaries. The finding that trade unions had not improved workers working conditions by securing shorter working hours was an obligation at the factory work environment. Indeed, the Employment Act 29] prescribes the official working hours above which it translates to overtime. This had been adhered to by state corporations, and unions could not change the legal prescription of eight hours a day and nine hours inclusive of breaks.

Most State Corporations are non-profit making so trade unions could not be expected to have

secured a share of profit which did not exist. The finding that trade unions had not resisted retrenchment was true. However, the Employment Act [29] grants management the right to retrench employees even when a union protests the retrenchment, in a labour court. However, it is worth noting that there existed strong and independent unions which had agitated for employees' right in Kenyan Industrial Relation Scene. The weak unions lacked the capacity to wield power to agitate and positively influence decisions for the benefit of employees. This decline in union influence is supported by Fashoyin [2] who has argued that for partners to play their roles effectively, they need to be strong and independent. Generally, it was found that trade union roles influenced positively the performance of state corporations. The findings discussed above were as presented in Table 1.

Table 2: Item statistics on the role of trade unions in state corporations

Statement	S	A	N	D	S	D	
Discourages breach of peace by members.		14.7	53.3	16.8	9.3	5.4	
Discourages union activities during working hours			24.7	49.1	13.6	9.7	2.9
Discourages negligence of duty		29.0	49.5	12.2	6.1	3.2	
Maintains high membership		24.0	36.9	24.7	9.3	5.0	
Secures fairer wages		8.2	29.4	19.7	31.2	11.5	
Improves working conditions		6.5	17.9	29.4	23.7	22.6	
Establishment of better working facilities.		4.3	24.7	29.7	27.2	14.0	
Assures share of profits.		1.1	1.8	9.7	55.6	31.9	
Safeguards against exploitation.		5.7	39.1	24.0	22.6	8.6	
Resists retrenchment		14.7	21.5	30.5	17.2	16.1	
Acts as medium of workers	17.9	62.0	12.5	3.6	3.9		
Engages in collective bargaining		25.8	54.5	10.4	3.9	5.4	
Seeks to end strikes.	13.3	54.1	17.2	10.6	5.4		
Contribution to performance		9.7	45.9	26.5	10.8	7.2	
Average	18	39.3	20	16.5	9.2		

Role of Employers

The study found that employers allowed employees the right to enroll as union members and participate in legal union activities. This is in compliance with Labour Relations Act [30], which prescribed such expectation. Failure to allow enrolment would translate to being in breach of the legal requirement. The study also found that employers negotiated with unions, signed collective bargaining agreement and recognized unions as employees' sole representatives in the workplace. As Fashoyin [2] put it FKE is expected to play an important role in negotiating and signing of collective agreement on behalf of its member companies. This study confirmed the

performance by the umbrella Employers' Organization.

However, though employers were expected to influence policy and legal environment relative to labour related issues [13], they were found to have had substantial influence. This is supported by a case of increase of minimum wage of 2011, when government increased the salary without fully agreeing with the other social partners. Kenya Association of Manufacturers threatened to pass over the payroll costs to consumers in form of high commodity prices. However, it was found that the roles employers performed highly influenced positively the performance of state corporations. The findings of the study were as presented in Table 2.

Table 3: Item statistics on the role of employers in organizations

Statements	SA	A	N	D	SD
Negotiates	27.2	53.4	9.7	5	4.7
Sign collective agreement	26.9	53.4	9.3	6.1	4.3
Recognize trade unions	20.1	53	12.9	10	3.9
Allows employees right to enroll	29.4	55.6	7.9	5	2.2
Rights to bargaining collectively.	15.8	54.8	8.2	11.5	9.7
Settlement of grievances.	17.2	48.2	16.5	11.5	6.5
Adequate settlement of agreements	8.2	33.7	30.1	17.2	10.8
Allows participate in union activities	13.3	46.6	19.4	0.4	10.4
Seeks to end strikes	12.9	49.8	19.4	9.7	8.2
Influences policy	9.3	34.1	33.7	8.6	14.3
Address employees' personal problems.	14	34.4	25.8	9.3	16.5
Contribution to performance.	12.5	47	21.9	7.2	11.5
Average	17.2	47	17.9	9.3	8.6

Role of Ministry of Labour

The study found that the Ministry of Labour had initiated, elaborated and implemented government labour policy, had ensured implementation of labour law, had promoted trade unionism on industrial basis, had adequately helped conciliate employers and unions in conflict, had declared strikes illegal and had substantially jointly consulted with FKE and COTU. These findings are supported by Ishikawa [15] who has explained that the Ministry as the government department in charge of labour is responsible for the above stated roles.

Besides, Alby, Azam and Rospabe [27] have explained the reasons behind government interventions in Labour market. The duo contend that the theory underlying most interventions is

that free markets are imperfect, and that as a consequence there are rents in the employment relationships. Hence, employers abuse workers to extract the rents, leading to both unfairness and inefficiency. Hence, workers need to be protected by the state. Hence, the Ministry had substantially intervened on labour policy, law and regulated the relations as unearthed by the study. However, the Ministry had not adequately performed its duties as expected. In spite of its enormous responsibility, its capacity to deliver timely and effective services was inadequate. The ministry had faced resource constraints and capacity building restricted by inadequate budgetary allocations by the government [2]. The findings of the role of Ministry are presented in Table 3.

Table 4: Item statistics on the role of ministry of labour

Statements	SA	A	N	D	SD
Implements Government Labour Policy.	14	59.1	16.5	7.5	2.9
Ensures implementation of labour law.	11.8	47.7	18.3	17.9	4.3
Ensures settlement of disputes.	1.1	14	9.7	55.9	19.4
Consults with FKE and COTU	9	28	27.6	31.8	31.2
Promotes unionism on industrial basis.	5	35.7	25.5	28.7	5
Conciliates employers and unions	5	41	19.7	25.8	8.2
Average	6.8	36.8	18	29.1	15.7

Reliability

Data collected relating to the role of social partners was subjected to reliability test. The Cronbach's Coefficient Alpha of the 34 items of the role of social partners was established to be .922. This made that there was a high degree of

reliability of the research instrument and validity of data collected. This is supported by Nunnally [17] who has given the minimum reliability coefficient of .70. The results of the reliability test are presented in Table 4.

Table 5: Cronbach's alpha of items of roles of social partners

Cronbach's Alpha	No of items
.922	34

Correlation

A scatter plot was used to present the data collected on the role of social partners versus the

performance of state corporations as independent and dependent variables respectively. The scatter plot for the two variables is presented in Fig. 2

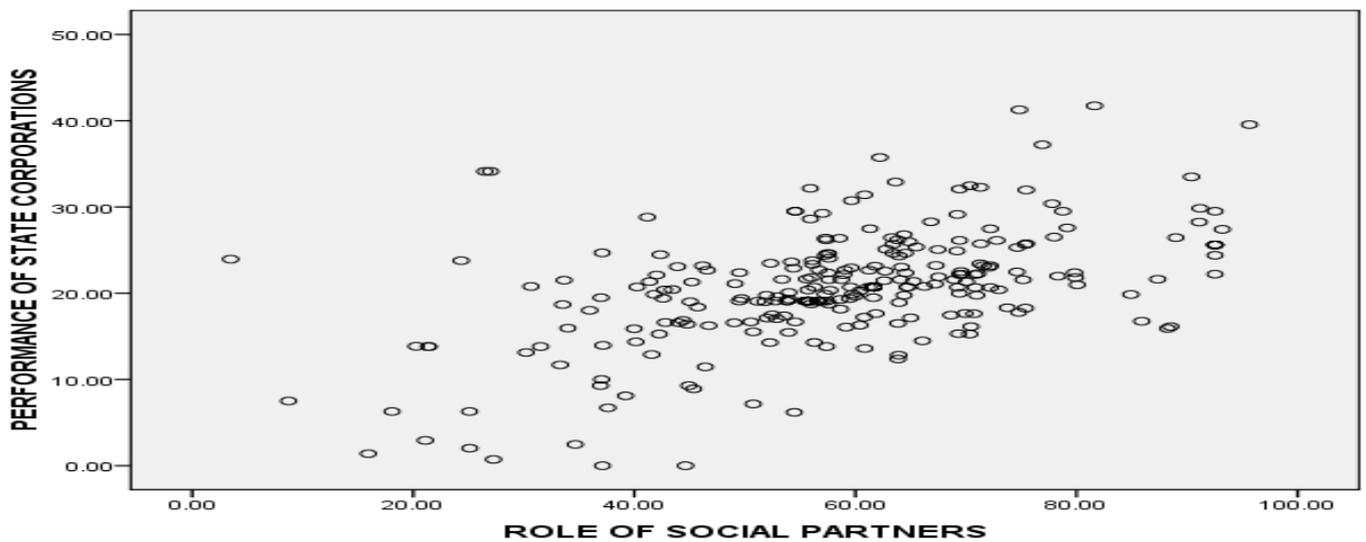


Fig. 3: Scatter plot for role of social partners

The Pearson Correlation Coefficient of the role of social partners and performance of state corporations was computed and established to be 0.519. It could then be concluded that there is moderate positive correlation between the two variables since the results belong to a moderate category of 1.0 to 0.5 [31]. The role of social partners therefore influences the performance of state corporations at 95% confidence level since

the P-value for the Pearson Correlation Coefficient was .000 which is less than 0.05. Hence, the alternative hypothesis was accepted that the role of social partners has affected the performance of state corporations. The Pearson Correlation Coefficient of the role of social partners versus performance of state corporations is presented in Table 5:

Table 6: Pearson correlation coefficient of the role of social partners

		Performance of state corporations	Role of social partners
Performance of State Corporations	Pearson Correlation	1	0.519**
	Sig. (2-tailed)		0.000
	N	279	279
Role of Social Partners	Pearson Correlation	.519**	1
	Sig. (2-tailed)	0.000	
	N	279	279

From Table 6 it is clear that the role of social partners has a positive effect on performance of state corporations with a gradient of 0.208. This

implies that a unit change in the role of social partners increases performance of state corporations at the rate of 0.208.

Table 7: Coefficient of the role of social partners

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	8.492	1.249		6.801	0.000
Role of Social Partners	0.208	0.021	0.519	10.099	0.000

Regression

Since the scatter plot in Fig. 2 indicated a linear association between the role of social partners and performance of state corporations, then a regression line could be fitted for the two variables. This means that the role of social

partners predicts the performance of state corporations as presented in Fig 3.

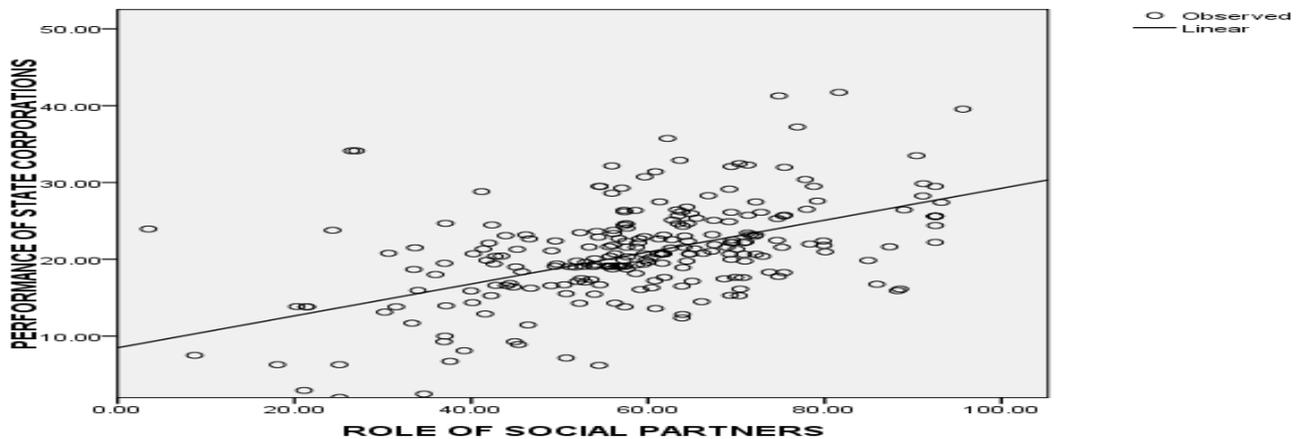


Fig 4: Regression line for role of social partners and performance of state corporations

Table 8: GOF for role of social partners

Model	R	R-square	Adjusted R-square	Std. error of the estimate
1	.519a	0.269	0.266	5.4916196

The Goodness of Fit namely, the R-square of the role of social partners was computed and established to be .269. This means that 26.9% of variation in performance of state corporations can be explained by the role of social partners. The remaining percentage of 73.1 is explained by other variables. The Goodness of fit is presented in Table 7.

Summary and Conclusion

The study found that employers adequately performed the following roles in organizations, they negotiated with trade unions, participated in signing of collective agreements with unions, recognised trade unions as the sole representatives of employees, allowed employees

the right to enroll and continue being union members, allowed employees the right to organize and bargain collectively and allowed employees rights to participate in union activities without discrimination. However, though employers are required to inform employees the content of Industrial Relations Charter and allow publicity of the Charter in organizations, this role was not performed by employers and even most of the organizations did not have copies of the Industrial Relations Charter. Besides, it was also found that employers had substantial influence in policy and legal environment in labour related issues [32-33].

Moreover, the study found that trade unions played the following roles related to tripartite c

onsultation; they discouraged breach of peace by union members, discouraged union activities during working hours unless allowed by law, discouraged negligence of duty, damage to property, insubordination, use of abusive language, acted as a medium through which workers' interests and grievances were expressed, engaged in collective bargaining and always sought to end strikes.

However, though trade union had helped secure fairer wages for employees this did not match the cost of living due to effects of inflation. They had not improved workers' working conditions by securing shorter working hours since, state corporations had to subscribe to the prescribed official hours, had not helped in establishment of better working facilities, had not assured workers a share of profits of their organizations since, most were non-profit organizations, had not safeguarded employees against exploitation and had not resisted retrenchment since in some cases it was a national policy to reduce the bloated enterprises to cut on wage bill.

In addition, the government through the Ministry of Labour had initiated, elaborated and implemented labour policy, had ensured implementation of labour law, had not promoted trade unionism on industrial basis and had adequately helped conciliate employers and unions in conflict. However, the Ministry of Labour had not ensured speedy settlement of disputes in labour issues and labour administration. The Registrar of trade unions had not avoided overlapping of trade union areas of activity and the Ministry of Labour had not adequately played its key role of dispute settlement between employers and trade unions.

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It was also found out that the Ministry of Labour experienced challenges in its performance of duties. It had human resource constraints in terms of numbers making it difficult to cover all counties effectively. Besides, the labour officers lacked in training and competence to offer adequate services. Infrastructural incapacity as regards adequate equipment, vehicles, financial inadequacy occasioned by low budgetary allocation of the Ministry, compared with other ministries, impeded effective performance of the Ministry.

The computed Cronbach's Alpha of the items of the role of social partners was .922. This made a high reliability of the data. The computed Pearson correlation coefficient of the role of social partners versus performance of corporations was 0.519. This made it clear that there was a moderate positive correlation between the two variables. Hence, the role of social partners influenced the performance of state corporations at 95% confidence level because the P-value for the Pearson correlation coefficient was .000 which is less than 0.05. Thus, the alternative hypothesis was accepted and remained as stated that the role of social partners has affected the performance of state corporations. Furthermore, the role of social partners had a positive effect on performance of state corporations, since after the computation of the coefficient of the variables the gradient was 0.208. This made that a unit change in the role of social partners' increases performance of state corporations at the rate of 0.208. In addition, the Goodness of Fit namely, the R-Square of the role of social partners was .269. This made that 26.9% of variation in performance of state corporations is explained by the role of social partners. The remaining percentage of 73.1% could be explained by the other variables.

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