Employee Relations Strategies and Performance of Water and Sewerage Service Provider in Nairobi City County, Kenya

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ABSTRACT

Employee relations is one of the key fundamental elements of organizational performance, prosperity and sustainability. Since good employee relations results in a highly committed, motivated and loyal employees there is need for organizations to develop strategies that will improve performance. Employee relations strategy involves decisions and actions made by the management affecting the way in which the organization relates with its employees. The general objective of this study was to establish the effect of employee relations strategies on the performance of Water and Sewerage service providers in Nairobi Kenya. The Water and Sewerage service provider under study was Nairobi City Water & Sewerage Company, Kenya owing to the fact that it is the largest service provider both in Nairobi and Kenya based on customer base and revenue turnover hence the findings were generalized to the entire population. The study was guided by the following specific objectives; to examine the effect of employee welfare, communication, employee participation and grievance resolution mechanism on the performance of Nairobi City Water & Sewerage Company, Kenya. The study was anchored on four theories; unitarist, pluralist, system and process theories. The study employed a descriptive design. The target respondents were 3534 staff cutting across all cadres. Stratified random sampling was applied to select 10% of respondent from each stratum of; senior managers, middle level managers, supervisors and support staff thus sample population was 354. Primary data was collected using structured questionnaires and analyzed using descriptive and inferential statistics and the results presented in tables. The study found that employee welfare, communication, employee participation and grievance resolution as components of employee relations strategies significantly influence organizational performance at Nairobi City Water and Sewerage Company, Kenya and therefore various strategies to strengthen these components of employee relations strategies should be explored and put in place. The multiple regression analysis results indicated that variations in employee relations strategies discussed that is; employee welfare, communication, employee participation and grievance resolution explains 54.8% of the variations on organization performance at Nairobi City Water and Sewerage Company Kenya meaning the other employee relations strategies for training, recruitment among others that influence performance of Nairobi City Water and Sewerage Company. The study recommended that a similar study should be carried out in various organizations in other sectors of the economy to complement the findings.

Key Words: Employee Relations Strategies, Human Resources, Nairobi City Water and Sewerage Company

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1. INTRODUCTION

Every organization has an objective either to produce goods or provide services and this could be for commercial purposes or charitable. Organizations are also faced with increased cut throat competition and fast advancement of technology both at client and organization level becoming more pervasive, organizations need to keep performing at its best at all times. To achieve this, organizations must have a workforce that is committed and motivated to giving their very best towards the organizations objectives. The most critical factor of production is the human resource. This resource must be treated with a lot of care if the organization is to achieve its intended goals (Dessler, 2008). Organizations are encouraging employees to be more responsible and act and think like owners of the organization. They are encouraging teamwork and the formation of teams to work together effectively, share the same values, and make decisions to meet the organization’s primary goals and objectives. The increasing significance of people to organizational success has been observed to have corresponded with the rise of Strategic Human Resource Management (SHRM) as a field of study on a global scale (Hartel et al., 2007). Research has shown that human resource management practices have the ability to create firms that are more intelligent, flexible, and competent than their rivals through the application of policies and practices that concentrate on recruiting, selecting, training skilled employees and directing their best efforts to cooperate within the resource bundle of the organization (Rawashdeh & Al-Adwan, 2012).

Business organizations’ success greatly depends on management and employees’ relationship. Employee commitment, productivity and loyalty is important role in the growth of the organization in a business environment that is competitive. In order to achieve a healthy and strong relationship between the workforce and organization, well-organized strategies on employee relations should be established. The relationship between employers, trade unions and employees, communication, management of disputes and grievances is a key drive of competitive firms operating in the dynamic business environment (George and Jones, 2008). Employee relations strategies encompasses all management decisions and actions that affect the nature of the relationship between the employer and its employees (Beer and Spector. 1985; Boxall and Purcell. 2000). The term employee relation has been used synonymously with industrial relations and employment relations. According to (Lewis et al., 2003) Industrial Relations is associated with the declining “Smokestack” industries and blue collar workers and the accompanying emphasis upon Collective Bargaining Agreements between employers and Trade Unions. Employee relations suggests a wider employment canvas being covered with equal importance attached to none union employment arrangements and white collar jobs. It is concerned with the social economic relationship that forms and revolves around a contract between the parties to perform work in return for employment benefits such as remuneration (Perkins & Shortland, 2006). The emphasis on both employee relations and industrial relations is on participation, process and practices (Salamon, 2000; Lewis et al., 2003).

Employment relationship is an economic, social and political relationships where employees provide manual and mental labour in exchange for rewards by employers (Lewis, Thornhill & Saunders, 2003). Due to increased global competition over the last three decades, organizations have emphasized on labour efficiency and cost control (Perkins & Shortland, 2006). This has called for effective employee relations strategies that enable the employees to dedicate their energy to the achievement of organizational goals. Firms actively seek good employee relations whether or not they are bound by union contracts. Proactive steps in anticipation of employee needs and expectations are therefore characteristic of strategic managers (Pearce and Robinson (2009). Organizations should strive to satisfy their employees with good pay, good supervision and good stimulating work (Pearce & Robison,
Employee satisfaction is related to customer satisfaction. Industrial Relations system in Kenya is anchored on the International Labour Organization’s Convention No. 150 of 178 on Labour Administration. Kenya joined the ILO in 1949. This is domesticated through the Industrial Relations Charter (1984) and the Labour Relations Act (2007). The system envisages that such consultations start at the shop floor levels, cascading to the national levels. Odhong, Were and Omolo (2014) indicates that the role of industrial relations institutions is to promote social dialogue and industrial harmony.

Employee participation is about employee involvement in matters concerning the organization. Participative management entails encouraging employees to take part in the decision making process influencing the organization. Armstrong (2006) holds that employee participation and empowerment generally creates a climate of trust and fosters justice in organizations. Individuals will feel that they have been dealt with legitimately if administration’s choices and strategies are reasonable, predictable, straightforward, non-oppressive and appropriately think about the perspectives and requirements of employees. Research conducted by Cox (2006) indicated that to be effective, employee involvement and participation mechanism have to be embedded in the organization well established and part of everyday working life. The main barriers to effective employee voice appear to be a partial lack of employee enthusiasm, absence of necessary skills to implement and manage employee voice programs and issues concerning line managers such as middle managers acting as blockers through choice or ignorance. Another critical employee relations strategy that drives performance in organisations is effective communication. Communication aids in relaying the strategies of the organization to all the employees. In the era of increasing public accountability it is imperative that organizations can communicate vision and strategy and demonstrate progress and outcomes in achieving that vision. According to Ivancevich et al., (1997) top management should play a role in communicating the strategy to the organizations employees and other stakeholders. Effective communication makes sure people have the information they need and is the foundation for any good relationship. Harzing and Ruyssveeldt (2004) noted that effective communication is absolutely critical to successful integration of employees. Performance expectations, if not properly communicated, are far more difficult to be achieved and thus management’s openness to staff members’ input, feedback, ideas and suggestions is the foundation of good communications and strong employee relationships.

Very important is grievance resolution mechanism in organization in whichever form whether through arbitration, through joint consultation with union and ensuring prompt resolution of a case. Grievance and conflict among employees in an organization is inevitable. Mesh ‘al (2001) suggests that grievance is an inevitable natural part of the dynamics of workplace including the most solid ones. People perceive differently situations and will try to persuade others to think as them. Thus, grievance occur frequently when there are open communication barriers, when you feel a perceived threat or one that is real to your status of employment or when targets of workplace are not met by an individual. If unmanaged, conflict becomes destructive and highly negatively impact employee productivity and the organizations’ success. If employers start understanding the cause and how to react to conflict, they thrive more in the managing and prevention of future conflicts (Gazioglu and Tansel, 2006). Disputes can arise due to misunderstandings or mistakes and poor communication and decision making, tensions or personal difficulties, breaches of trust or of the law, infringements of personal dignity or human rights, inability or unwillingness to perform allocated work and unacceptable behavior. Dispute affect morale, reduce productivity and ultimately undermine organization performance and growth (Ngari & Agusioma, 2013).
Related to employee relations is welfare of employees at work place that includes safety and health, wellness programmes like canteen, sports and financial security like retirement, loans, mortgages among others. Employees no longer are attracted to job security and salary but the whole package of welfare programmes. There are three reasons why organizations should be concerned with the well-being of their employees. First and most importantly, they have a duty of care and this means adopting a socially responsible approach to looking after their people. Second, employers are responsible for creating a good work environment not only because it is their duty to do so but also as part of the total reward system. Third, it is in the interests of employers to do so because and help to establish it, as a best place of work. (Taylor 2008). According to Kahn’s model (2011) employee welfare schemes are those measures that aims at promoting physical, psychological and general wellbeing of the working class. Maslach et al., (2012) states that welfare schemes include some or all of the amenities provided in or near the organization and related to the working and living conditions. These facilities include canteens and nourishment facilities, transport arrangements, recreational services, housing schemes, education and training of employees, pension, bonus, medical facilities, childcare facilities, alcohol drug and substance support facilities etc. According to Ngui (2016) performance of organizations that maintained good employee relations according to the responses from employees and based on number of conflicts reported, communication and involvement in decision making over a period of five years compared to the organizations that did not have good employee relations had higher performance in terms of market share, loan sales, revenue, financial strength, return on equity, return on investment and profitability. It thus implies that today employee relations in Kenya is more about involvement, engagement, participation, communication, decent employee welfare and sound dispute and grievance resolution among other strategies.

Water is the most important natural resource, indispensable for life and at the same time the back borne of growth and prosperity for mankind. Just like food, water is a basic human need which is also a fundamental right that Kenyan citizens need to enjoy without any limitation. The constitution of Kenya in Article 43(1) (d) states that every person has the right to clean and safe water in adequate quantities. With these rights stipulated no individual or entity should seize the power to arbitrarily control the price of or access to this source of life. It is the mandate of the government and all other stakeholders involved to ensure that this basic need and human right is available, accessible, adequate, safe and affordable to all its citizens. The Government of Kenya prioritized increasing access to sustainable and affordable water services within its overall policy framework of the economic recovery strategy for wealth and employment creation. Water supply and sanitation are among the key issues emphasized under the social pillar of the Kenya Vision 2030. The Vision envisages availability and access of water to all by the year 2030. Provision of services and consumer assurance and protection remains a key challenge even in the public sector and water sector not excluded. The Concern of the effectiveness, productivity, efficiency and excellence of organizations is a subject that has motivated the study of many scholars. Armstrong (2006) defines performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams. According to Bohlander and Snell (2007) organizational performance comprises the actual output or results of an organization measured against its intended outputs (organizational goals and objectives).

Performance management is based on an established measurement system consisting of tools, indicators and procedures that have been chosen and are best suited to concrete situations and specific characteristics of concrete organization (Kondurasuk, 2011). Good employee performance has been linked with increased consumer perception of service quality, while poor employee performance has been linked with increased customer complaints and brand
switching. According to Williams (2011) one of the most important reasons to measure performance, and then manage it once it has been measured, is to keep employees working at a highly efficient and productive rate. Performance measures ranging from annual reviews to quarterly quotas ensure that employees work hard and well or face a poor evaluation. HR practitioners further claim that performance appraisal is an essential part of an organizational culture and it is required to assess organizational progress towards goals. Performance is enhanced by systems of practices (bundled human resource practices) that support each other and have a mutually reinforcing effect on employee contribution to performance (Cook 2000). There is a symbiotic relationship between human resources strategy and performance in the manufacturing sector (Cook, 2000; Barney, 2000; Paterson et al., 2006). HRM strategies can improve productivity by; increasing employee skills and abilities, promoting positive attitudes and increasing motivation, and providing employees with expanded responsibilities so that they can make full use of their skills and abilities. Performance indicators include: financial (profits), market share, efficiency, reliability, flexibility among others. Water Service Regulatory Board (WASREB) is the body that is mandated to monitor and regulate performance of Water Services in Kenya. Performance assessment and ranking of utilities is key in ensuring that water services are provided in an efficient and sustainable manner. Utilities continue to be assessed and ranked on the basis of nine Key Performance Indicators (KPIs). These are Water Coverage, Drinking Water Quality, Hours of Supply, Non-Revenue Water reduction, and Metering Ratio. The others are Staff Productivity, Revenue Collection Efficiency, Operation Maintenance Cost Coverage and Personnel Expenditure as a Percentage of Operating and Maintenance Costs. (WASREB Impact Report Issue No.10, 2018). The assessment is done annually.

Nairobi City Water and Sewerage Company (NCWSC) was incorporated in December 2003. It is a wholly owned subsidiary of the Nairobi City County Government and has its headquarters along Kampala Road, Industrial Area, Nairobi. The company’s core business is provision of water and sewerage services to the Nairobians and its environs. The services provided by the Company fall under eight functional directorates. These directorates are Financial Services, Human Resources and Administration, Commercial Services, Technical Services, Information Communication Technology (ICT), Legal Services, Internal Audit and Risk Management Services and the office of the Managing Director (MD). The eight directorates are further sub-divided into various departments (Nairobi City Water and Sewerage Company Strategic Plan, 2014/15 – 2018/19). As at July 2017, Nairobi City Water and Sewerage Company had 3,511 staff. The total population in company’s area of operation is 4.2M while the total population served is 3.4M. The total numbers of connections both active and inactive are 604,649 while the number of active contracted customers is 582,502 with total turnover of 9.6M. (WASREB Impact Report Issue No.10, 2018). The employees are deployed in seventeen (17 No.) stations some of which have several sub stations that are geographically dispersed in and outside the city of Nairobi. The average monthly revenue is about Kshs.700M. The 2002 Water Act brought about reforms in the Water Sector that were aimed at facilitating access to clean water and sewerage services to all Kenyans. The Act, was however repealed by Water Act 2016.The Act was operationalized on 21st April, 2017 through legal Notice No.59 and 60. The law provides more clarity on institutional roles in the regulation, management and development of water resources and water services. It also aligns the 2002 Water Act reforms with constitutional provisions on the human right to water. The Company is ISO 9001:2015 certified to guarantee the consumers on the quality management systems adopted within the Company. The Nairobi City Water and Sewerage Company is committed to ensuring that all stakeholders receive water regularly and efficiently and that the water reaching the customers is of highest quality. The Company aspires to be a role
model among other water companies established across Africa as per its vision and mission statement.

2. STATEMENT OF THE PROBLEM

Water scarcity is a serious problem in Kenya’s urban centers which have continued to receive huge populations resulting from rural urban migration. The situation is further aggravated by the phenomenon of climate change and poor land use in catchment areas. Although the Government of Kenya has been undertaking a series of reforms aimed at enhancing quality, efficiency and transparency in service delivery by Water sector institutions, access to sustainable water supply services remains a challenge. Nairobi City Water and Sewerage Company is charged with the responsibility of providing water and sewerage services to the residents of Nairobi and the surrounding environs. The focus of the company is to effectively and efficiently provide quality and reliable services at affordable cost to the customers (NCWSC Strategic Plan, 2014/15 – 2018/19). Despite notable performance of water and sewerage services to the residence of Nairobi City County the Company was ranked number 17 out of 88 Water Service providers in Kenya in 2017. That was the worst ranking ever as compared to previous years. The company performed poorly on water supply where the average supply of water to residents was 6 hours against the target of 24 hours. The poor rating collaborates customer’s complaints of supply fails. Another area of poor performance was on reduction of Non-Revenue Water that stood at 38% against the benchmark of 25% (WASREB Impact Report Issue No.10, 2018). Non-revenue water and supply fail according to WASREB is attributed to integrity issues where staff colludes with customers to connect illegal connections to evade paying for water. The total population serviced is 3.4M; total number of connections is 604,649 while the active accounts are 582,502. The revenue turnover from the active accounts of Kshs. 112,819 billing was Kshs.9.6Bn. This implies that if the company reduce non-revenue water by 13 percent to hit the 25 per cent benchmark it would realize turnover of Kshs. 20Bn and monthly collection of Kshs. 1.6Bn. From the mathematics the revenue loss could have been used in expanding the infrastructures geared towards reduction of water rationing programme that are currently in place, and being tightened every other day either due to lack of rain or expanding population.

In recent years, Kenya has been experiencing a lot of industrial action by trade unions especially in the Public Sector. The Labour Commissioners Annual Report (2016/2017) indicates that they settled 667 disputes while strikes and lock outs incidences were 16. The strikes involved a total of 18,131 employees resulting to a total of 379,901 man hours lost. Worth noting is that out of the 16, water service providers were not affected majority incidences occurred in health and education sector. Despite the fact that the water service providers did not go on strike, Nairobi City Water and Sewerage Company participated in a go slow in 2017 due to leadership wrangles at board level and management. The operational and performance challenge aforementioned is an indicator that there exists a problem and may be the problem is associated with employee relations strategies employed in the organization. For effective output, communication of organization performance, what is expected from employees, coupled with involving employees in matters of the organization, provision of modest employee welfare and embracing of vibrant grievance resolution mechanism has a bearing on organization performance.

These objectives can be attained through implementation of sound employee relations policies and strategies and hence the researcher’s rationale of seeking to assess the influence of employee relations strategies at Nairobi City Water and Sewerage Company. A study conducted by Blyton (2008) revealed that employees do not put up their best performances at workplaces when they are un-happy with their leadership, government, or even their fellow

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colleagues. Unfortunately, most studies that have previously investigated influence of employee relations strategies on organization performance have not been done in water and sewerage companies. Oguwa (2011) did a study on influence of employee relations strategies on organizational performance at Kenya Commercial Bank, Kisumu Branch. Specific objectives for the study were staffing and promotions, employee training, performance appraisal, job analysis and job description and employee reward system. He however did not assess objectives that this study seeks to evaluate hence creating a gap that this study seeks to fill. Another study done by Karanja (2011) to establish relationship between employee relations and organization performance in Tororo Cement Factory in Uganda looked at communication, employee participation and general motivation factors but did not assess grievance resolution and staff welfare. This study will fill the gap left by the study. Critique of empirical review regarding the study reveal that no studies on employee relations strategies have been done in water and sewerage Companies in Kenya and Nairobi City Water and Sewerage Company. This study therefore intends to fill this gap by investigating the effect of employee relations strategies on performance of Nairobi City Water and Sewerage Company.

3. OBJECTIVES OF THE STUDY

The general objective of the study was to find out the influence of employee relations strategies on performance at Nairobi City Water and Sewerage Company, Kenya.

The specific objectives of the study were:

i. To examine how employee welfare, affect performance at Nairobi City Water and Sewerage Company, Kenya.
ii. To determine whether communication affects performance at Nairobi City Water and Sewerage Company, Kenya.
iii. To examine whether employee participation affects performance at Nairobi City Water and Sewerage Company, Kenya.
iv. To assess whether grievance resolution mechanism affects performance at Nairobi City Water and Sewerage Company, Kenya.

4. THEORETICAL REVIEW

The following section presents theories guiding the study. The study was guided by the unitarist theory, pluralist theory, systems theory and process theory.

4.1 Unitarist Theory

Unitarist theory originated from Fox’s (1966). The theory perpetuates that an organization should have one main body of authority. This body whether in the form of a single person or small governing body manages all the decisions in the business. Unitarian leaders in the workplace are concerned with keeping worker loyalty. They inspire hard work in their employees by creating a unified goal for all individuals. Businesses that employ this theory are good at motivating employees to a single goal, but are criticized for their increased disregard for trade unions and sometimes dictator like approaches to decision-making. Employees have no power, while managers have too much. It therefore conflicts with today’s employee relations which is about employee involvement, engagement and participation. Unitarist view is typically held by the management who saw their function as that of directing and controlling the workforce to achieve economic and growth objectives Armstrong (2006). According to Aborisade (2008), the larger social system or the work enterprise is likened to a football team or a family which shares a common goal from the unitarist perspective, all the ideas, observations and actions of management or government are legitimate and rational and all the ideas, perceptions and actions of the workers that conflict with the command of the
management or government are illegitimate and irrational. Unitarist suggest that management should set the rules and workers should cooperate in complying with the rules. A major strength of unitary theory is that it primarily wants to integrate employer and employee interests in order to enhance employee commitment and loyalty (Guest and Peccei, 2001). Unitary theory can be used as a basis for stakeholder management wherein employee are seen as important stakeholders of the organization and so their well-being is carefully considered in ensuring the welfare of the organization (Ackers and Payne, 1998). In line with the study, this theory is critical since it strives to ensure that management puts in place a well laid out management practices that supports employees to foster good relations and there is no need to have union to champion employee welfare. Consequently, it presents a weakness of ignoring employee voice and the spirit of industrial relations.

4.2 Pluralist Theory

Pluralism theory according to Fox’s (1996) creates a workplace where there is more than one source of authority. Decisions are typically made by a group effort and not according to the authority of one governing body. It is also more focused on individual goals, and supports the functions of trade unions. Pluralists differ from unitarists in that they start from a set of assumptions and values that workplace conflict is inevitable. Management and employees constitute two such groups, who, because of the very nature of the factory system, are seen as invariably subscribing to different values and objectives. From this frame of reference, it is also assumed that there will be different sources of authority within an organization, and that the potential for conflict between them will always exist over the organization of work tasks and the allocation of rewards. The pluralist doctrine is, therefore, a political theory which seeks to redress the shortcoming of the capitalist political order to prevent its overthrow and safeguard the status quo. It is the philosophy that is end of class based politics and the possibility of harmonious relations between the oppressed and the oppressor. The pluralist theory maintains that the social system is not a unitary organization but a coalition of individuals and groups with sectional interests and district perception of the social structure (Aborisade, 2008). Pluralist theory is important to this study since it gives cognizance to employee voice both direct and through trade union and this fosters good communication and employee participation that affects employee relations where employee commitment and trust is achieved.

4.3 System Theory

Systems theory was originally developed by (Bertalanffy 1968). The most famous theory drawing on a pluralist frame of reference is Dunlop’s, (1993) systems theory which argues that industrial relations are best regarded as a subsystem of the wider social system. The theory holds work to be governed by a wide range of formal and informal rules and regulations which cover everything from recruitment, holidays, performance, wages, hours and a myriad of other details of employment. It avers that these rules are what industrial actors try to determine that their establishment is influenced by the wider environmental context in which the actors operate and that the actors themselves share an interest in maintaining the processes of negotiation and conflict resolution (Leisghninger, 2013). Four elements are held to make up the system of industrial relations rule – making. The first is industrial actors, which consists of employer’s and their representatives, employees and their representatives and external agencies with an interest in industrial relations. The second is the environmental context which was made up of prevailing economic and technological conditions, as well as the distribution of power in wider society each of which is thought to influence or as well the distribution of power in wider society each of which is thought to influence or constrain the actions of actors engaged in industrial relations. The third is a so
called web of rules that governs the employment relationship and is held to be the outcome of interactions between the actors. The last is a binding ideology which is a set of common beliefs and understandings that serve to encourage compromises on the part of each actor for the sake of making the system operable (Gulyaev and Stonyer 2002). Systems theory is important to this study since employee relations thrive on both formal and informal rules and regulations. Organizations must put in place clear rules and regulations that guide communication, staff welfare, employee participation and grievance resolution for consistency and fairness.

4.4 Process Theory

Process theory focuses on psychological processes which affects motivation, by reference to expectations (Vroom, 1964), goals (Latham and Locke, 1979) and perceptions of equity (Adams, 1965). It is also known as cognitive theory because it is concerned with people’s perceptions of their working environment and the ways in which they interpret and understand it. Armstrong (2001) observed that the basic requirements for job satisfaction may include comparatively higher pay, an equitable payment system, real opportunities for promotion, considerate and participative management, a reasonable degree of social interaction at work, interesting and varied tasks and a high degree of autonomy. Process theories of motivation mentioned herein contribute heavily to human resource practices that have a bearing on psychological contract. Understanding motivation theory can certainly be more useful to managers than needs theory because it provides more realistic guidance on motivation techniques.

5. CONCEPTUAL FRAMEWORK

The independent variables were employee welfare, communication, and employee participation and grievance resolution mechanism. The dependent variable is performance of Nairobi City Water and Sewerage Company. The study sought to interrogate them as illustrated in figure 1 below.
6. RESEARCH METHODOLOGY

The study employed a descriptive survey design. Descriptive survey studies are those that are concerned with describing the characteristic of a particular individual or of a group (Kothari. 2004). This design was considered appropriate for this study since it was able to give room for exploratory and descriptive data. This form of data was important in understanding the influence of employee relations strategies on organizational performance at Nairobi City Water and Sewerage Company. There are 88 Water and Sewerage Service providers in Kenya (WASREB report) however Nairobi City Water and Sewerage Company is ranked as largest based on the service area, customer base and the number of employees. The target population was a total of 3534 staff working in the Nairobi City Water and Sewerage. The researcher obtained a research permit and letter of authority to conduct the research from the National Council of Science and Technology, Research and Innovation in Nairobi. The researcher also obtained a written authority to conduct the research at Nairobi City Water and Sewerage Company. The study used questionnaires as the main tool of collecting data from the target respondents and collected them to deter collusion and enhance the response rate. The researcher visited the research station in person for purpose of introduction, familiarization, distribution, administration and collection of data. Descriptive and inferential statistics were done using Statistical Package for Social Sciences (SPSS). Quantitative data was also analysed using descriptive statistics such as frequencies, mean, standard deviation and presented in tables. Correlation and regression analysis was used to determine the relationship between the variables.

7. RESEARCH FINDINGS

Inferential Statistics is the branch of statistics dealing with conclusions, generalizations, predictions, and estimations based on data from samples (Mugenda & Mugenda, 2009). The data was also analyzed using inferential statistics and the following tables was produced from SPSS version 21. The tables included correlation, Analysis of Variance (ANOVA) and regression equation table.

**Table 1: Multiple Regression Summary**

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Squared</th>
<th>Adjusted R Squared</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
<td>R Squared</td>
<td>Adjusted R Squared</td>
<td>Std. Error of the Estimate</td>
<td>R Square Change</td>
</tr>
<tr>
<td>1</td>
<td>.740</td>
<td>.548</td>
<td>.540</td>
<td>.31998</td>
<td>.548</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Grievance Resolution, Employee Participation, Employee Welfare, and Communication*

The R value representing correlation coefficient was given by 0.740 which means that there was strong positive correlation between the performance (dependent variable) and employee welfare, communication, employee participation and grievance resolution mechanism (independent variable). R Square representing determinant coefficient was given by 0.548 meaning that 54.8% of variation in performance is determined by employee welfare, communication, employee participation and grievance resolution mechanism but 45.2 % is explained by other factors. Therefore, further research should be conducted to investigate the other factors (45.2%) that affect the performance at Nairobi City Water and Sewerage Company.
Table 2: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>30.735</td>
<td>4</td>
<td>7.684</td>
<td>75.049</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>25.391</td>
<td>248</td>
<td>.102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>56.127</td>
<td>252</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization Performance  
b. Predictors: (Constant), Grievance Resolution, Employee Participation, Employee Welfare, and Communication

In an attempt to test the significant of the model, the study used ANOVA. From Table 17 the P-value is 0000b which is less than 0.05 thus the model is statistically significance in predicting how employee welfare, communication, employee participation and grievance resolution mechanism influenced the performance of Nairobi City Water and Sewerage Company. The F critical at 5% level of significance is 2.18. Since F calculated (Value = 75.049) is greater than the F critical, this shows that the overall model was significant. There exists significant relation between the dependent variable (performance) and the independent variable (employee welfare, communication, employee participation and grievance resolution mechanism).

Table 3: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.210</td>
<td>.234</td>
<td>.899</td>
<td>.370</td>
</tr>
<tr>
<td>Employee Welfare</td>
<td>.321</td>
<td>.050</td>
<td>.306</td>
<td>6.393</td>
</tr>
<tr>
<td>Communication</td>
<td>.182</td>
<td>.054</td>
<td>.194</td>
<td>3.389</td>
</tr>
<tr>
<td>Employee Participation</td>
<td>.286</td>
<td>.046</td>
<td>.340</td>
<td>6.249</td>
</tr>
<tr>
<td>Grievance Resolution</td>
<td>.212</td>
<td>.040</td>
<td>.236</td>
<td>5.238</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance at Nairobi City Water and Sewerage Company

The established regression equation by the study was: $Y = 0.210 + 0.321X_1 + 0.182X_2 + 0.286X_3 + 0.212X_4 + \varepsilon$ where $Y =$ Performance of Nairobi City Water and Sewerage Company, $X_1 =$ Employee Welfare , $X_2 =$ Communication, $X_3 =$ Employee Participation and $X_4 =$ Grievance Resolution Mechanism. Regression model established that taking the employee relations strategies investigated that is; Employee Welfare, Communication, Employee Participation and Grievance Resolution at constant zero, employee performance is at 0.210. From the study findings, the researcher established that, employee welfare had the greatest influence on organization performance at 32.1% followed by employee participation at 28.6%, then grievance resolution at 21.2%, and finally communication at 18.2%. This notwithstanding, grievance resolution, employee participation, employee welfare, and communication were significant as their P-values were less than 0.05 which implies that the management should continuously improve to change performance.

Employee welfare had a positive and significant effect in performance of Nairobi City Water and Sewerage Company, Kenya as indicated by their t-values ($t=6.393$, $P<0.05$). Employee welfare was found to have a greater influence on the performance of Nairobi City Water and Sewerage Company at 32.1% and therefore very important for management to continuously improve on employee welfare programmes that motivates and spurs commitment by employees to the organization. Communication had a significant influence in performance at Nairobi City Water and Sewerage Company as indicated by their t values ($t=3.389$, $P<0.05$)
however as compared to the other variables its influence was the least at 18.2% which implies that though the strategy was significant there was need to improve the others like employee welfare and employee participation for better organizational performance. Otieno, Waiganjo and Njeru (2015) looked at the effect of employee communication on organization performance in Kenya’s horticultural sector and found out that communication is a major determinant of organization performance since communication facilitates exchange of information and helps in improving operational efficiency. Ngui (2016) also established that a positive effect of quality of communication between managers and staff and between employees among themselves on performance. When there was proper, continuous and efficient communication between employees and management and also with the unions it was found that the levels of trust increased and this in turn led the employees to be ready and willing to undertake their duties responsibly.

Employee participation had a positive and significant influence in performance of Nairobi City Water and Sewerage Company as indicated by their t values (t=6.249, P<0.05) which means that the management of Nairobi City Water and Sewerage Company consult their employees on how to improve the performance. Odhong and Omolo (2014) concluded that by involving employees individually and through union the outcome is positive employee relations as opposed to unitarist theory of centralization of power. Grievance resolution mechanism had a positive and significant influence in performance of Nairobi City Water and Sewerage Company as indicated by their t values (t=5.238, P<0.05). This is in consistent with findings from a similar study by Chenevert and Trembly (2009) who found that good employee relations practices such as employee voice and dispute resolution mechanisms have a positive effect on organization performance. A study by Allan, Dungan, and Peetz, (2010) established that the intensity of collaboration between management and workers (through unions) had a positive effect on workplace performance.

8. CONCLUSIONS

Good employee relations lead to intrinsic motivation and motivational practices affect employee performance positively. Motivated employees are inclined to be more productive than non-motivated employees. Maintaining harmonious relations is very important for the survival, prosperity and growth of the organization. Good and healthy employee relations leads to better organizational performance. Similarly, the study found that there is a positive significant relationship between employee relations and employee performance as well as between employee relations and organizational performance. It can be deduced from the study findings that all the four employee relations strategies discussed in the study that is; employee welfare, communication, employee participation and grievance resolution were positively related to organization performance. Secondly, it was also established that; Grievance resolution, employee participation, employee welfare, and communication as strategies of employee relations at Nairobi City Water and Sewerage Company, Kenya were found to be significant variables in as far as organization performance is concerned hence were critical in that regard. This shows in policy, grievance resolution, employee participation, employee welfare, and communication need to be considered seriously with regards to organization performance for Nairobi City Water and Sewerage Company, Kenya.

The employee relations strategies of the Nairobi City Water and Sewerage Company, Kenya contributed positively to the general institution performance. Consequently, the study recommends that, the institution should consider reviewing wellness programmes under employee welfare strategies. The study also proposes that, employee participation strategies should be integrated to the existing organization values. The organization norms in terms of work and values should enhance the decision making of both the management and employees.
positively and attract new staff and retain best performers to boost organization efficiency, revenue collection and customer satisfaction. The research work also proposes that, the management should ensure that grievance resolution mechanism strategies are those that ensure that grievance raised by employees are resolved promptly, fairly and consistently to all employees. The Company should also review policies aimed at improving service delivery for organization growth. Finally, the study recommends that the Nairobi City Water and Sewerage Company, Kenya should invest more on open door policy as practiced by the management, employees receive timely communication on company matters, enhance wellness programmes and improve resolution and communication of raised grievance. But generally Nairobi City Water and Sewerage Company employee relations strategies employed by Nairobi City Water and Sewerage Company is good and promotes staff commitment and performance.

REFERENCES


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