

**THE IMPACT OF LABOUR RELATION ON EMPLOYEE RETENTION:
A CASE STUDY OF NATIONAL WATER AND SEWERAGE CORPORATION**

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UNIVERSITY.**

MAY, 2008

DECLARATION

I, Husna A. John hereby declare that the work presented in this dissertation is my own work and has never been submitted for a degree or for any academic award in any university or any institutions of learning.

Signature: 

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Date: 31st/05/2008 :

APPROVAL

I, Ms. Nakate Sylvia, declare that I have supervised the student's work and I have approved it for submission to the university.

Signature: 

Ms. NAKATE SYLVIA

Date: 

DEDICATION

This dissertation is dedicated to our beloved Chamhene's family particularly my beloved father, Mr. Athuman, my beloved mother, Mrs. Zainabu Athuman as well as my young sisters and brothers, my beloved late brother Ally, Ayubu, Nasim and Nasra. It is also dedicated to the family of Mr. and Mrs. Luzabiko.

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Allah is my creator and source of my strength and wisdom. May his enlighten and inspirational force dwells in my life in all of the rest of my days on the planet earth.

A debt of gratitude is owned to my supervisor, Ms. Nakate Sylvia whose sterling supervision has facilitated the completion of this dissertation. May Allah reward her abundantly.

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LIST OF ACRONYMS

NWSC	-	National Water and Sewerage Corporation
KIU	-	Kampala International University
SPSS	-	Statistical Packages for Social Sciences
Phd	-	Doctorate of Philosophy

ABSTRACT

In this new arena of globalization and international competition, new paradigms for labour and industrial relations are emerging. Labour is now more about intellectual capital and the free and flexible movement of this capital. One of the main challenges that African countries are facing, Uganda in particular is that of poor employer-employee relation. There is no doubt that some companies are still entertaining the archaic and oppressive traditional approach to industrial relation (Master-servant model).

It is from within this context that, this study was undertaken to examine the effect of labour relation on retention of employees where by a case study of NWSC was used. The study was driven by the three objectives that are; the impact of labour relation on employee retention, relationship between labour relations and employee retention and finally the objectives of labour relations. Literature deemed relevant to each of the above objective was developed from various sources such as internet, journals and libraries. The study adopted both descriptive and analytical research design to collect data from the respondents.

The study portrayed that industrial relations implicates employee retention. Industrial relations was reported as one of the key elements in the systems of labour administration, it affects employees in that, it generates environment of mutual trust between employees and management. It further observed that there is the need to practice newer industrial relations initiatives so as to increases team spirit, avoid conflict among team members through a work place that respects peoples needs and interests.

Finally the researcher suggested recommendations to overcome poor industrial relation practices that hamper the company's desire to retain its employees. Such solutions are; Bench making, widening the scope of involvement and participation, genuine faith and corporation between management and employees, appropriate use of leadership style, Counseling programs and exisistense of strong, well organized and democratic employee unions.

CHAPTER ONE

1.0 Background to the study

Labour relations refers to the collectivity of workers into a relationship with their employers that is aimed at creating conducive conditions in which relations may be improved and harmonized. Its also one of the key element in the system of labour administration and one which is being impacted by rapid pace of social, economic and labour market changes. In this new arena of globalization and international competition, new paradigms for labour and industrial relations are emerging. Labour is now more about intellectual capital and the free and flexible movement of this capital. Industrial relations are characterized by relationship between employees and their employers and their association and the government. The government involves shaping the industrial relations through laws, rules, agreements, and awards. The rules and regulations are created to create harmonious relations. It aims to develop the skills and methods of adjusting to and cooperating with each other.

With an increase rate and growth of industries, there are rapid changes in industrial development which in turn necessitates the need for industrial peace; industrial peace at work place depends on industrial relations. This kind of relationship is very vital for successfulness and growth of an industry. It has also being recognized that management will be disorganized, ill-equipped and ineffective. It is realized that the concrete cooperation

between labour and management is highly essential to fulfill the individual, Organisation and national goals (P. Suba Rao 2001). In Clerk (1997) observed that if labour relations are implemented, there will be increased organizational competitiveness, improved relationship between workers and employers, improved human welfare, building team work, there will also be increased morale and commitment, sense of duty and sense of belongingness among the employees as well as combating industrial actions like strikes sabotage and work stoppages.

National Water and Sewerage Corporation (NWSC) is a Ugandan government parastatal that was established in 1972 with the role of developing, operating and maintaining water supply and sewerage services in any specified part of Uganda. On a self sustaining basis. (NWSC Annual report 2007).The corporation falls under the ministry of water lands and environment which currently operates in 12 towns in Uganda. That is Kampala, Jinja, Entebbe, Mbale, Fort portal, Masaka, Tororo, Iira, Kabale and Gulu towns. However, Kampala is the largest area under National Water and Sewerage Corporation operations and has a daytime population of over 1.5 million users estimated population growth in Kampala is estimated to be 5% per annum. While industrial growth is about 16% per annum. (Budget Report 2007), These factors have resulted in an overwhelming demand for increased water supply and sewerage services in Kampala hence the need to improve on the employee relations in order to meet the growing demand for the services. However, this ratio of the increasing demand of the services to the number of employees is alarming, which has resulted into poor employee

relations, where by employees are not given attention leading to poor working relations.

1.1 Statement of the problem

Labour relations in the present era has become important organizations because it has helped them as well as their employees to enhance performance through implementation of labour relation procedures hence employee retention. However in NWSC poor labour relations has not been implemented which has resulted into conflict between management and employees, labour turn over, poor performance, low commitment, bad image of the organisation within and outside the organisation. If one labour relation in NWSC is not improved upon, employee retention is going to be a problem in NWSC employees are going to leave the organisation to better organizations.

1.2 Purpose of the study

To establish the effect of labour relations on retention of employees.

1.3 Objectives of the study

To examine the impact of labour relations on employee retention.

To establish the relationship between labour relation and employee retention.

To identify the objectives of labour relation.

1.4 Research questions

What is the impact of labour relations on employee retention?

What is the relationship between labour relation and employee retention?

What are the objectives of labour relations?

1.5 Area and scope of the study

Geographical scope

The study covered Kampala National Water and Sewerage Corporation headquarters on Jinja road, because it is nearer to the researcher's place of study and far busiest office of National Water and Sewerage Corporation with a lot of employees.

Content scope

The study focused on the impact of labour relations on employee retention in National Water and Sewerage Corporation, covering a time scope of three years that is from 2004-2007.

1.6 Significance of the study

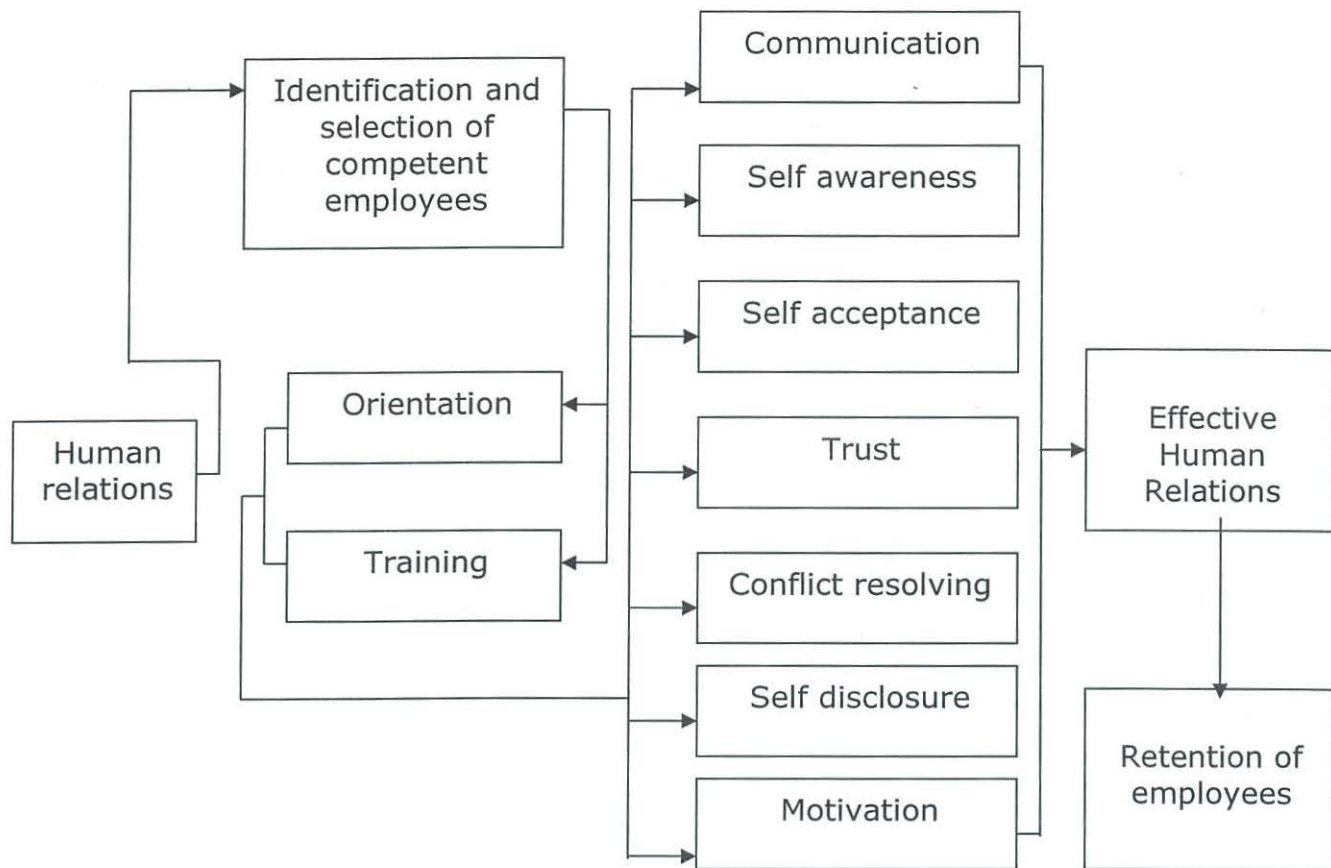
The study will enable the managers to achieve knowledge of effective labour relations.

The research study will act as a reference for the future researchers in the field of study.

The study will be part and partial for fulfillment for the award of Bachelor Degree in Human Resource Management of KIU.

1.7 Conceptual Framework

Figure 1.1: Conceptual framework



Source: Self Initiated by the researcher

In well set human relations managers have a task of identifying and selecting competent employees by analyzing their qualification such employees are interviewed and those who qualify are oriented into the organisation by giving them company rules and regulations, what they are supposed to do, who is to monitor them, salary description and other additions like job security cautions and health security schemes.

After they are trained how to operate the machines and other materials used in the organisation. This training is done whenever need arise, that is like in change in technology or diversification from one system to another.

When employees have been trained, information has to be communicated to them in the most efficient and effective ways at low costs. Employees should have self awareness where they reveal their identities like age, family responsibilities and what they are expected of in the organisation. Self acceptance is initiated into employees by trusting their competence to performing the would be hard tasks, managers set rules and regulations together with the supervisors with employee representative to set a general code of conduct to be trusted by all employees in the organisation.

Conflicts are resolved according to set rules and penalties are well set. The rules should not always be against the wishes of employees. Employees should disclose to their managers their grievances to be solved before they paralyze the activities of the company.

Lastly it's the task of managers to motivate employees, through setting good rules and regulations, giving incentives like salary advances and bonuses among others.

Such employees under those circumstances can effectively work with high performance and can help the organisation to be successful leading to their retention.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher reviewed a number of theories to extract literature pertaining to labour relations and employee retention. In so doing the subject of inquiry was extracted in light of previously conducted research and scholars work such as Ahuja.

2.1 Labour Relations

Ahuja (1986) defines labour relations as the collectivity of workers in co-relationship with their employers that are aimed at creating conducive conditions in which relations may be improved and harmonized.

If the relations are not cordial, one reason may be found either with the management or with labour or with both. Once an unhappy solution has developed the blame could be appointed to both parties.

Cush way (1999), contends that labour relations is a system comprising of inputs derived from goals, values and power of the actions in a system and producers for converting inputs into outputs.

Borrow Everalld (1984), suggests that labour relations related to an idea of collective bargaining for higher, pay and other benefits aimed at resolving their differences.

They state their agreement in a contract known as the labour contract.

Tomlison Tiratsoo (1993), agrees that whenever labour and management resolve their differences. They state their agreement in a contract known as the labour contract the contract specifies the wages, hours, fringe benefits, seniority disciplinary process grievance procedures and the length of the time the contract will remain in force. Both management and labour are bound by the terms of the labour contract which is a trigger to effective fulfillment of duties and rights.

R.S. Davar (1996), states that labour relations is an expression that relates the nature of relationship between employer and employee in an industry where willing corporations emanates from the employees towards the achievement of organizational goals.

Kessler Bayliss (1995) argues that however it is the responsibility of the management to create such conditions in which relations may be improved and harmonized.

The responsibility for breaking the vicious cycle is exclusively that of the management even to serve their own ends if labours are not responsive, the relations are not cordial. Therefore the efforts of interaction from the management side become more important.

Tomlison Tirabsco (1993) contends that the development of good labour relations can produce positive outcomes for management during contract negotiations.

The contract specifies the wages, hours, fringe benefits, seniority, disciplinary process, grievance procedures and the length of time the

contract will remain in force. Both management and labour are bound by the terms of the labour contract which is bigger to effective fulfillment of duties and rights.

The procedures for converting inputs into outputs are the mechanisms used by different organizations to arrive at conclusions that meet the goals of various parties involved. This system refers to the rewards available to one employee within the main function of allocation these rewards which should also seek to reward the employer since the most desirable outcomes of both sides win. The most desirable outputs therefore are those that will also help the organisation to retain the employees (Cusu way 1999).

2.2 The Impact of Labour Relation on Employee retention

According to Balunywa (1998), social working conditions have played a significant role towards employee retention. The formal organisation of a company significantly influences the social conditions of the job which in turn plays an important part in motivating employees towards improved or impaired job performance and productivity. The overall structure and the personal priorities of the company influencing the behaviour of employees, hence employee retention.

However it was observed that as far as personnel policies are concerned, it was noted that employees when they first report for new jobs, they are highly motivated and want to do their best to be productive, however, a number of factors work towards the retention of employees and these are as follows:-

Job orientation

The company should have a job orientation programme to show the employees the importance of his job and how it ties to the end product. The employees should be given the information they need to enable them adjust to the new job situation quickly.

Challenging jobs; The Company's management should attempt to make each job challenging and interesting to the employee so as to motivate one to work hard and have a sense of accomplishment.

Selection procedure; The company should have a good selection programme to choose people with proper abilities for the jobs they are to perform and place them on the proper jobs where they are most likely to be able to meet their needs.

Standards; The Company should make clear the standards it expects employees to meet or even when appropriate let the employees participate in the discussion of the goals to be established.

Remuneration; The Company's wage and salary levels should be similar to those of other companies in the same industry. If possible it should even be made more competitive for the purposes of job retention.

Job evaluation; The pay range for each job should properly reflect the relative importance, difficulty and responsibility of that job so that employees feel that they are fairly treated.

Performance rating; The Company should let each employee know how he can improve and what the opportunities are for advancement.

Training; The Company should provide training for its needy employees so as to enhance their performance skills.

Co-operation

The industrial or organizational productivity is based on co-operation between labour and the employer who owns capital. (Ahuja 1986) states that the cooperation between the two is nothing more than coming together of labour and employer and regarding each other partner.

Edwards (1979) further suggests that co-operation is one of the necessities of some sort of working relationship to be reached for effectiveness hence employee retention.

Unionization

Flippo (1984) states that these are also known as trade unions, these are organizations of workers formed to promote, protect and improve through a collective action. The social and economic and political interests its members from all these, the dominant interest with which the union is concerned is economic, it desires to improve on wages, hours, and working conditions. The successful manager of personnel is one who has effectively intergraded the interests of labour unions under those of the company hence employee retention (Armstrong 1992)

Remuneration

According to the report of the parliament committee on the national economy March 2005; States that the output of employees is needed to reflect values of money paid to them that were should be devotion and commitment to full time jobs. This is a very sensitive area to deal with, most organizations suffer difficult trends in their budgets due to under performance. Salary is one of the contentious issues raising many complaints from the organizations. Workers of NWSC complain that the salary is too meager compared to the risk at work, lower managers works more than the senior staff but it is always senior staff that gets high incomes. The difference in salary scale causes discontent. It is important that during negotiations, the scale of salaries of both staff is mentioned with clarity.

Welfare

Welfare, one of the backbones of human resources management policy. Employees depend so much on the welfare system to supplement their meager salaries; welfare constitutes different elements such as transport allowances, food allowances, sick leaves, death allowances and gratuity (Edward 1979), Contends that labour is supposed to receive allowances on lunch, transport, medical, subsistence and housing. Recce Brandt (1999:20) lists "communication, self awareness, self acceptance, motivation, trust, self disclosure and conflict resolving as the major themes in human relations". With all the above in good relation and effectiveness the hired staff can perform successful and thus the organization can increase its productivity.

Higgins James (1982:27) States that, "Human (labour) relations is the management function concerned with getting training, motivating and keeping competent employees." Staff with high chance of being retained must respond well to aspects like competence which leads to increase or improving on the productivity of an organization, which is one of the major goals of any organization. Stephen P. Robbins and David A. Decenzo (2001) "Human relations must identify and select competent employees that will easily adopt to the organization and must ensure that their job skills and knowledge are kept current." Recruiting of competent staff means the employees that can be current updated for a longtime hence their retention in the organization activities.

James D. Mooney and Alan C. Reiley (1939:40) and 43) when examining human relations stated that "the motivator (especially managers), should always relate the motivation to the content of an individual's job." The process of motivation in most cases should begin with the manager and the organization to satisfy employees' needs to rid them, of tension." Well motivated staff develops a positive personality to organization goals even if the environment may not be so favorable.

Stephen P. Robbins and Mary Coulter (1996:478) noted that "in human relations recruited staff should have the ability to learn through training." They further note that before training new staff on their job obligations they should be oriented first to know the goals and requirements of the organization's goals.

2.3 Relationship between labour relations and employee retention

According to Weyland E. and Core M. 1984; the success of any service organisation more so in the NWSC depends most entirely on its ability to retain its employees. According to circular Reports (2001), Employee retention multi dimensional phenomenon in which influence factors are inter linked and often interdependent and include among others, compensation, working conditions, relationship, communication, training and development effectiveness, efficiency, fulfillment. Edwards (1979), further states that organizations that try to manage employee well, normally find themselves performing better than their counterparts in the same industry hence retention. According to Robbins Coulter (1999), labour relations are important and with a good labour management relation. Labour can produce positive outcomes for management during contract negotiations. He further suggests that organizations not only retains from discriminating but also actively seems to enhance the status of members from protected groups.

According to Ian Clark 1997, it is latter requirement of performance which necessities the employing firm structuring employees labour process in order for labour capacity to be effectively retained.

However (Nabusoba 2002) argues that what is now becoming increasingly clear is that not all organizations are practicing managers of labour relations. The activities involved in the labour relations is still not taken care of and perhaps it becomes a concern.

2.4 Objectives of Labour Relationship

Kessier Bayliss (1995), states that the objectives of labour relation agreements should be to fulfill the interests of labour and the interests of the employer to enhance performance. In an industry process, there is multiplicity of relationships and all of them are very important of an organisation has to operate effectively.

In Clark (1997) provides the relevant management objectives that include improving the relationship between workers and employers, improve human welfare, combat industrial actions like strikes sabotage and work stoppages, build team work (synergy) encourage creativity, innovation and labour knowledge into the organisation to stop the organisation image in terms of goodwill, to increase the idea of morale and commitment, sense of duty and sense of belongingness among employees.

Increased organizational competitiveness can be achieved through improving the human relations in such way that, employees are given training through on-job- training, and orientation. This leads to skills development thus making employees competent to sustain high production. Such employees are retained by the organisation since other organizations may want to take as well.

Through good labour relations employee and employer relationships improve. When employees are motivated through various incentives like salary bonus, advances, timely pay and welfare services such as housing, they respond well to their employer's directives to achieve the goods of the

organisation. Employees become obedient and trustworthy which attracts their employees to retain them for a long time.

Good labour relatives aim at improving human welfare services.

Through good organizational arrangement services such as accommodation, feeding, transport, medical care, recreation, believing, education among others as the organisation may wish to decide. When employees are sure of welfare services their standards of living improves, save much of their salary thus become motivated. Organisation with good human welfare is not more likely to loose employees to other organizations unlike the ones with poor human welfare services.

Labour relations also aim at combating industrial actions like strikes, sabotage and work stoppages. Organizations with employees having good labour unions are less likely to go on strikes where company property may be destroyed or work stoppages due to poor coordination. This is because through anions employees make collective bargaining. This creates room for both employers and union's representatives to discuss and solve problems before they escalate to danger. Good relations through communication, self disclosure and conflict resolution mechanisms help to have good coordination where sabotage may easily be dealt with.

Relations also aim at building team work. When employees are well selected and recruited, oriented and given on the-job-training to update their skills, they become competent. Competent employees who are well coordinated in different departments can always help each other because

they possess a variety of skills that can enable them shift from one area of service to another or can do more than one task simultaneously. This creates a unified workforce that can be retained for a long time since it's productive.

Labour relations are meant to encourage creativity innovation and labour knowledge into the organisation. when employees are well trained they gain skills that help them to be creative, they can adjust to ever changing working conditions and when they are retained for a long period of time they gain experience that leads to the competitiveness. Through good self concepts and awareness employee know more about themselves and this may realize their weakness and improve on them or strengthen their strong attributes towards work.

Further on, good labour relations such as code of conduct, performance appraisal criterion help to manifest the image of the organisation in terms of good will. Through good rules and regulations, appropriate conflict resolution mechanisms may be designed that help to evaluate the behavior of different employees. When employees are well motivated through welfare services, performance appraisals, salary advances and bonuses, among others their morale and commitment increases thus achieving the goal of labour relationships. When employees communicate effectively, well motivated, well trained and has job security a sense of duty and belongingness among employees develops. This increases workers performance and thus can be retained for a long period of time.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the methodology that was used in the study. This includes research design, sampling data collection method and instruments and justification of the methods used. It further considered the problems that were likely encountered during the study, processing and analysis method that used.

3.1 Research design

The study adopted both descriptive and analytical research design to collect data from the respondents. The descriptive design was proposed because it is a method of investigation in which data that will be collected from various samples of predetermined interests could be done. Given this nature of topic, the researcher need to adequately explain each phenomenon needed for each item calling for a descriptive survey research design.

3.2 Population

The population under the study included employees of NWSC in different functional department like personnel, Administration, information technology and accounts bill sections regardless of functional distribution. The company comprises of a population of 200 at the headquarter where this study was centred.

3.3 Sample size

Given the above population of 200, the researcher extracted a sample of 60 respondents to generate primary data. The researcher categorized this sample in respect to functional distribution as illustrated here below;

Table 3.1 Sample size distribution

Department	Number
IT technical personnel	30
Subordinate	20
Administration	10
Total	60

Source: Primary data

3.4 Sources of data

The researcher used both primary and secondary sources of data collection.

Primary data was got from self administered questionnaires, which will be sent to the respondents in NWSC.

Secondary data will be got from the already available literature written by different authors. Also journals, magazines and the organisation records relating to labour relations and retention were used.

3.5 Research procedure

The researcher got an introduction letter from the school of Business and Management which was presented to the Human Resource Manager of NWSC, who gave the researcher permission to carry out this research.

3.6 Data collection methods

The researcher used a combination of both the purposive and convenience methods of data collection.

3.7 Data collection instruments

3.7.1 Questionnaires

Self administered questionnaires were used and were made up of structured and unstructured questions. The study intended to use a questionnaire because it helps to cover a bigger number of respondents in relatively short time. It also helped to generate reliable data from the respondents since it was self administered, and the respondents thus the questions in their own mood.

3.7.2 Interviewing

The researcher used interviewing as a means of data collection in order to supplement other techniques. It is considered worth while to conduct personal interviews with the NWSC employees so as to collect data regarding the research problem.

The use of interviewing enabled the researcher to get more data, which the questionnaire could not cover. This is because interviewing, as a method of data collection is much more flexible.

3.7.3 Written documents

The researcher made a review of the information in the written documents on the efficiency of labour relations and employees' retention. Such written documents include text books, reports, magazines, pamphlets and journals.

The gathered data supplemented the data got from the self administered questionnaire.

3.8 Data processing and analysis

Before processing and analysis, the researcher edited and coded the questions and responses.

3.8.1 Editing

This was carried out to ensure that the data response is accurate, reliable and consistent. All questionnaires from the field were carefully scrutinized so as to check on the missing portions, omissions, incompetence and inconsistencies.

3.8.2 Coding

After editing the data, the researcher coded them. This consists of translating edited responses into numerical terms.

3.8.3 Data analysis

The responses of the subject was categorized in frequency counts and score tables and percentages calculated. The interpretations and conclusions were then made according to the number of accurate of each of the item using SPSS.

3.9 Limitations of the study

1. Lack of enough finance. The whole exercise of research is to do with typing, photocopying, surfing from the internet, transportation, lunch which all requires money.

2. The period or time frame allowed to carry out research and finish it, seems not to be enough since there are other theory papers during the course of the study which needs concentration as well.
3. There is likely to be poor response from the respondents of NWSC, when approached to deliver some data giving various excuses like, am busy or the issues are very sensitive.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.0 Introduction

This chapter attempts to present the findings of the study in relations to the study objectives and research questions. The chapter also presents the research findings bearing in mind the aim of this study which was to investigate the effects of labour relations on employee retention. The study uses both descriptive and analytical techniques to measure the variables used to explain relationship between labour relations and employee retention. The findings were presented in form of tables and figures. The specific objectives which were examined are, impact of labour relations on employee retentions, relationship between labour relations and employee retention and the objectives of labour relations.

4.1 Demographic Characteristics

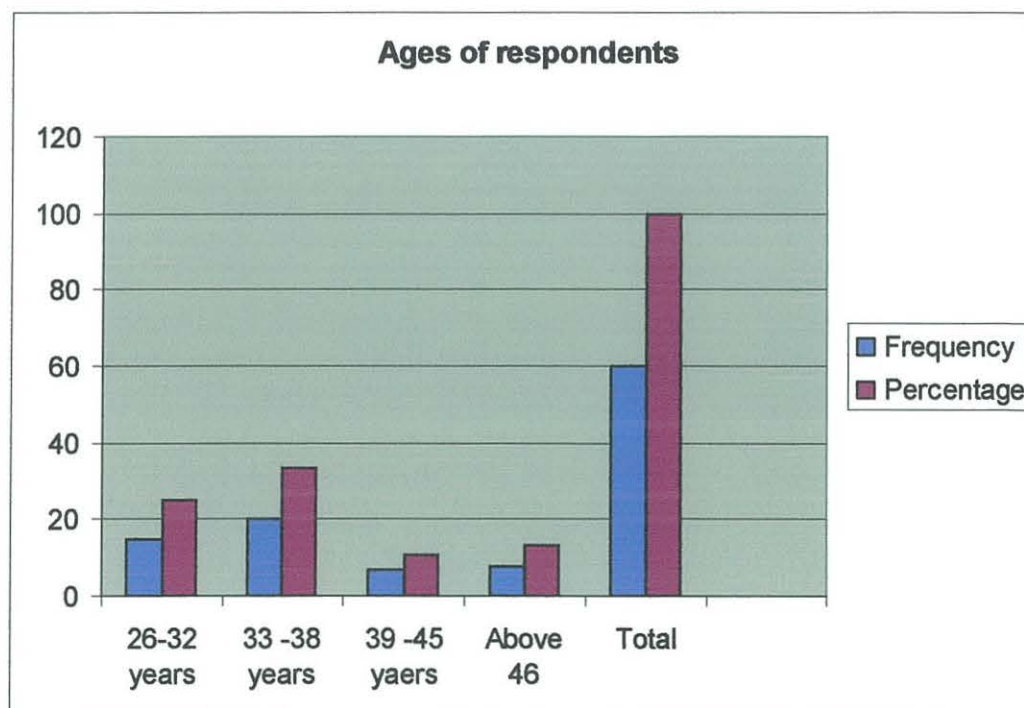
This part sought to analyze the background information of the respondents in terms of their distinguishing features such as age, marital status, gender and educational qualification. This information was presented through the use of tabulation method.

Table 1.4: Age of respondents

Age of respondents	Below 25 years	26-32 years	33-38 years	39-45 years	Above 46	Total
Frequency	10	15	20	7	8	60
Percentage (%)	16.6	25	33.3	11	13.3	100

Source: Primary data

From the above table, the findings revealed that, the biggest population of the company lies between 36-38 years, forming 33.3% of the targeted sample administered. This age group was closely followed by the 26-32 years age group, making 25% of the sample, the least was 38-45 years age group amounting to 11%. From the above table the results were further presented using a bar-graph.

Figure 1.4: Age of respondents

Source: Primary data

From the above bar-graph, the findings shown that the majority of the population comprise of 33-38 years age group represented by 20 employees. The second age group was 26 -32 were the least was 38-45 years age group.

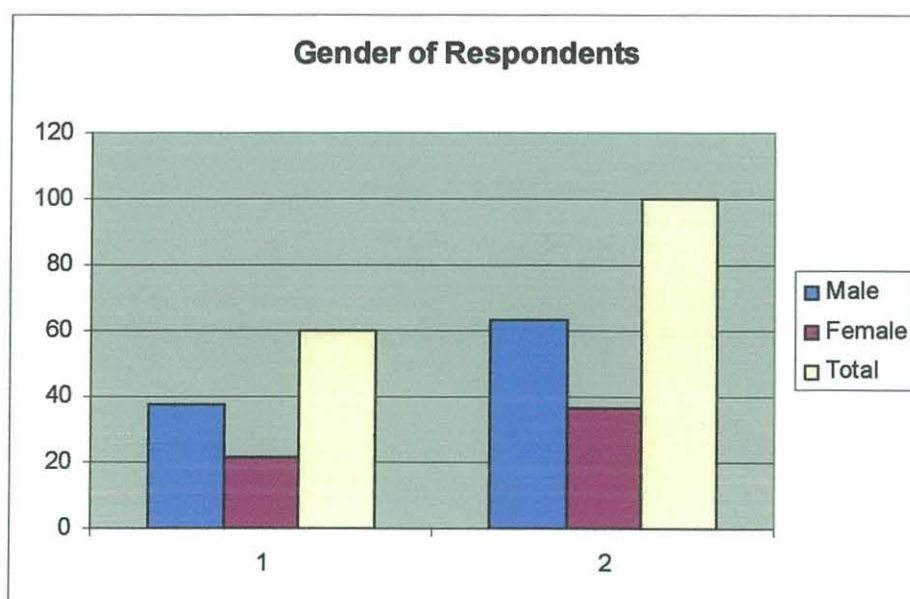
Table 2.4: Gender of respondents

Gender of respondents	Male	Female	Total
Frequency	38	22	60
Percentage (%)	63.3	36.6	100

Source: Primary data

According to the findings presented in the above table, the researcher observed that the majority of respondents were males forming 63.3% of the sample while only 36.6% was represented by females.

Figure 2.4: Gender of respondents



Source: Primary data

Given the above bar-graph, the findings indicated that NWSC comprises of more males than females, males form 63.3% while females form 36.6%.

Table 3.4: Marital status and educational level of respondents

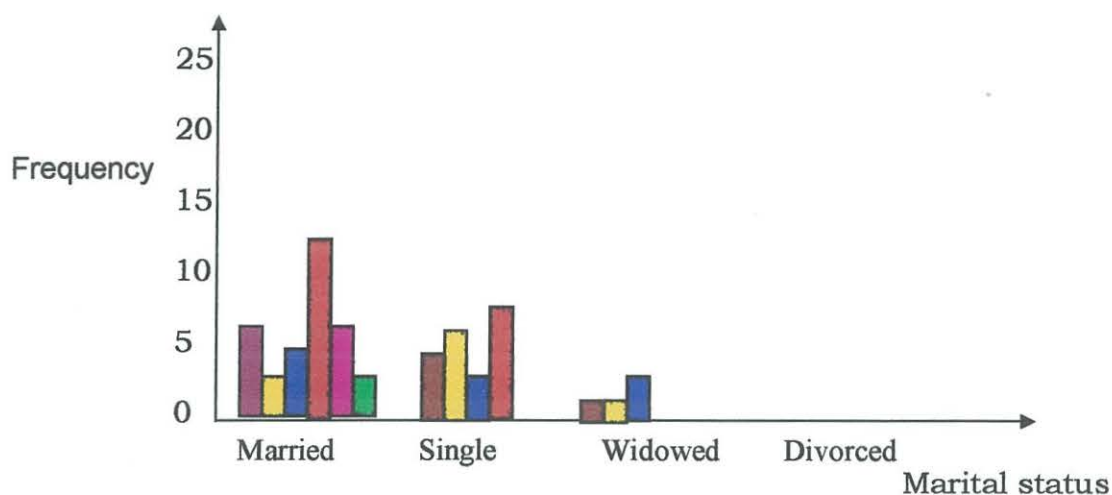
Marital status and educational level		Frequency	Percentage (%)
Married	Form six	6	10
	Certificate	2	3.3
	Diploma	5	8.3
	Degree	12	20
	Masters	6	10
	Phd	2	3.3
Single	Form six	5	8.3
	Certificate	6	10
	Diploma	4	6.6
	Degree	7	11.6
	Masters	-	-
	Phd	-	-
Widowed	Form six	1	1.6
	Certificate	-	-
	Diploma	1	1.6
	Degree	3	5
	Masters	-	-
	Phd	-	-
Divorced	Form six		
	Certificate		
	Diploma		
	Degree		
	Masters		
	Phd		
Total		60	100.0

Source: Primary data

Irrespective of marital status, the research findings revealed that most of the respondents hold bachelors degree, 36.6% of the sample was reported. This

was closely followed by form six leavers accounting for 20% of the sample; others were diploma, certificates, masters and Phd holders. It's also observed that marriage forms a population of the company followed by singles amounting to 55% and 36.3% respectively. These findings were further presented using bar-graph below;

Figure 3.4: Marital status and educational level of respondents



Source: Primary data

Key

A	Form six
B	Certificate
C	Diploma
D	Degree
E	Masters
F	Phd

By looking at the above figure 3.4, the researcher observed that marriage make 55% of the population and 36.3% was represented by singles.

4.3 Impact of labour relation on employee retention

Descriptive studies were used to examine the effects of labour relations on employee retention.

4.3.1 Measures to ensure employee retention

According to the findings, respondents both managers and employees reported that employees are retained through engaging in different labour relation practices and procedures. It was observed that employees who join the company are given orientations and to make the orientations successful, employees are given a handbook of retention policy tips.

Table 4.4: The impact of orientation on Labour relation

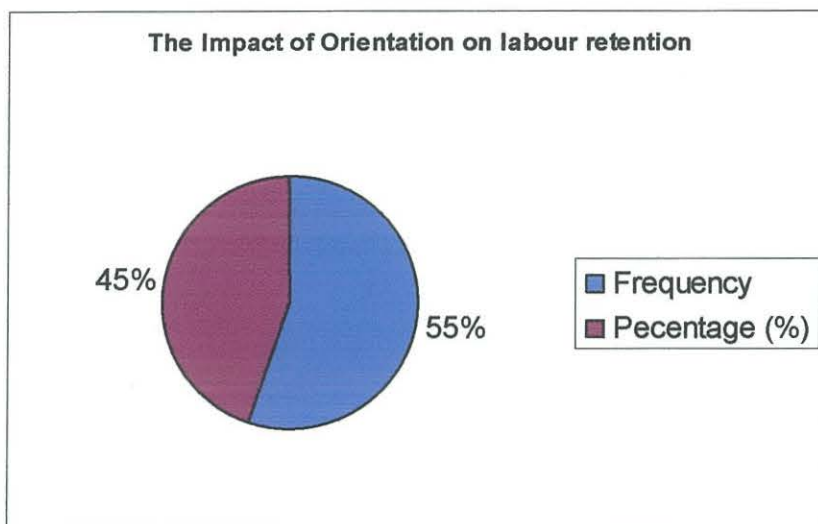
When recruiting staff do you give them orientation?	Yes	No
Frequency	33	27
Percentage (%)	55	45

Source: Primary data

From the above table, it was reported by 55% of the respondents that orientation is given to employees. Only 45 respondents who said that orientation is not given. Employees who are oriented come to know the company policies and procedures and react in accordance with those rules. As a consequence of this their relationship with management is enhanced. Through this it can be observed that NWSC is not fully dedicated to orient its employees as the gap between those who accepted and those who did not accept is only by 5%.

The findings above can further be presented using the figure below.

Figure 4.4: The impact of orientation on labour relation



Source: Primary data

According to the findings of this study, 55% claimed the company to carry orientation while 45 percent did not agree.

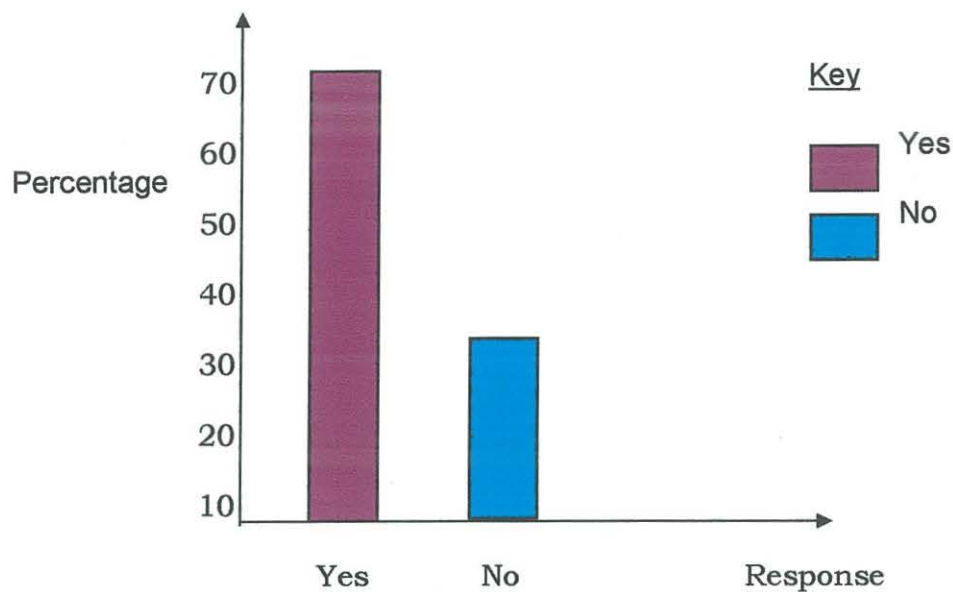
Table 5.4: Provision of retention policy tips

Do you receive retention policy tips in the organisation?	Yes	No	Total
Frequency	42	18	60
Percentage (%)	70	30	100

Source: Primary data

Provision of retention policy tips is another way that is used to retain employees at NWSC. Majority of respondents making 70% of the sample said that they received retention policy tips that guide them on issues pertaining to retention.

Figure 5.4: Provision of retention policy tips



Source: Primary Data

From the above figure, 70% of the respondents claimed to be given retention policy tips, on the other hand 30% did not claim so. It was also observed that labour relation has an impact on motivation. Motivation in turn is used as a mechanism to retain employees. It was seen that the company conducts scientific job analysis in order to recognize the relative worth of each job and hence remunerate its employees fairly and equitably. To retain its employees it was observed that the data that support job analysis procedures were obtained through wage and salary survey. Trough doing this, it helps the company to some extent manage to maintain internal and external equity. In the same way, it was observed that jobs are designed to make them challenging in order to maintain highest level of motivation.

Table 6.4: Challenging job and motivation

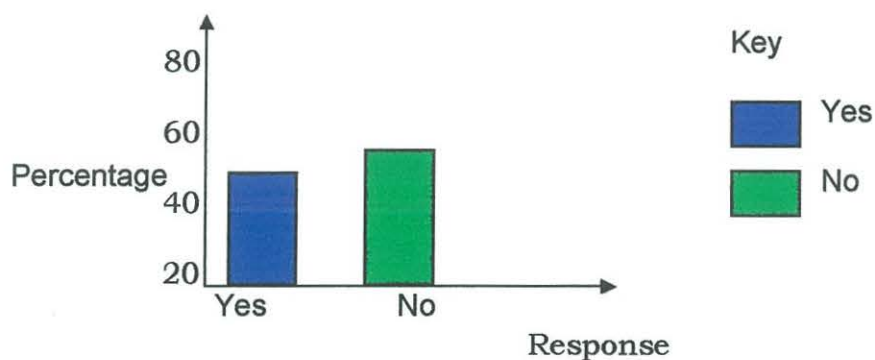
We believe that employees are motivated by challenging jobs and the one that is well designed.	Yes	No	Total
Frequency	28	32	60
Percentage (%)	46.6	53.3	100

Source: Primary data

From the findings above, the researcher observed that the company beliefs about challenging jobs and increase level of motivation is low. 46.6% beyond half of the respondents claimed to believe on the notion that challenging jobs motivate employees. The remaining 53.3% do not believe so.

The findings were further presented using the following bar graph.

Figure 6.4: Challenging jobs and motivation



Source: Primary data

Though different industrial psychologists have claimed that challenging and interesting jobs to the employee enhance one sense of accomplishment and hence motivation, through this study, it was observed that managers' beliefs about this at NWSC is low. Only 46.6% believes so.

4.4 Relationship between labour relation and employee retention

The findings have shown that there is relationship between labour relation and employee retention.

4.4.1 Factors that lead to retention of employees

In answering this question, most employees said that in order for the retention policy or company goals towards retention strategies to be achieved harmoniously relationship between labour relation and retentions is necessary. "We need harmonious relationship with our managers, when we relate one another; we can frankly clear our misunderstandings with our managers and hence resolve our relationship.

One way in which we can treasure management and commit our selves to them is the atmosphere of open and frankness. If we appreciate the frankness of management, they also need to respect us."

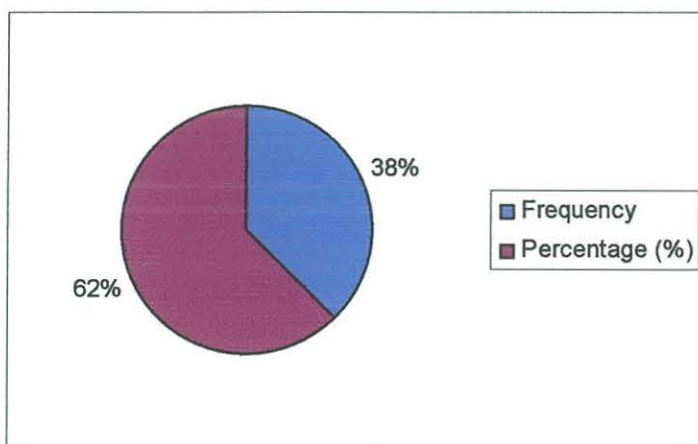
It was also reported that effective communication improves the relationship among people. Disputes can be effectively handled only when the manager is effective in his communication. One employee said that "To succeed in what we do, we need to have two way communications, and management needs to consult us in order to know how well we are doing the job giving us a feedback and in case of deviation between actual and desired performance to initiate corrective action," through this, the researcher recognized that communication reduces conflict, creates an atmosphere of trust. Trust in turn binds management and workers together and hence retention.

Table 7.4: Mutual beneficial channels of communication

Are there mutual beneficial channels of communication that facilitates flow of information?	Yes	No	Total
Frequency	38	22	60
Percentage (%)	63.3	36.6	100.0

Source: Primary data

According to the above table, the findings manifested that, at NWSC, channels of communication are clearly defined. There is flow of information laterally that means between line managers, (One department and another). Vertically from top management to subordinates. Top down approach communication is essential for successful labour relation, it creates a motivated workforce. 63.3% of the respondents claimed that these channels exist and communication is mutually oriented that means employees are given chances to express their concerns and these concerns are put into consideration. On the other hand, 36.6% of the sample claimed availability of these channels.

Figure 7.4: Mutual beneficial channels of communication

Source: Primary data

From an illustration above, it was observed that the company ensures mutual beneficial channels of communication and this by 63.3% of the sample, 36.6% said that those channels do not exist at their company. The study also revealed that industrial relation contributes to retention of employees in that; it creates an atmosphere of trust and self awareness among employees. "One the best way to streamline our relationship with managers is to develop a better understanding of our self. We need to understand how our attitudes and behaviour influence others." In an equal way it was reported that trust between employees and managers is an intangible value that can not be put into granted. One manager said that "With increase of trust between us and our subordinates, we have managed to get various kinds of information that have assisted us to make unique and sound decision."

4.5 Objectives of labour relation

The findings have reported a number of objectives that industrial relation practices strive for. It was observed that the integral objective of industrial relation is to foster relationship between employer and employee. Due to changes in globalization and growth of industries, it was observed by the researcher that there is great transition from the oppressive and archaic master-servant model to a legal framework based on fundamental labour standards and supported by a modern system of labour administration. At NWSC, the researcher found that employees are encouraged to report any kind of complaints or dissatisfaction that arises between them and supervisors. With the availability of this mechanism, the resulting

consequences are the reduction of number of conflicts and disputes, provided that the grievance procedure conforms with existing legislation.

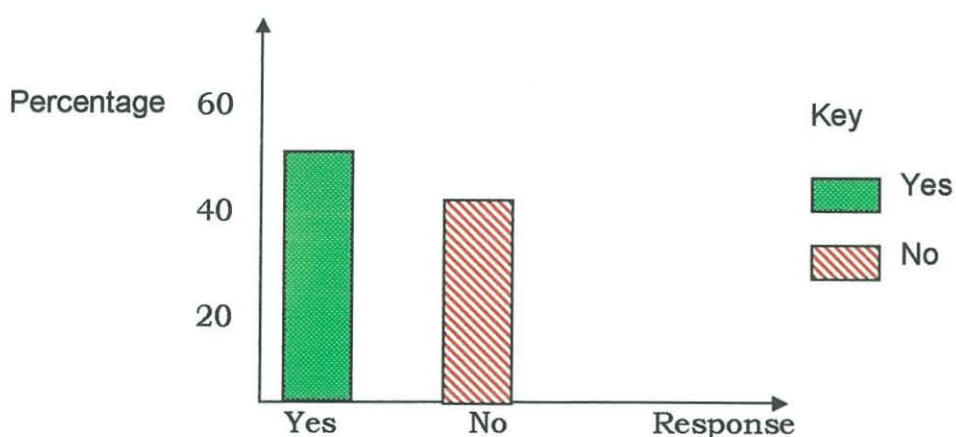
Table 8.4: Presence of grievance procedure

Does the company has a well formulated grievance procedure that recognizes the need and interests of the employees to petition their complaints?	Yes	No	Total
Frequency	34	26	60
Percentage (%)	56.6	43.3	100

Source: Primary data

From the above table, the findings portrayed that the company has a well formulated grievance procedure that encourages employees to petition their complaints; this was accepted by 56.6% of the respondents while 43.3% said there is no well formulated grievance procedure.

Figure 8.4: Presence of grievance procedure



Source: Primary data

According to the figure above, the majority of the respondents were in favour of availability of grievance procedure amounting to 56.6%. Those who disagreed form 43.3% of the sample administered.

The study also founded that labour relations are practiced in order to improve human welfare services. It was reported that welfare services are given in order to create a conducive atmosphere at work place. It was found that absence of these amenities jeopardize relationship between management and employees.

Table 9.4: Recognition of needs and interests of employees

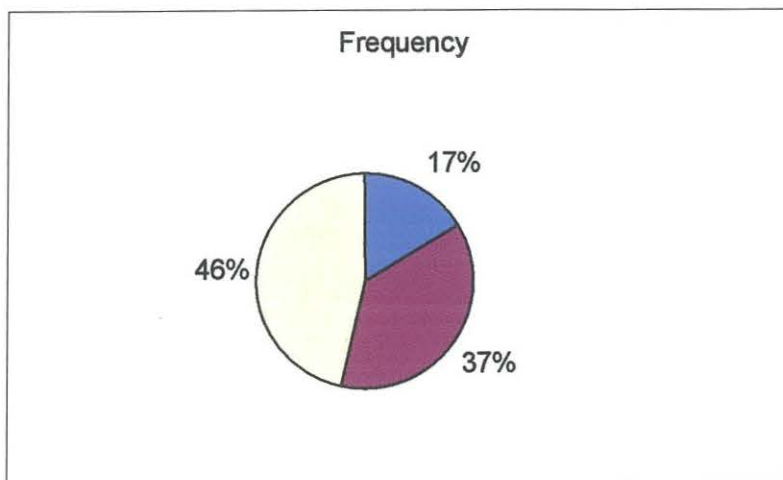
To what extent does the company emphasize environment that recognizes the needs and interests of employees?	To some	To low extent	To high extent	Total
Frequency	10	22	28	60
Percentage (%)	16.6	36.6	46.6	100

Source: Primary data

From the above table, it was observed that the company makes need consideration and analysis in order to design programs such as welfare programs that cater for the diversity of needs. According to these findings, 46.6% claimed the company to do so to a high extent while 36.6% said that it is to a low extent.

These findings can also be illustrated using figure 10.4 above.

Figure 9.4: Recognitions of needs and interests of employees.



Source: Primary data

From the above figure, 46% claimed to a high extent, 36.6% to some extent and 16.6% to a low extent.

It was also recognized that labour relation is important because it helps to nurture the team and fosters team spirit. It was recognized that the company recognize the need for employees to work in teams. To nurture the team, managers said that they assigned employees with team building exercises. This is what was reported.

"To help our employees to gain self awareness, which is the core factors to foster our relationship, we use different team building exercises such as role play, sensitivity training in order to improve team strength and avoid weakness among team members."

In connection to above, it was observed that one way of developing the use of such tools was to go beyond taking an individual perception through the use of questionnaires and get them to fill in the questionnaires in relationship to

each. The discrepancy that occurs between one perception and another is bridged with appropriate use of intervention.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter seeks to present a brief summary of the findings as analyzed and presented in chapter four in respect to the research objectives and review of literature. The chapter also addresses the possible recommendations of the study.

5.1 Summary of findings

The study observed that orientation is part and parcel of labour relation practices, it enhances good relation between workers in a plant and this relationship upholds company's values to retain a committed staff. Out of 60 employees, 55% reported to get orientation as part of retention strategies. In comparison with literature review, scholars have argued the company to have a job orientation programme to show the employees the importance of his /her job and how it tries to the end products. The study also suggested that in order to redesign the job, managers have to carry job analysis in order to come with appropriate pay range for each job that will determine the relative importance, difficultness and responsibility of job holders. According to this study conducting job analysis was observed as one way to remunerate employees fairly and equitably, the situation that will result to sound human relation. However at NWSC only half of the respondents claimed the company to carry job analysis.

As presented in chapter four, the findings also reported that in order to have employee retention, we need an atmosphere of mutual trust and support. Trust as an intangible value that is treasured by highly most of us it was seen as the core factors to empower managers and employee actions, underpin corporation in organisation and the lubricant that enables managers and subordinates to work together. The study shown that trust is enhanced or fostered if there is availability of mutual channels of communications that discourages an atmosphere of conflict but further boasts industrial peace. 63.3% of the respondents claimed that the company organizational structure facilitates flow of information both vertically and laterally.

The findings further revealed that the integral objective of industrial relation is to bring labour and management together through practicing new initiatives of labour management relation rather than traditional oppressive and archaic models that emphasize on master- servant relationship. It was recognized that there is grievance procedure that encourages employees to petition their complaints, 56.6% of the respondents argued so. In an equal way the findings revealed that the company has a conducive working environment but not overlay so, as 36.6% of the respondents claimed that the environment is poor as it did not provide them with satisfactory needs and interests.

5.2 Conclusions

This study was carried with an aim of investigating the relationship between labour relation and employee retentions. In this study, three objectives were formed, that are; the impact of labour relation on employee retention, the relationship between employee relation and employee retention and finally the objective of industrial relations. Based on re-examining and revisiting research objectives, the following conclusions were made by the researcher, as shown here under;

Generally, the findings revealed that industrial relation implicates employee retention. Industrial relation was reported as one of the key elements in the system of labour administration, it affects employees in that, and it generates an environment of mutual trust between employees and management.

The findings also shown that labour relations or industrial relation and employee retention are two compatible variables. The study revealed that employee retention goes together with amicable relationship between labour and management. Among measures found to boast industrial relation is well formulated channels of communication as well as company initiatives to carry scientific job analysis to remunerate its employees competitively in order to retain them.

Finally the study suggested the need to practice industrial relation initiatives so as to increase team spirit, avoid conflict among team members through a working place that respects people's needs and interests.

5.3 Recommendations

Looking at the findings, presented in the earlier chapter, the following are the possible recommendations for the study.

Bench marking; The findings of this study suggested that managers have not treasured the notion of having a challenging job. In this regard therefore, the researcher suggests the need to carry out bench marking to make comparison between its job description and specification packages with those offered by other companies. This will be worth to the company as it will assist them to make need consideration and analysis of workers needs. Companies' programs like remuneration plan should satisfy appropriate and actual needs of workers. This in turn will restore internal and external equity.

Widening the scope of involvement and participation; Parties in the labour contract should be given enough chances to participate in the management meeting. Participation should be real in that issues discussed pertaining to either productivity or development of personnel should be brought under jurisdiction of the participating bodies. These bodies should meet frequently and their decisions should be timely implemented and strictly adhered to.

Genuine faith and corporation; In situations where managers and employees are working together to deliver a certain outcome, both parties should have genuine faith in the system and each other to be willing to work together. In this regard therefore the foreman and supervisor cadre must

also lend their full support so that the accepted policies would be implemented without any sentiment on either side.

Appropriate use of leadership styles; Though it was observed that there are mutual channels of communication, top management needs to develop employee to acquire leadership skills. Having good leaders among cross functional teams, teams cohesion and team spirit will be enhanced and thus improvement of labour relations at NWSC.

Counseling programs; To avoid the problem of stress and anxiety that blocks colleagues in the organisation not to collaborate, appropriate counseling programs on career paths have to be given to employees. This will make employees to get rid of their personal problems and dedicate their efforts to the job and avoid failing to meet standards of performance.

Existence of strong, well organized and democratic employee unions; This called for the need to behave the power between employee and management. Availability of these unions will act as mechanism to protect employees' interests, desires, aspiration in areas pertaining to wages, benefits, job security etc.

5.4 Areas for further research

In attempt to address the research problem, the researcher comes across a number of intervening variables such as motivation, reward policy and orientation. In this regard therefore studies have to be undertaken in these

areas; namely impact of motivation on retention, reward policy and employee retention as well as the role of orientations on retaining employees.

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APPENDIX: A QUESTIONNAIRES

QUESTIONNAIRE

I am a third year student at Kampala International University pursuing a Bachelor's Degree in Human Resource Management. As a requirement for that award this study is undertaken. The information given will be treated with extreme confidentiality and it is purposely for academic purposes. Your cooperation is highly appreciated.

Purpose: To examine the impact of labour relations on employee retention in an organization

Answer the questions in these questionnaires as instructed.

From question 1-5 answer by ticking in the box against a right answer

1. What is your gender?

a) Male ☐

b) Female ☐

2. What is your age group?

a) Below 25 years ☐

b) 26 – 32 years ☐

c) 33 – 38 years ☐

d) 39 – 45 years ☐

e) Above 46 years ☐

3. What is your level of education?

a) Form six ☐

b) Certificate ☐

c) Diploma ☐

d) Degree ☐

e) Masters ☐

f) PhD ☐

g) Any other specify please.....

4. What is your working experience?

a) Below five years ☐

b) 6 – 10 years ☐

c) 11 – 15 years ☐

d) Above 16 years ☐

5. What is your marital status?

a) Single ☐

b) Married ☐

c) Widow /widower ☐

d) Divorced ☐

From questions 6 – 12 tick either Yes or No except question 12

6. When recruiting staff do you give them orientation?

a) Yes ☐

b) No ☐

7. Are there mutual benefits channel of communication either vertical, diagonally or laterally that facilitate flow of information
- a) Yes ☐
- b) No ☐
8. We believe that employees are motivated by challenging job and the one that is well designed
- a) Yes ☐
- b) No ☐
9. Are competent but poorly behaving employees retained in your organisation?
- a) Yes ☐
- b) No ☐
10. Do you receive retention policy tips in the organisation?
- a) Yes ☐
- b) No ☐
11. Does the company has a well formulated grievance procedure that encourage employee to petition their complaints?
- a) Yes ☐
- b) No ☐
12. To what extent does the company emphasizes environmental that recognize the need and interest of the employees
- a) To some extent ☐
- b) To low extent ☐
- c) to higher extent ☐

From questions 13-26 give your view by writing your answer after the question

13. Under what criteria do you design your job?

.....
.....
.....

14. What kind of work practices are you engaging in to increase the level of motivation?

.....
.....
.....

15. How do you orient your employees?

.....
.....
.....

16. How do you design your involvement and participation program?

.....
.....
.....

17. What was conditions (human relations can an employee be
a) Retained

.....
.....

b) Fired

.....

.....

18. How is self awareness initiated in your employees?

.....

.....

.....

19. How is trust and communication initiated in your employees?

.....

.....

.....

20. What advice would you give to employees and those to be to do in ensuring their retention on the jobs?

.....

.....

.....

21. What conditions may an employees be retained or fired?

.....

.....

22. What measures are in place to ensure employee retention?

.....

.....

.....

23. How do the following lead to your retention or retrenchment

a) Self awareness

.....
.....

b) Communication

.....
.....

c) Trust

.....
.....

d) Trust disclosure

.....
.....

e) Conflict resolving

.....
.....

f) Motivation

.....
.....

g) Self acceptance

.....
.....

24. What other factors lead to retain or firing or retrenching of employees
apart from failing in the human relation?

.....
.....

25. What recommendation would you consider for employee retention?

.....

.....

26. How does employee retention affect the productivity of an employee in an organization?

.....

.....