



SUPREMACY OF TRIPARTITE CONSULTATION OVER RELATIONSHIP OF SOCIAL PARTNERS AS INDUSTRIAL RELATIONS FACTORS INFLUENCING THE PERFORMANCE OF STATE CORPORATIONS IN KENYA

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Abstract

Tripartite consultation and relationship between social partners are expected to enhance cordial relations between the social partners and consequently influence positive performance. Tripartite consultation is viewed as a means of reconciling the interests of the various social actors and of achieving fair and reasonable conditions of work. Against the background of generation of low trust, 'arm's length' relationship the social actors are expected to collectively work together for their common good. The study sought to establish how tripartite consultation and relationship between the social partners influenced the performance of state corporations. The study was done in Nairobi County in Kenya –Africa. Data was collected from 341 employees of selected state corporations. A descriptive survey design was adopted. Questionnaires and interview guide were used as research instruments with the former having closed-ended Likert Scale and open-ended questions. Data was analyzed quantitatively and qualitatively using Statistical Package of Social Sciences. The study found that the relationship between social partners had a significant positive effect on the performance of state corporations with tripartite consultation being controlled. Besides, the presence of tripartite consultation renders the relationship between social partners insignificant. Thus, tripartite consultation is stronger than relationship between the social partners and indeed replaces it.

Keywords: Social Partners, Tripartite Consultation, Relationship of social actors, Performance

INTRODUCTION

Tripartite consultation in Industrial Relations refers to a process whereby workers, employers and governments contribute to the development of labour standards and the protection of workers' rights through voluntary interaction and dialogue. It is viewed as a means of reconciling the interests of the various social actors and of achieving fair and reasonable conditions of work. Through it social tensions at work place are contained and political conflict avoided and economic development realized (Benson & Shen, 2008).

Tripartite consultation has its origin from the International Labour Organization (ILO). ILO is an International Organization; a social experimental Institution which makes the world conscious that world peace may be affected by the unjust conditions of its working population. ILO was set up on April 19, 1919 as a result of the Peace Conference convened at the end of World War 1 at Versailles. The unique feature of ILO is its tripartite structure, where representatives of management, labour and governments participate in its proceedings (Monappa, 2005).

The International Labour Standards were developed for four reasons; one, to improve the conditions of workers in reference to their health, time and lack of advancement at work. Two, to control social unrest which would arise from poor working conditions. Three, to allow competitors to make changes without disadvantaging any party. Finally, four, to create lasting peace based on social justice. The ILO Standard of Tripartite Consultation set forth the framework for effective national tripartite consultation. The consultation was intended to ensure greater cooperation among the social partners and stronger awareness and participation in matters relating to international labour standards (<http://www.ilo.org/global/standards/subjectstripartiteconsultation/ang.en/indexhtm.30/06/2019>).

The *Second General Survey of the 1976 Convention* explains that since the ILO inception, the essential role had been the pursuit of cooperation between governments, employers and workers in furtherance of social justice by regulation of labour matters. The sound functioning of consultation in relation to International Labour Standards presupposes that it is supported by analogous dialogue at National level. Such organizations have to choose their representatives freely and be represented freely on an equal footing by a competent body and that, consultations have to be undertaken at appropriate intervals fixed by agreement, but at least once a year.

Trebilcock (1994) has emphasized that a fundamental assumption of participation by representatives is that of societal pluralism in which autonomous interest groups operate within a sovereign state. Groups of divergent interests recognize each other's co- existence while promoting their own distinct views. However, it is ultimately the state that lays down the legal

framework in which the groups are to conduct their bipartite relations. Tripartite consultation involves a reconciliation of interests whereby governments, employers and trade unions despite their inevitable differences find areas of common accord to obtain medium and long-term advantage for themselves and society as a whole. This is ultimately based on an ideology that advocates a certain accommodation between distinct interests, implicitly rejecting both the doctrine of class struggle and unrestrained capitalism (Kelly, 2002).

Jerome and O'dowd (2005) have pointed out that adversarial approach developed on the basis of certain assumptions held by employers and unions. That employers would not willingly grant improvement on pay and conditions of employment and that workers had to fight for the rights. Adversarial Industrial Relations thus exist to facilitate the processing of trade union claims for improvement in pay and conditions. Since it is the prerogative of management to make decisions about the organizational change, the role of unions is to respond to the decisions so far as they affect pay and conditions of employees.

Jerome and O'dowd (2005), further argued that adversarial approach is associated with acrimonial or 'arms-length' industrial relations of a low trust kind. It has been the traditional way of settlement of pay, conditions of work and workplace change issues in many unionized organizations. This is the situation in Kenyan state corporations where unions have been militant in solving employees' issues.

Adversarial relations is an approach to conflict resolution that sees negotiations as combat, the tougher and more aggressive negotiators win and the more conciliatory ones lose. Hence, the approach lends itself to competition between negotiators and it has the effect of putting employers and unions into direct confrontation. Indeed, each party exaggerates its position sometimes called the 'bottom line'. Negative stereotypes tend to dominate each sides' opinion of the other, for instance the militant shop steward who can never be satisfied and the manager who does not know how to say 'yes' (Kelly, 2002).

Against the background of generation of low trust, 'arm's length' relationship, the introduction of partnership at workplace level constituted a radical innovation. Partnership is thus taken to mean a shift from adversarial industrial relations to problem-solving outcomes among unions, managers and workers. Hence, in Industrial Relations a partnership arrangement can be described as one in which both partners namely, management and trade union agree to work together to their mutual advantage to achieve a climate of more cooperation and therefore less adversarial relations (Armstrong, 2008).

Through consultation the social actors are given an opportunity to meet and discuss formally at an equal footing according to an established procedure issues of common concern, to exchange information and to explore possible means of solving the problems confronting

them (Fiorito, 2001). However, a study carried out by Fashoyin (2001) in Kenya showed that trade unions appeared to have been subjected to severe restrictions by the Government, and weak in influencing key managerial decisions.

Fashoyin (2001) has argued that Kenya has recognized social dialogue as a useful mechanism for building consensus among the key stakeholders. He however noted that the parties to social dialogue have to be internally strong and cohesive in order to engage effectively in negotiations and consultative processes. Fashoyin is emphatic that unilateral action, be it by the public authority or by employers is not the appropriate approach today. Similarly relationship based on confrontation in the labour market is not likely to be appropriate response. Either way then, organizational performance is negatively affected. Hence, tripartism is best solution since all parties are involved.

The trade union movement in Kenya is at present weak in terms of membership and organization. Union leaders attribute their weakness to emergence of splinter unions and growing abandonment of existing tradition as well as unabated retrenchment. Indeed, the recent spate of splinter unions has been distracting, sapping the energy and resources of unions affected. This has reduced union capacity to provide useful and effective service to their members and consequently low morale with resultant poor performance (Fashoyin, 2008).

Research Hypotheses:

H₀: The tripartite consultation has not affected the performance of State Corporations.

H₀: Relationship between the social partners has no effect on the performance of State Corporations.

THEORETICAL FRAMEWORK

Pluralism Theory

The study was informed by several theories. The Pluralist 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 experiments produced a reaction against the individualistic and over-rational emphasis of scientific management proponents. The implication of the study was that workers could not any longer be regarded as socially isolated individuals acting independently of the work mates to maximize income (Ikeanyibe & Onyishi, 2011).

The Pluralists view organizations as coalitions of competing interests and trade unions as legitimate representatives of employees' interests. Besides, the stability of relations is viewed as a product of concessions and compromise between management and union. Legitimacy of

management's authority is not automatically accepted. Conflict between management and workers is understood as inevitable and viewed as conducive for innovation and growth which the researcher agrees with (Aswathappa 2009).

In Pluralistic view, a strong union is not only desirable but necessary. Similarly, societies' interests are protected by state intervention through legislation and industrial tribunals which provide orderly process for regulation and resolution of conflicts. Industrial conflict is inevitable and it needs to be contained within the social mechanism of collective bargaining, conciliation and arbitration (Singh & Kumar, 2011).

Systems Theory

The Systems Theory was developed by John Dunlop a sociologist in 1958. Dunlop is credited with the application of the Systems Approach to Industrial Relations (IR). He visualized IR to be a systematic construct namely, as a sub-system of society. Systems Approach essentially comprise four processes which include input acquisition, input transformation, output and feedback. An organization is considered an open system, existing in a context called environment. The organization influences its environment as well as gets influenced by the environment (Singh & Singh, 2011).

Creation of rules according to Dunlop is the output that an IR System seeks to create. Rules in this context comprise one, rules governing all forms of compensation. Two, the duties and performance expected of workers including rules for maintaining discipline. Three, rules defining rights and duties of employers and employees including legislation and terms of collective agreements. Four, procedures for establishing rules and five procedures for application of rules (Sivarethinamohan, 2010).

The rules are the output of IR. In the input transformation and feedback processes and their interaction, three 'actors' are involved. They include managers and their organizations, workers and their organizations and state and its agencies concerned with workplace. The actors in Kenyan context include the Kenyan Government represented by the Ministry of Labour, the employers and employers' organization and the Trade Unions. The actors do not function in isolation but in an environmental context. The technical context of workplace relates to how work is organized and the state of technology that is whether it is labour or capital intensive (Ikeanyibe & Onyishi, 2011).

The market context or the revenue – related context comprises product demand, market growth, number of competitors and profit margins. The power context is how power is distributed among the three 'actors'. The three 'actors' hold common belief that employees are entitled to demand for a minimum quality of living. Besides, discussion and bargaining must be

the preferred way to solve disputes and that the state does not have a limited but clear roles as an arbiter in certain matters (Singh & Singh, 2011). The Dunlop's System Model is shown (see Figure 1).

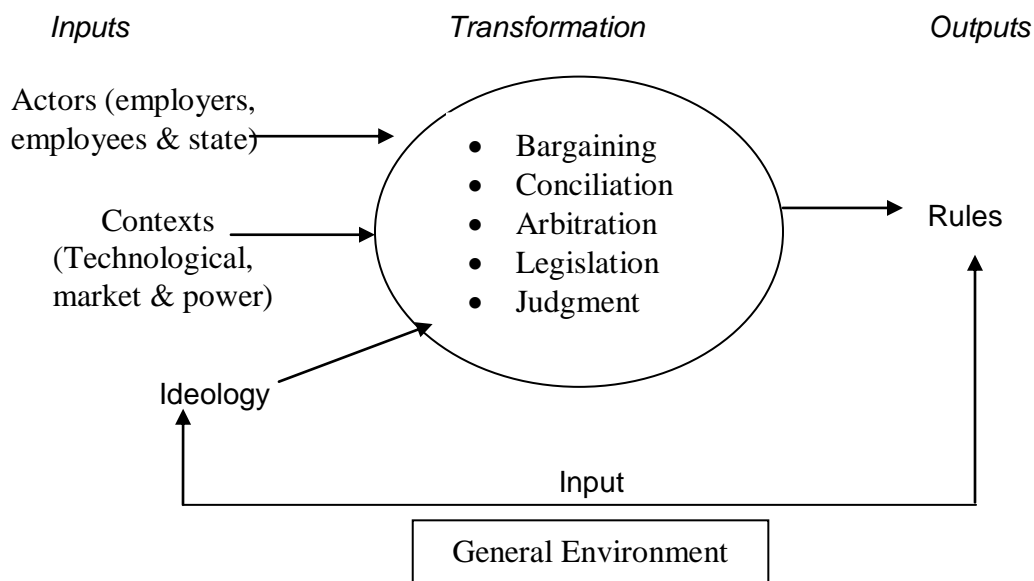


Figure 1: Dunlop's IR System's Model.

Source: Singh & Singh, 2011.

EMPIRICAL REVIEW

Rittau and Dundon (2009) have also explained that shop stewards in Ireland viewed their role in partnership as being a 'joint' problem-solving team that included themselves and managers. They added that shop stewards gained greater access to senior management and managers appeared willing to listen to their concerns consequently building trust. They emphasized that the premise that all benefit from partnership is hotly contested. Critics have long stressed that unions may ultimately lose power and influence under partnership as activists become incorporated into the higher echelons of management. Hence, unions in Ireland learnt to live with the paradox of declining influence while retaining bargaining power over macro-economic policy. It is worth noting that incorporation of union activists into organizational management erodes their role of protecting employees' interests. This affects performance negatively.

Shen (2007) analyzed the Chinese arbitration system and its role in settling labour disputes and pointed out that labour disputes were caused by job loss, nonpayment or delayed payment of wages and industry accidents. Besides, the aggrieved Chinese workforce appealed to unions, local government and failure led to other more violent collective actions like pickets and strikes to demand for their rights. He further observed that when workers appeal to unions,

unions play only as a 'messenger', 'mediator' or 'moral supporter' role, in resolving labour disputes as a result of being dependent. Moreover, unions at the enterprise are part of the management and most times acted against workers. The discontent from workers leads to organization's poor performance.

Fashoyin (2001) has argued that Kenya has recognized social dialogue as a useful mechanism for building consensus among the key stakeholders. He however, noted that the parties to social dialogue have to be internally strong and cohesive in order to engage effectively in negotiations and consultative processes. He is emphatic that unilateral action, be it by the public authority or by employers is not the appropriate approach today. Similarly, relationship based on confrontation in the labour market is not likely to be appropriate response. Either way then, organizational performance is negatively affected. Hence, tripartism is best solution since all parties are involved.

The trade union movement in Kenya is at present weak in terms of membership and organization. Union leaders attribute their weakness to emergence of splinter unions and growing abandonment of existing tradition as well as unabated retrenchment. Indeed, the recent spate of splinter unions has been distracting, sapping the energy and resources of unions affected. This has reduced union capacity to provide useful and effective service to their members and consequently low morale with resultant poor performance (Fashoyin, 2008).

Besides Lee and Rolee (2009) have confirmed out of their study that implementation of tripartite consultation which they referred to as Labour – Management Partnership in firms associated with militant unions, has practical implications than in cases involving moderate unions. Union militancy interferes with efforts to improve organizational performance and industrial relations quality. This could be the case in the current wave of strikes in state corporations which have paralyzed their activities. Hence, effective Labour - Management Partnership could be a panacea to increased strikes, in Kenyan state corporations.

Through effective consultation, there is emphasis on mutuality namely, getting the message across that 'we are all in this together', and that the interest of management and employees coincide. The reconciliation of interests of the partners though diverse enables common action, which improves on organizational performance. The benefits of a company include improved quality, increased production, reduced disputes, reduced employee turnover and absenteeism and better customer service (Armstrong, 2008).

RESEARCH METHODOLOGY

This study adopted a descriptive survey design. Kombo and Tromp (2010) are emphatic that descriptive research is not only restricted to fact findings, but often results in formulation of

important principles of knowledge and solution to significant problem. The design is supported by a previous research by Lee and Rolee (2008) on the Labour Management Partnership at Korean firms and their effects on organizational performance and industrial relations quality. The duo adopted a similar design by Guest and Peccei (2001), on partnership at work; mutuality and the balance of advantage. The two studies found that partnership improved organizational performance and quality of industrial relations.

Sampling Technique

Stratified random sampling was applied. As Mugenda and Mugenda (1999) put it, subjects were selected in such a way that the existing sub-groups in the population were more or less reproduced in the sample. Therefore, the sub-groups of the cadre employees were represented. Out of the sub-groups simple random sampling was applied to pick the subjects. Besides, purposive sampling technique was applied by purposely choosing subjects who, the researcher presumed to have relevant information in the research topic. Therefore, the human resource managers / labour relations officers, shop stewards, COTU and FKE, ministry of Labour officers were handpicked.

Data Collection Tools

An interview schedule was developed and administered on human resource managers, union officials, officers of the Ministry of Labour, Federation of Kenya Employers and the Central Organization of Trade Union representatives. Besides, a questionnaire was developed with open-ended and Likert Scale closed –ended questions which were administered on employees in selected state corporations.

Analytical Approach

To test the effect of tripartite consultation and relationship between the social partners on the performance of state corporations, Pearson Correlation Coefficient was computed to measure the strength of association between the two variables (Kasomo, 2006). Further, Coefficient of Relationship was calculated to establish the amount of change the independent variables had on the dependent variable.

ANALYSIS AND RESULTS

Performance of State Corporations

The performance of state corporations was the dependent variable of the study. The study sought to establish how performance of state corporations was influenced by tripartite

consultation and the relationship between the social partners. The study considered partnership practices as envisaged by Lee & Lee (2009).

Factor Analysis on Partnership Practices Enhancing Performance of State Corporations

All the factors registered factor loadings of .33 and above and were thus considered for statistical analysis. The factor loadings were presented (see Table 1).

Table 1. Thresholds of Partnership Practices Enhancing Performance of State Corporations

Partnership Practices enhancing Performance	Factor Thresholds
Fair financial rewards	.639
Harmonization of interests	.592
Union more friendly to management	.551
Commitment of staff	.540
Training of staff	.388

Reliability

Cronbach's Coefficient Alpha of the 12 items of performance of state corporations was .839 hence, a high degree of reliability of the data. The Cronbach's Alpha is presented (see Table 2).

Table 2. Cronbach's Alpha of Items of Performance of State Corporations

Cronbach's Alpha	No. of Items
.839	12

Descriptive Statistics of Partnership Practices Enhancing Performance

The view that there had been fair financial rewards on employees was strongly supported by 3.9% of respondents, 13.6% agreed, 11.1% were neutral, 58.1% disagreed, whereas 13.3% strongly disagreed. The position that the interests of the management and those of employees had been equally taken care was strongly supported by 16.5% of respondents, 57% agreed, 13.6% were neutral, 11.8% disagreed, whereas 1.1% strongly disagreed. In response as to whether unions had been friendly to the management hence improving performing was strongly supported by 1.4% of respondents, 9% agreed, 14.7% were neutral, 63.4% disagreed, whereas 11.5% strongly disagreed.

The view that there had been a drive to commitment making employees to exert themselves on behalf of the organizations was strongly supported by 2.2% of respondents, 58.1% agreed, 18.6% were neutral, 7.2% disagreed, whereas 14% strongly disagreed. The

suggestion that employees had been trained by organizations was strongly supported by 9% of respondents, 55.5% agreed, 16.5% were neutral, 12.9% disagreed, whereas 6.1% strongly disagreed. The findings were as presented (see Figure 2).

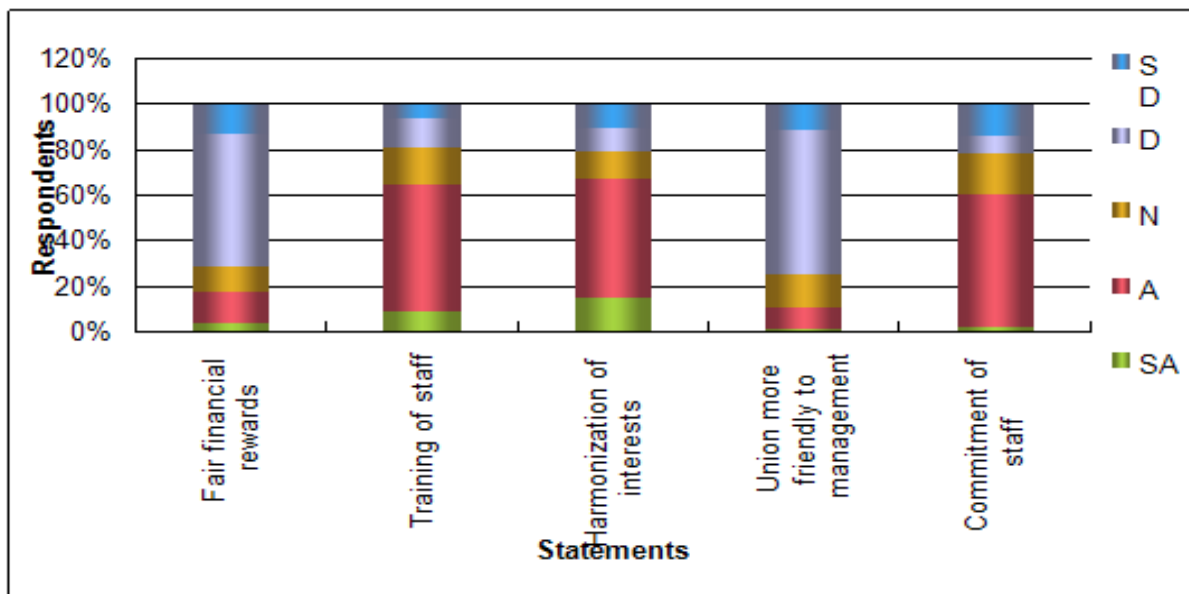


Figure 2. Partnership Practices Enhancing Organizations' Performance

Generally, the findings indicated that employees had been trained, there had been harmonization of interests of social partners and employees had become more committed. However, there was a strong feeling that there had been no fair financial rewards and unions had not been friendly to management. The finding that training had contributed to organizational performance is supported by Lee and Lee (2009) who consider training programmes to increase marketability of staff and organizations.

Descriptive Statistics on Effects of Consultation on Performance of State Corporations

The statement that consultation had led to better motivated staff was strongly supported by 2.5% of respondents, 70.6% agreed, 11.1% were neutral, 6.8% disagreed, whereas 9% strongly disagreed. The position that consultation between partners had made staff become more committed was strongly supported by 3.2% of respondents, 69.8% agreed, 10.8% were neutral, 6.1% disagreed, whereas 10.4% strongly disagreed. The position that consultation had led to improved performance of organizations was strongly supported by 7.6% of respondents, 27% agreed, 21.8% were neutral, 36.4% disagreed, whereas 7.2% strongly disagreed.

In response as to whether consultation between social partners had made organizations become more productive 10.8% of respondents strongly agreed, 31.9% agreed, 25.8% were

neutral, 28.3% disagreed, whereas 3.2% strongly disagreed. The view that consultation had led to staff remaining working with organizations was strongly supported by 9% of respondents, 47% agreed, 21.5% were neutral, 15.8% disagreed, whereas 6.8% strongly disagreed.

The view that consultation had led to improved quality services was strongly supported by 7.2% of respondents, 27.2% agreed, 21.9% were neutral, 38.9% disagreed, whereas 5% strongly disagreed. The suggestion that consultation had led to low absenteeism being reported was strongly supported by 11.2% of respondents, 45.3% agreed, 19.4% were neutral, 17.4% disagreed, whereas 6.5% strongly disagreed. The responses were as presented (see Figure 3).

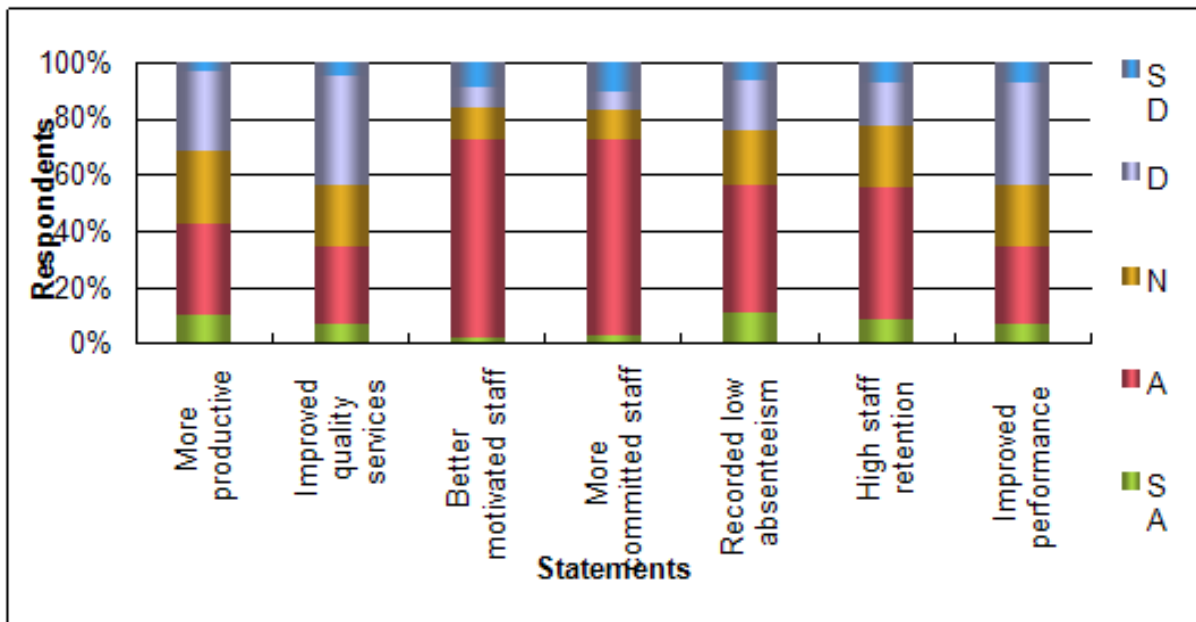


Figure 3. Effects of Consultation on Performance of State Corporations

Generally, the findings indicated that consultation had led to low absenteeism; staff had remained working with organizations namely, high retention had been realized, organizations had become more productive, staff had become more committed and motivated. There was also improvement in quality of services.

Normality Test

Normality Test of the items of performance of state corporations as a dependent variable was carried out by use of a Q - Q Plot. Q-Q Plot provides a quick way to get a feel of whether data are distributed normally (Khattree and Naik, 2006). The results of the Q - Q Plot indicated that the dependent variable is normally distributed (see Figure 4).

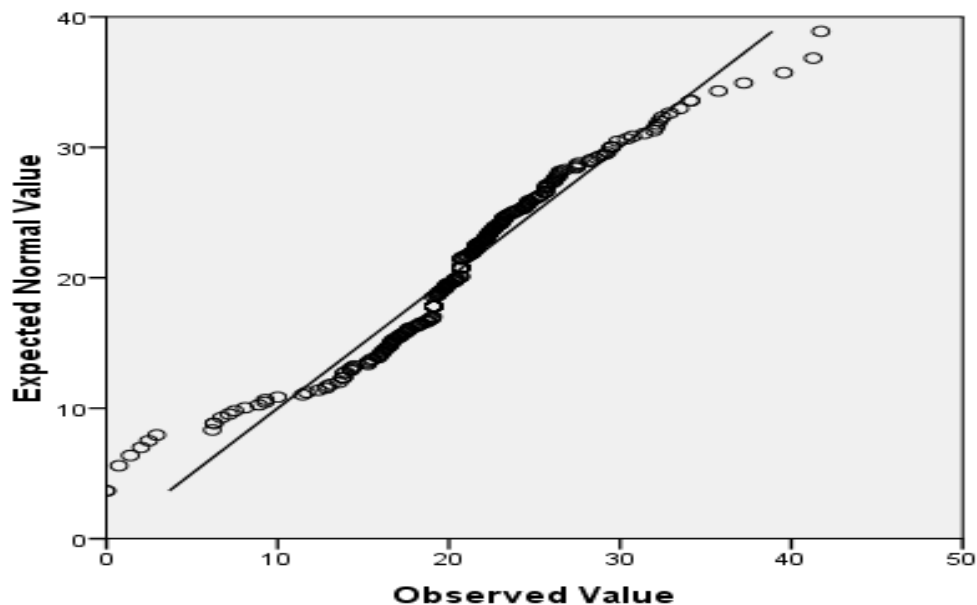


Figure 4. Normal Q-Q Plot of Performance of State Corporations

Relationship between Social Partners and the Performance of State Corporations

Descriptive Statistics on the Forms of Relationship between Social Partners

The view that there had been confrontational relationship of a low trust kind was strongly supported by 16.8% of respondents, 64.2% agreed, 10.8% were neutral, 5.4% disagreed, whereas 2.9% strongly disagreed. Besides, the suggestion that during negotiations the tougher and more aggressive negotiator wins and conciliatory one loses was strongly supported by 23.3% of respondents, 44.4% agreed, 18.6% were neutral, 9.7% disagreed, whereas 3.9% strongly disagreed.

The view that management and trade unions had agreed to work together for mutual advantage was strongly supported by 7.9% of respondents, 29.4% agreed, 17.6% were neutral, 37.6% disagreed, whereas 7.8% strongly disagreed. Besides, the suggestion that the parties had worked together for mutual settlement of their differences in spirit of cooperation and good will was strongly supported by 7.9% of respondents, 17.6% agreed, 22.2% were neutral, 36.2% disagreed, whereas 16.1% strongly disagreed. Finally, the view that trade unions and employers had been involved in strategy formulation and implementation was strongly supported by 6.5% of respondent, 22.6% agreed, 28% were neutral, 28% disagreed, whereas 15.1% strongly disagreed. The responses are presented (see Figure 5).

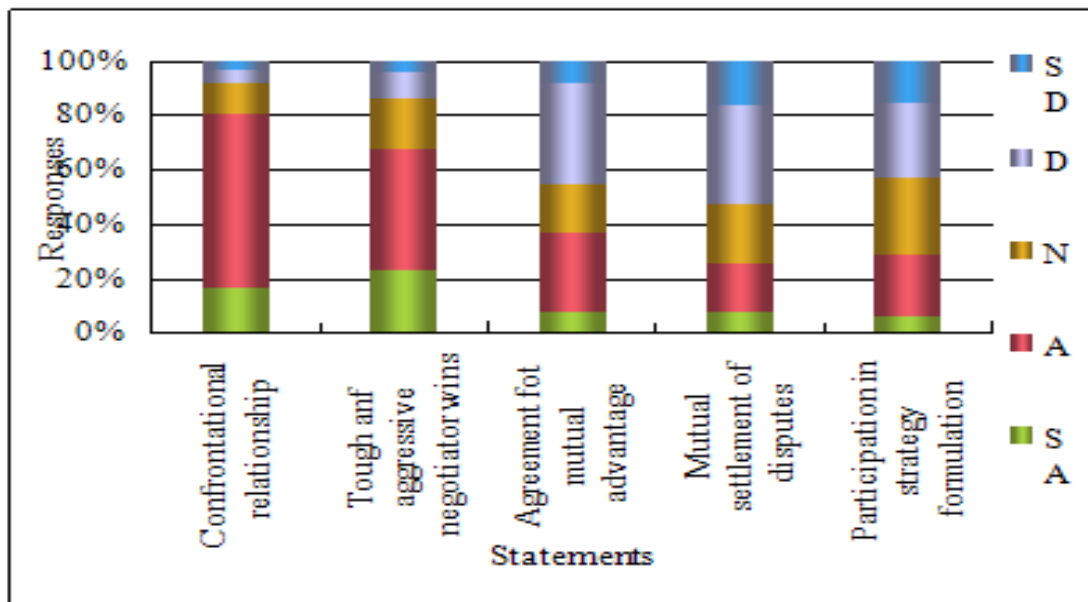


Figure 5. Forms of Relationships between Social Partners

Descriptive Statistics on Benefits Accruing out of Equality of Partners

In response as to whether equal participation had led to reconciliation of interests of employees, employers and the government 14% of respondents strongly agreed, 39.1% agreed, 17.6% were neutral, 22% disagreed, whereas 6.8% strongly disagreed. The view that there had been containment of social tensions, conflict and strikes was strongly supported by 8.2% of respondents, 1.7% agreed, 9.7% were neutral, 59.5% disagreed, whereas 7.9% strongly disagreed.

The opinion that trade unions', employers' and governments' views were reflected in policies and adopted law was supported by 10.4% of respondents, 40.5% agreed, 19.7% were neutral, 24.4% disagreed, whereas 5% strongly disagreed. The suggestion that equal consultation had led to ownership and easy implementation of policies and enacted law was strongly supported by 12.6% of respondents, 24.2% agreed, 24.5% were neutral, 33.2% disagreed, whereas 5.4% strongly disagreed.

The view that equality of partners in consultation had led to economic stability and growth was strongly supported by 6.8% of respondents, 22.9% agreed, 17.6% were neutral, 47.7% disagreed, whereas 5% strongly disagreed. In response as to whether equality of partners had led to social and political stability and growth was strongly supported by 11.1% of respondents, 32.6% agreed, 27.2% were neutral, 24.7% disagreed, whereas 4.3% strongly disagreed. Finally, the view that equality had led to increased performance of organizations was strongly supported by 10% of respondents, 21.9% agreed, 38.4% were neutral, 25.1% disagreed, whereas 4.7% strongly disagreed. The responses are presented (see Figure 6).

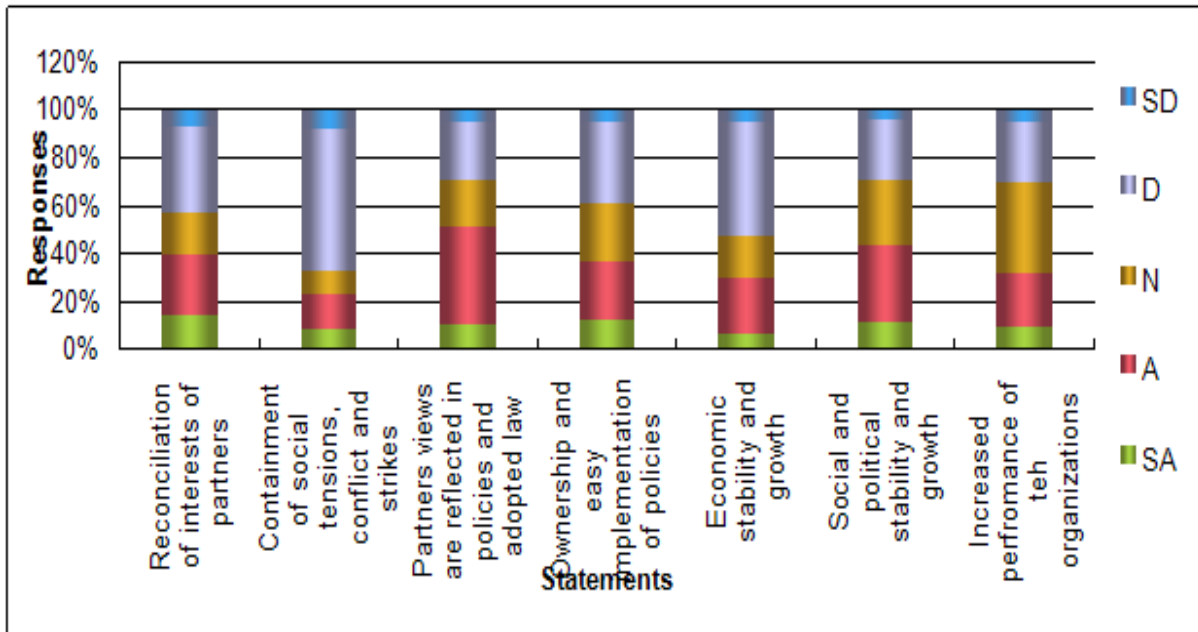


Figure 6. Benefits Accruing out of Equality of Partners

Generally, the findings of the benefits accruing out of consultation on equal footing between the partners indicated that trade unions', employers' and government's views were reflected in policies and adopted law, there had been social and political stability and growth and reconciliation of the interests of partners. However, there was failure in containment of social tensions, conflicts and strikes, ownership and easy implementation of policies and enacted law, economic stability and growth. Moreover, the findings did not reflect knowledge as to whether there had been increased performance of the organizations resulting from equality of partners.

Hadad (2002) is emphatic that equality does not mean imposing strict numerical equality, but ensuring substantial equal representation on the respective interests of partners, leading to their views being given equal weight. This had been experienced in Kenyan situation. The finding that there had been failure in containment of social tensions, conflicts and strikes is supported by Jerome and O'dowd (2005) who have explained that adversarial approach developed out of the hard stand taken by employers.

Correlation

A scatter plot used to present the data collected on the relationship between social partners versus performance of state corporations indicated a positive association between the two variables (see Figure 7).

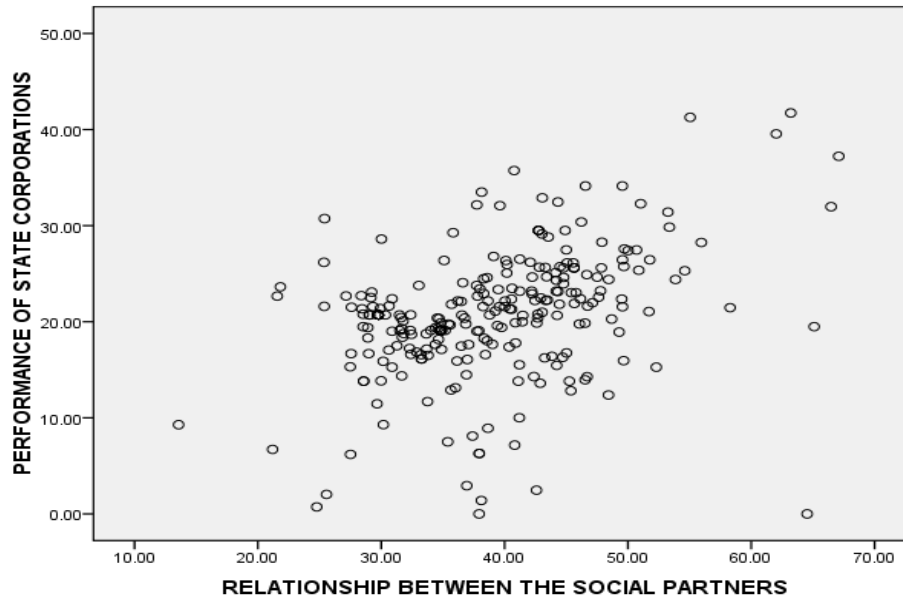


Figure 7. Scatter Plot of Relationship between Social Partners versus Performance of State Corporations

Besides, Pearson correlation coefficient of the relationship between social partners and performance of state corporations was computed and established to be .387. It could then be concluded that there is a moderate positive correlation between the two variables since the results belong to the moderate category of 0.3 to 0.5, according to Choudhury, (2009).

Hence, the relationship between the social partners significantly influences the performance of state corporations at 95% confidence level as the P-value was .000 which is less than 0.05. Thus, the alternative hypothesis was accepted namely, the relationship between the social partners has effect on the performance of state corporations (see Table 3).

Table 3. Pearson Correlation Coefficient for Relationship between Social Partners Versus Performance of State Corporations

		Performance of State Corporations	Relationship between Social Partners
Performance of State Corporations	Pearson Correlation	1	.387**
	Sig. (2-tailed)		0
	N	279	279
Relationship between Social Partners	Pearson Correlation	0.387**	1
	Sig. (2-tailed)	0.000	
	N	279	279

The coefficient of the relationship between social partners and performance of state corporations was computed and established to be .300. Hence, the relationship between the social partners has a positive effect on performance of state corporations with a gradient of .300. This implies that a unit change in the relationship between the social partners increases the performance of state corporations at the rate of 0.300. The coefficient is presented (see Table 4).

Table 4. Coefficient of Relationship between Social Partners
versus Performance of State Corporations

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	9.033	1.701		5.309	0.000
Relationship Between Social Partners	0.300	0.043	0.387	6.985	0.000

Regression

Since the scatter plot in Figure 7 indicated a linear association between the relationship between social partners and performance of state corporations, a regression line could be fitted for the variables. Thus, the relationship between social partners predicts the performance of state corporations. The regression line is presented (see Figure 8).

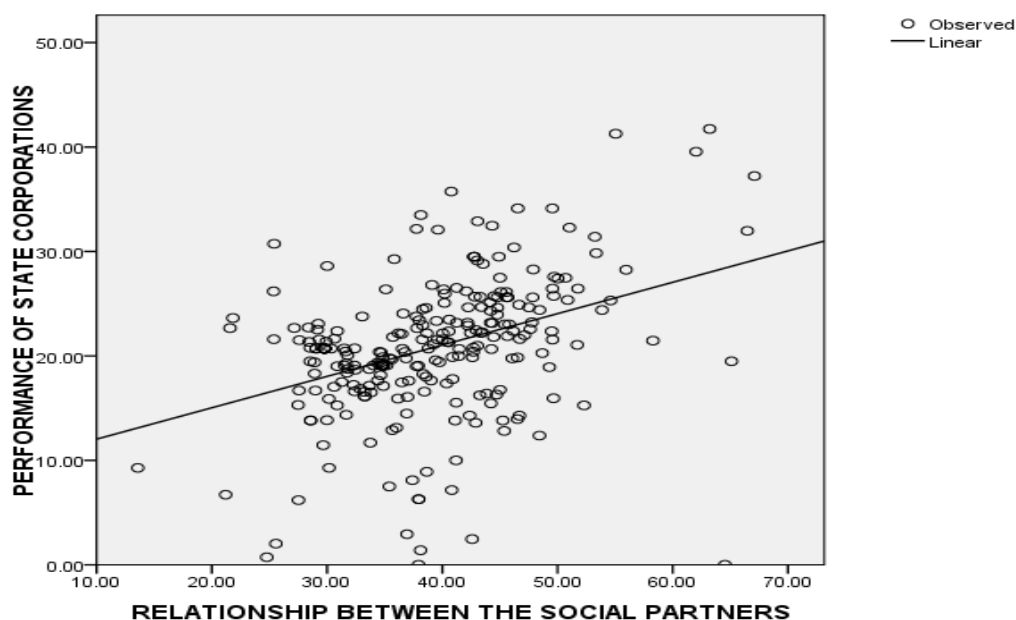


Figure 8: Regression Line for Relationship between Social Partners
versus Performance of State Corporations

The Goodness-of-Fit namely, R – Square of the relationship between social partners versus performance of state corporations was computed and established to be .150. Hence, 15% of variation in performance of state corporations can be explained by the relationship between the social partners. The results of Goodness-of- Fit are presented (see Table 5).

Table 5. Goodness of Fit for Relationship between Social Partners versus Performance of State Corporations

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.387	0.15	0.147	5.92300108

Tripartite Consultation and Performance of State Corporations

Descriptive Statistics on Areas of Consultation

The view that the social partners had consulted in fixation of minimum wages was strongly supported by 2.5% of respondents, 7.9% agreed, 6.8% were neutral, 56.6% disagreed, whereas 26.2% strongly disagreed. The suggestion that there had been effective consultation in ending strikes was strongly supported by 3.9% of respondents, 24.7% agreed, 12.5% were neutral, 38% disagreed, whereas 20.8% strongly disagreed. The suggestion that there had been consultation in review of labour laws was strongly supported by 8.6% of respondents, 46.6% agreed, 29.7% were neutral, 12.9% disagreed, whereas 2.2% strongly disagreed. The view that there had been equal participation in established committees/ boards was strongly supported by 3.9% of respondents, 41.9% agreed, 33.7% were neutral, 14.7% disagreed, whereas 5.7% strongly disagreed. The opinion that there had been consultation during negotiations of collective agreement was strongly supported by 6.5% of respondents, 57.3% agreed, 17.2% were neutral, 13.3% disagreed, whereas 5.7% strongly disagreed (see Figure 9).

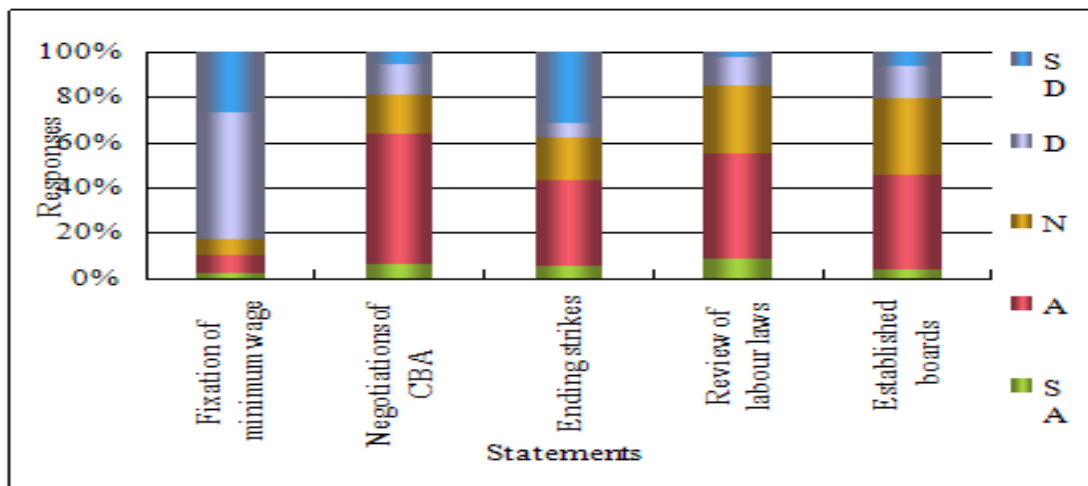


Figure 9: Areas of Consultation

Descriptive Statistics on Benefits of Tripartite Consultation

The suggestion that consultation had given voice to all parties was strongly supported by 11.8% of respondents, 34.8% agreed, 16.1% were neutral, 30.1% disagreed, whereas 7.2% strongly disagreed. The view that consultation had led to participation in elaboration and implementation of plans of economic and social development was strongly supported by 8.2% of respondents, 48% agreed, 25.4% were neutral, 16.5% disagreed, whereas 1.8% strongly disagreed.

The view that tripartite consultation had improved conditions of work in regard to health, time and advancement at work was strongly supported by 11.8% of respondents, 35.8% agreed, 19% were neutral, 29% disagreed, whereas 4.3% strongly disagreed. Moreover, the view that consultation had controlled social unrest which arose from poor working conditions was strongly supported by 3.9% of respondents, 9.7% agreed, 13.6% were neutral, 56.3% disagreed, whereas 16.5% strongly disagreed. Besides, the suggestion that consultation helped gather views and advice of employers' and workers' representatives in preparation and implementation of labour laws was strongly supported by 11.5% of respondents, 48.7% agreed, 20.1% were neutral, 18.3% disagreed, whereas 1.4% strongly disagreed.

The opinion that consultation had prevented labour disputes from becoming uncontrollable was strongly supported by 4.3% of respondents, 12.5% agreed, 9% were neutral, 61.3% disagreed, whereas 12.9% strongly disagreed. The view that consultation had led to arrival to the fullest extent at agreed solutions was strongly supported by 5.7% of respondents, 16.1% agreed, 16.1% were neutral, 53.8% disagreed, whereas 8.3% strongly disagreed. In response as to whether consultation between the social partners had promoted mutual understanding and good relations 6.8% of respondents strongly agreed, 54.8% agreed, 10.4% were neutral, 21.9% disagreed, whereas 6.1% strongly disagreed.

The suggestion that consultation led to lasting peace in organizations based on social justice was strongly supported by 2.9% of respondents, 51.3% agreed, 14% were neutral, 10.4% disagreed, whereas 21.5% strongly disagreed. The view that cooperation helped in establishment and functioning of national bodies responsible for employment was strongly supported by 10.5% of respondents, 60.5% agreed, 19.5% were neutral, 8.2% disagreed, whereas 1.1% strongly disagreed. On average 7.7% of respondents strongly agreed that benefits had accrued out of consultation of partners, 45.2% agreed, 14.8% were neutral 24.59% disagreed, whereas 7.8% strongly disagreed. The responses are presented (see Table 6).

Table 6. Benefits of Tripartite Consultation in Organizations

Statements	SA	A	N	D	SD
Gives voice to all	11.8	34.8	16.1	30.8	7.2
Participation in economic development	8.2	48	25.4	16.5	1.8
Improved work conditions	11.8	35.8	19	29	4.3
Controlled social unrest	3.9	9.7	13.6	56.3	16.5
Gathering views of partners	11.5	48.7	20.1	18.3	1.4
Contained labour disputes	4.3	12.9	9	61.3	12.9
Arrival at agreed solutions	5.7	16.1	16.1	53.8	8.3
Mutual understanding	6.8	54.8	10.4	21.9	6.1
Lasting peace in organizations	2.9	51.3	14	10.4	21.5
Establishment and functioning of the labour bodies	10.5	60.3	19.5	8.3	1.1
Average	7.7	45.2	14.8	24.5	7.8

Intervening Effect of Tripartite Consultation between Relationship between Social Partners and Performance of State Corporations

The coefficient of relationship between social partners versus performance of state corporations, showed that relationship between social partners had a significant positive effect on the performance of state corporations with tripartite consultation being controlled. The coefficient of the relationship between social partners versus performance of state corporations with effect of tripartite consultation, showed an insignificant effect with a P-value of .975. This prompted a further investigation to establish the correlation between the relationship between social partners and tripartite consultation.

Pearson Correlation Coefficient

The correlation between relationship between social partners and tripartite consultation was computed using Pearson Correlation Coefficient. The Pearson Correlation Coefficient of the relationship between social partners as an independent variable and tripartite consultation as an intervening variable was established to be 0.667. It could then be concluded that there is a strong positive correlation between the two variables, since the results belong to a very strong category of relationship of 1.0 to 0.5 according to Choudhury (2009). This positive correlation is statistically significant at 95% confidence level since the P-value for the Pearson Correlation Coefficient was .000 which is less than 0.05. Thus, there is a strong positive linear relationship between the two variables. Hence, tripartite consultation positively influences the relationship

between the social partners. Besides, the presence of tripartite consultation renders relationship between social partners insignificant. Thus, tripartite consultation is stronger than relationship between the social partners and replaces it (see Table 7).

Table 7. Pearson Correlation Coefficient of Relationship between Social Partners and Tripartite Consultation System

		Relationship between the Social Partners	Tripartite Consultation
Relationship Between the Social Partners	Pearson Correlation	1	.667**
	Sig. (2-tailed)		.000
	N	279	279
Tripartite Consultation	Pearson Correlation	.667**	1
	Sig. (2-tailed)	.000	
	N	279	279

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

The positive influence of tripartite consultation over relationship between social partners is supported by Turnbull (2006) is emphatic that social dialogue is propelled by ground rules which govern consultation about consultation and negotiation about negotiation.

CONCLUSION AND RECOMMENDATIONS

The study found that the relationship between social partners had a significant positive effect on the performance of state corporations with tripartite consultation being controlled. Besides, the presence of tripartite consultation renders the relationship between social partners insignificant. Thus, tripartite consultation is stronger than relationship between the social partners and indeed replaces it.

The study recommends that the social partners should embrace partnership as a new innovation in an adversarial relationship that the partners should view each other as contributing to the common goal and therefore work together for their common good. Further, though the Government is superior to the other parties mutuality will improve the relations and consequently good performance.

In Industrial Relations discourse and in search for industrial harmony partners should pursue tripartite consultation which is superior to and even replaces the relationship between social actors.

The government as a matter of policy should strengthen and enforce adherence to the prescribed tripartite consultation system. Hence, bipartite Recognition Agreements, conclusion of CBAs, implementation of the agreement and existing third party intervention measures should be captured in the national employee relations Policies

The social partners should embrace partnership and mutuality approaches to replace the current confrontational / adversarial approach to improve the quality of national industrial relations.

Trade unions should appreciate that union militancy interferes with efforts to improve organizations' performance and harmonious industrial relations.

At last, future research could explore other factors which may influence performance of state and non-state corporations such as union substitution by Human Resource Practices and management- union suppression.

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