



Relationship Between Collective Bargaining and Organisational Performance: A Case of Igara Growers Tea Factory-Bushenyi District

Kirungi Richard, Nayebare Julian and Abenawe Kirungi Reyhan

Department of Computing, Kampala International University, Uganda.

ABSTRACT

This study highlights the relationship between trade unions and organisational performance in Uganda. The research used purposive and random sampling techniques to determine the sample size of 374 using the Slovens formula. The data collected was analyzed using the SPSS computer program and 374 respondents participated in the study. The results indicate that there is a positive correlation between collective bargaining and organisational performance. ($r=0.804^{**}$, $P\text{-value}<0.01$), this implies that collective bargaining contributes positively by 80.4%. There is a significant relationship between collective bargaining and organisational performance.

Keywords: Collective bargaining, Organizational performance, Growers' tea factor

INTRODUCTION

A trade union is a continuous association of wage earners to maintain or improve the condition of their employment [1-4]. [5], describes a trade union as the value of labour power that constitutes the conscious and explicit foundation of employees whose importance and aim is nothing less than to prevent the reduction of employees whose importance and aim is traditionally maintained in the various branches of industry. They wish to prevent the price of labour-power from falling below its value [5]. A trade union is an organization of workers in the same skilled occupation or related skilled occupations who act together to secure for all members favorable wages, hours, and other working conditions [6-8]. It is an organization created by employees to represent the rights and interests of employees and includes all registered labour unions at the commencement of the Labour Unions Act, of 2006 [9]. Trade unions are independent, membership-based organizations of workers that represent and negotiate on behalf of working people. They give advice when their members have problems at work, represent members in discussions with employers, and help improve wages and working conditions by negotiating with employers. Unions also make sure that their members' legal rights are enforced, provide and broker education and learning opportunities for members, promote equal opportunities at work, fight against discrimination, and help to ensure a healthy and safe working environment. Many unions provide services for their members, such as welfare benefits, personal legal help, and financial services [10]. Workers are organized in 21 different unions and are all affiliated with the national centre, the National organization of Trade Unions (NATU) (listed attached). Generally, trade unions in Uganda are organized on Industrial organized at the level of industry. Fifty-three percent (53%) of trade unions were organized on an Industrial basis while thirty-seven percent (37%) fall under general workers unions [9].

RESEARCH METHODOLOGY

Research Design

The study took a mixed approach that is both Quantitative and qualitative, descriptive and correlation designs were used to conduct a study on the trade unions and organisational performance.

Study Population

In this study, the target population comprised 5950 people [11]. These included employees and shareholders, of Igara Grower's Tea Factory Limited. All the categories of staff (management and employees) were involved because they were all directly affected.

Sample Size

The sample size was computed using the Slovene's formula, which states that, for any given population, the required sample size was given by;

$$n = \frac{N}{1 + N(e^2)}$$

Where; n = the required sample size;
N = the known population size;
e = the level of significance, which is = 0.05.

$$n = \frac{N}{1 + Ne^2}$$
$$n = \frac{5950}{1 + 5950(0.05^2)}$$
$$n = \frac{5950}{1 + 14.875} = 374$$

n=374

Given a total population of 5950 respondents in Igara Tea Grower's Factory Bushenyi District, the sample size of respondents was 374.

Sampling Procedure

The target population of 5950 included 5500 shareholders and 450 employees of Igara Growers Tea Factory. Respondents being large, a sample size to represent the population was chosen using Slovene's formula.

Sampling Techniques

Stratified and simple random sampling techniques were used in selecting the sample size. The researcher first grouped the respondents into various categories of homogeneous characteristics and then applied simple random to select samples from the various categories this gave all the respondents an equal chance of being included in the sample, reduced bias, reduced costs and time of doing research and increased the degree of accuracy of the study.

Data Analysis

Descriptive statistics were used to present quantitative data. This involved the use of frequency tables and percentages of the study variables by using Statistical Package for Social Scientists (SPSS). All the study objectives were relational and there they were analysed by use of Pearson's Product Correlation Coefficient (PPCC). Qualitative data from interviews was analysed based on the themes that were developed from the objectives of the study for systematic data presentation of the findings.

Ethical Considerations

The researcher presented a letter of consent as proof to conduct the study. The respondents were requested to sign the informed consent form. The researcher took time to explain to the respondents the purpose of the study and seek their consent. To gain the consent of the respondents regarding this study, the researcher obtained the approval of the consent of the respondents [12]. The researcher ensured that there was a good researcher-respondent relationship. The researcher made sure that she achieved this by explaining to the respondents the purpose of the study and requesting them to be cooperative during the study. The researcher made sure that there was respect for persons, especially the respondents. Respondents' rights were respected and were not forced to participate in the study. Respondents have a right to disclose or not disclose personal information and to ask for clarification about any aspect of uncertainty. The researcher made sure that the study would not cause any injury to the respondents and the entire community. All questionnaires were coded to provide anonymity and confidentiality of the respondents. The respondents' names were not indicated on the questionnaires. The researcher maintained the confidentiality of information from the respondents by ensuring that the responses from questionnaires were not disclosed to others outside the study. The information obtained has been safeguarded during the duration of the study. The researcher also made sure that all the information obtained from respondents was given to the relevant parties and those who were authorized to have it. Presentations of findings were also generalized. Good professional practice was observed by making sure that all authors quoted in this study were recognized through citations and referencing. The researcher requested respondents to provide information that does not divulge their privacy and is not necessarily related to the variables under study. All details related to the study were included in the final report. The researcher also ensured that all data collected for the study was protected from unauthorized persons since the information was purely for academic purposes.

All sources of information and respondents were acknowledged and all the data collected was managed without any alterations to make the study come out in its original form.

RESULTS

Table 1: Showing Workers' Concerns Being Heard by the Organisation

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	40	10.6	10.6	10.6
Not Sure	6	1.6	1.6	12.2
Disagree	223	59.0	59.0	71.2
Strongly Disagree	105	28.8	28.8	100.0
Total	374	100.0	100.0	

Source: Field data 2017

From Table 1 above, 10.6% agree that concerns that affect employees at the workplace are heard by the organization, 1.6% are not sure, 59% disagree and 28.8% strongly disagree. This implies that concerns that affect employees at the workplace are given less time by the top management of the organization.

Table 2: showing integrity and respect in the workplace

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	3	.8	.8	.8
Not Sure	83	22.0	22.0	22.8
Disagree	192	51.3	51.3	74.1
Strongly Disagree	96	25.9	25.9	100.0
Total	374	100.0	100.0	

Source; Field data 2017

From Table 2 above, 0.8% of respondents agree that there is integrity and respect in the workplace, 22% are not sure, 51.3% disagree, and 25.9% strongly disagree. This implies that there is no support for integrity and respect at Igara Tea Growers Factory.

Table 3: showing that workers are given notice and opportunity to respond to allegations made by their fellow workers

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	2	.5	.5	.5
Not Sure	157	41.8	41.8	42.3
Disagree	103	27.8	27.8	70.1
Strongly Disagree	112	29.9	29.9	100.0
Total	374	100.0	100.0	

Source: Field data 2017

From Table 3 above, 0.5% of respondents agree that they are given notice and opportunity to respond to allegations made by their fellow workers, 41.8% are not sure, 27.8% disagree and 29.9 % strongly disagree. This shows that notices and opportunities to respond to allegations made by their fellow workers are not catered for.

Table 4: showing dispute resolution procedure

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Not Sure	95	25.1	25.1	25.1
Disagree	126	33.3	33.3	58.5
Strongly Disagree	153	41.5	41.5	100.0
Total	374	100.0	100.0	

Source: Field data 2017

From Table 4 above, 25.1% are not sure if there is a dispute resolution procedure in the organization, 33.3% disagree, and 41.5% strongly disagree. This implies that there is no dispute resolution procedure in the organization.

Table 5: showing collective agreement

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Not Sure	47	12.4	12.4	12.4
Disagree	246	65.9	65.9	78.3
Strongly Disagree	81	21.7	21.7	100.0
Total	374	100.0	100.0	

Source: Field data 2017

From Table 5 above, 12.4% of the respondents were not sure if there is a collective agreement in the organization, 65.9% disagree, and 21.7% strongly disagree. This implies that there are no collective agreements in the organization.

Table 6: showing substantive agreements that set terms and conditions of employment and working hours

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Not Sure	56	14.8	14.8	14.8
Disagree	135	35.7	35.7	50.5
Strongly Disagree	183	49.5	49.5	100.0
Total	374	100.0	100.0	

Source: Field data 2017

From Table 6 above, 14.8% of respondents are not sure if there are substantive agreements in the organization, 35.7% disagree, and 49.5% strongly disagree. This therefore implies that there are no substantive agreements in the organisation that set terms and conditions of employment and working hours.

Table 7: Showing mean responses on collective bargaining

Questions	N	Mean	Std. Deviation	Variance
Concerns that affect employees at the workplace are heard by the organization	374	4.06	.852	.726
There is integrity and respect in the workplace	374	4.02	.715	.511
The organization provides fixed wages and gives deferred benefits like pensions	374	3.92	1.030	1.060
Workers are given notice and opportunity to respond to allegations made by their fellow workers	374	3.87	.850	.723
There is industrial democracy in your organisation	374	3.89	.827	.685
There is dispute resolution procedure in your organisation.	374	4.16	.801	.641
There is a collective agreement in your organisation	374	4.09	.578	.334
There is substantive agreements in your organisation that set terms and conditions of employment and working hours	374	4.34	.726	.528
MCB	374	4.0454	.32212	.104

Source: Field data 2017

From Table 7 above, findings indicated that the overall mean response on collective bargaining was 4.00454 which according to likert scale implied that most respondents disagreed that there is collective bargaining. This means that there is no collective bargaining at Igara tea factory.

Table 8: The relationship between collective bargaining and organisational performance

		MCB	MOP
MCB	Pearson Correlation	1	.804**
	Sig. (2-tailed)		.000
	N	374	374
MOP	Pearson Correlation	.804**	1
	Sig. (2-tailed)	.000	
	N	374	374

Source: Field data 2017

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

From Table 8 above, it indicates that there is a positive correlation between collective bargaining and organisational performance. ($r=0.804^{**}$, $P\text{-value}<0.01$), this implies that collective bargaining contributes positively by 80.4%. This agrees with the hypothesis that there is a significant relationship between collective bargaining and organisational performance. Therefore, the hypothesis was accepted.

DISCUSSION

The findings of this study revealed that there is a positive correlation between collective bargaining and organisational performance with 80.4%; this implies that collective bargaining contributes positively towards organisational performance. These findings are in line with [13] who noted that trade unions help in building trust in the workforce; Unions provide a mechanism for dialogue between workers and employers, which helps build trust and commitment among the workforce and ensure that problems can be identified and resolved quickly and fairly. This brings significant productivity benefits for companies. Recognizing a union also means there is a single point of contact for negotiating terms and conditions for workers, which is simpler, more efficient for the employer, and fairer than dealing with workers individually. Workers' performance will also improve when there is an independent means of dealing with problems rather than leaving them until they get worse.

CONCLUSION

The findings of this study revealed that there is a positive correlation between collective bargaining and organisational performance; this implies that collective bargaining contributes positively towards organisational performance because it encourages industrial harmony which encourages togetherness in the organization.

REFERENCES

1. Ibrahim, I. M. (2013). Impact of trade union on improving employees' working conditions: The case study of COTWU and TUGHE (Doctoral dissertation, The Open University of Tanzania).
2. Seager, H. R. (1923). Company unions vs. trade unions. *The American Economic Review*, 13(1), 1-13.
3. Gichaba, S. M. (2013). Perceived influence of trade unions on terms and conditions of service and job security of employees at Kisii University-Kenya (Doctoral dissertation, University of Nairobi).
4. Okpalibekwe, U. N., Onyekwelu, R. U., & Dike, E. E. (2015). Collective bargaining and organizational performance; A study of the Nigeria Union of Local Government Employees of Idemili North Local Government Council, Anambra State (2007-2012). *Public Policy and Administration Research*, 5(4), 53-68.
5. Duiker, W., & Spievogel, J. (2011). Marx and Engels on the Trade Unions in the Essential World History Volume II: Since 1500. Retrieved from: <https://www.marxists.org/archive/marx/works/subject/trade-unions/>
6. Ross, A. M. (1950). Trade union wage policy. Univ of California Press.
7. Aidt, T., & Tzannatos, Z. (2002). Unions and collective bargaining: Economic effects in a global environment. Washington, DC: World Bank.
8. Streeck, W. (2010). 12 The Sociology of Labor Markets and Trade Unions (p. 254). Princeton University Press.
9. NOTU. (2010). National Organization of Trade Unions (NOTU) Annual Report 2010. Kampala: NOTU
10. ETI. (2010). Working with trade unions to improve working conditions: The benefits for retailers and suppliers. London: Ethical Trading Initiative (ETI).
11. IGTF (2007). Igara Growers' Tea Factory prospectus. Bushenyi: Igara Growers' Tea Factory -(IGTF)
12. Nneoma, U. C., Udoka, E. V. H., Nnenna, U. J., Chukwudi, O. F., & Paul-Chima, U. O. (2023). Ethical Publication Issues in the Collection and Analysis of Research Data. *Newport International Journal of Scientific and Experimental Sciences (NIJSES)*, 3(2), 132-140.
13. Baligasima, Y. (2013). *Trade union services and benefits in Uganda*. Harare: African Labour Research Network

CITE AS: Kirungi Richard, Nayebare Julian and Abenawe Kirungi Reyhan (2024). Relationship Between Collective Bargaining and Organisational Performance: A Case of Igara Growers Tea Factory-Bushenyi District. RESEARCH INVENTION JOURNAL OF ENGINEERING AND PHYSICAL SCIENCES 3(3):17-22