LABOUR RELATIONS MANAGEMENT AND PRODUCTIVITY

Presentation by
BRO GEORGE OWIDHI
Economist - Central Organization of Trade Unions
COTU (K)

During a Pan-African Productivity Association (PAPA)/ African Union Commission (AU) Productivity Seminar at the Boma Hotel, Nairobi, Kenya on 26th August 2016
ORDER OF PRESENTATION

- Introduction
- Role of Trade Unions in Enhancing Productivity
- Empirical Evidence
- Way Forward
INTRODUCTION

➢ COTU (K) envisions a decent worker with high quality of life
➢ Our Mission revolves around activities that improve labour relations within the frameworks of the ILO standards
➢ We are therefore ambassadors of Decent Work!
ROLE OF TRADE UNIONS IN ENHANCING PRODUCTIVITY
As we champion for decent work, we enculture a productive worker by:

1. Advocating for quality and productive job creation with stable income
2. Upholding the Basic Rights and Fundamental Freedoms of the workers
3. Promoting Social Protection for All
4. Strengthening Social Dialogue
EMPIRICAL EVIDENCE

Several empirical evidence clearly demonstrate that labour management (the key decent work focus) is the central and cornerstone of industrial/firm productivity. We provide such evidence.......
EMPIRICAL EVIDENCE 1

An empirical analysis of French firms (Gilbert Cette et al. 2012) shows that:

“Labour relations quality at branch or firm levels is key to productive performance”. And that “the evidence of such good relations lies in the existence of binding CBAs at firm levels”. In particular:

- Workforce or union opposition has a negative significant impact on Total Factor Productivity (TFP)
- Enforcement of regulatory constraints positively impacts on TFP
While linking Productivity, Fairness and Industrial Relations, David Peetz (2012) asserts that:

“In any specific workplace, industrial relations and the decisions the management makes have notable effects on firm productivity and that Government policies should promote trade unionism, widen the extent and scope of CBAs and abolish individual contracting”
EMPIRICAL EVIDENCE 3

While assessing the Impact of HRM Practices on Turnover, Productivity, and Corporate Financial Performance, Mark A. Huselid (1995) shows that:

“HRM Practices are Economically and Statistically Significant Determinants of Turnover, Productivity and Financial Performance of a firm”
While focusing on HRM, Planning and Strategies, Recruitment and Selection as a way of inducing productivity:

- Hambrick et al. (1989); Galbraith and Merrill (1991); Fisher & Govindarajan (1992); Gomez-Mejia (1992) and Marianne J. Koch & Rita G. McGath (1994) found out that
  “the way a firm manages its HR/HC is central to the execution of its Strategies and Productivity”
While looking at Labour Management Relations and Productivity as a Framework for Success, Daniel F. Burton Jnr & Sylvia A. Hewlett (1983) found out that:

- “Worker participation programs fosters an environment that leads to productivity while enhancing employee job satisfaction”
- “Full engagement of employees through high level contacts provokes Higher Productivity; Better Customer Service and Lower Turnover”
From the empirical evidence, Africa should induce industrial/firm/labour productivity through Proper HR/HC Management, Planning and Strategies (Labour relations). This involves:

- Promoting Workforce unionization and enforcement of labour laws through Binding and Unrestricted CBAs
- Promoting fair HRM practices such as: Development, Involvement; Rewards; Incentives; Compensations; Appraisals etc.
- Bringing to an end Outsourcing and All forms of Temporary employment
THANK YOU IN SOLIDARITY AND WISH TO SEE A DECENT WORK PRODUCTIVE AFRICA!