INDUSTRIAL CONFLICT RESOLUTION APPROACHES AND THEIR EFFECTS ON ORGANIZATIONAL PERFORMANCE
(A Case of Export Processing Zones - Mombasa)

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August 2005
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Industrial conflict resolution approaches
DECLARATION

I hereby declare that this is my original work and has not been submitted for examination in any other University.

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DEDICATION

This project is dedicated to my late Dad... I hope I am being what you wanted me to be.
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ABSTRACT

The problem of industrial unrest is a common phenomenon in the EPZ companies countrywide. This may have been necessitated by the employee getting to know their rights and lacking a proper mechanism to air their grievances.

The government of Kenya through the ministry of labour has spent a lot of time and effort to solve these problems that have rocked the EPZ companies. The concern has been great on the donors who have invested heavily in these companies. A lasting solution in this area is bound to be a relief for the government who earn substantial revenue from these companies.

The research study was carried out at two EPZ companies in Mombasa, California Links EPZ Company and Blue Bird EPZ Company, a large and a medium sized Epz respectively. The population of the study was the management team who are well versed with industrial conflict issues affecting EPZ. The trade union representative at EPZ and the EPZ authority officials who are the regulatory organ for the EPZ companies were also studied. The researcher also included the ministry of labour officers in the study who gave the government’s stand on the issue of industrial conflict resolution at the EPZ companies. The sample for the study was drawn from these populations in order to get a fair representation of members and it entailed stratified random sampling technique. The researcher also purposively selected the ministry of labour officials.
Data was collected by the use of questionnaires and structured interviews.

This data was then analyzed by the use of SPSS and the results provided in chapter five of the project. The researcher has also provided some recommendations and suggested possible areas for further research.
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background Information

The Government of Kenya has made a lot of effort to encourage trade between Kenya and its foreign partners. The United States Government on the other hand has a policy for promotion of trade through Africa export under the African Growth and Opportunity Act (AGOA). Under this policy African countries are allowed to produce raw materials and manufacture products and export them to the United States of America market.

Kenya as a country has taken up the challenge and set up the Export Processing Zone (EPZs) to manufacture products for the US markets. For some years now, textile products from Kenya have continued to find their way into the American market. This has opened doors for foreign investors into the Kenyan business environment. These efforts have earned many Kenyan nationals employment opportunities while at the same time generating revenue for the government. The exports Processing Zones are special manufacturing arrangements situated in various areas in Kenya including Mombasa, Athi River, Thika, Nairobi and Kisumu. These areas produce out put for the foreign markets only. The Kenyan people have continued to benefit indirectly from these arrangements. The Kenyan Government continues to support and monitor the EPZs operations. It is hoped that this arrangements will be renewed for the economic benefit of Kenya.
1.2 Statement of Problem

The issue of unrest is not news at the EPZ companies. In spite of the fact that EPZ companies continue to enjoy special treatment from the Kenyan government, the workers in those companies have continued to raise a lot of concern about their wages and working conditions. It has been alleged that the employees in EPZs work for long hours, earn low wages and the working environment is insecure and unhealthy (Daily Nation, 2004).

The workers initially did not belong to a trade union and had been denied an opportunity to do so until the year 2002. This was allowed after a spate of strikes that swept throughout all the EPZs in 2002. Calm seemed to occur in the zones thereafter but in 2003 another spate of unrest occurred. This situation created a lot of concern in the ministry of Labour. A climate of industrial uncertainty seems to exist in these zones with the most recent unrest being as recent as April 2005.

This study was carried out with the intention of establishing and recommending solutions to industrial conflict resolution in EPZs. It would investigate the industrial conflict resolution approaches used in dealing with industrial conflict in these companies to find out how it may have affected performance and thus establish grievance procedures that would ensure conflicts were reduced to enhance performance.
1.3 Objectives of Study

The main objective of this study was to establish the various industrial conflict resolution approaches used in the EPZ companies and how this has affected performance in Mombasa.

Specifically, the study aimed to achieve the following objectives:

1. To investigate the nature of industrial conflict that has occurred in the EPZ companies in Mombasa.
2. To investigate the causes of industrial conflict at the EPZs in Mombasa.
3. To investigate the industrial relations machinery in place in the EPZ Companies in Mombasa.
4. To establish how the conflict resolution approaches used at the EPZ Companies have affected performance.

1.4 Research Questions

1. What are some of the issues of conflict in the EPZs?
2. What factors lead to industrial conflicts in the EPZ Companies?
3. How have the industrial conflicts in EPZs been handled in the past?
4. What industrial relations machinery exists in the EPZ companies in Mombasa?
5. In what way have the conflicts affected organizational performance?
1.5 Significance of the Study

The study will be of significance to the following:

i. The Management of the EPZ companies in Kenya – These will be able to understand the issues that relate to conflicts in terms of what causes conflicts and how they can be controlled to ensure organizational performance.

ii. The government – The Kenyan government through the ministry of labor will be able to understand the cause of much industrial unrest at the EPZ’s. They will then be able to develop policies that will help to improve things at these companies.

iii. The workers at the EPZ companies – These will be able to understand the causes of conflicts and how these conflicts can be solved or controlled.

iv. Future researchers – The study will provide a basis for reference for future researchers and scholars who may wish to undertake related studies or carry out further research on the issues under investigation.

1.6 Scope of the Study

This study was conducted at California Links EPZ a large company and Bluebird EPZ which is medium sized in Mombasa district, to represent all the other EPZ’s in Kenya. Mombasa was preferred because it is an exit point for the products for EPZ, which are mainly for export through Kilindini port. Being a city Mombasa has many unemployed people who end up working in the EPZ. The Changamwe EPZ is the largest in Mombasa and thus, gave a representative scope and was reliable for the research.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Causes of Conflict

With the aim of finding out how the organization can put in use conflict resolution approach through the top management, the significance of this research relates in the teaching benefits that can be gained or obtained from this process. Not all the top management teams have always approved conflict between the employees and hence this left the researcher with the task of finding out and analyzing how conflict management in relation to organization performance can be implemented so as to ensure better performance.

Since the value of conflict is determined by how it is manned, managers should know its causes progression and consequences. Once conflict has surfaced, it goes through certain stages covering a wide range of behavior that includes competing, collaborating, compromising, accommodating and avoiding changes which can occur within groups and between groups as a result of conflict. Some changes have positive effects while others have negative effects.

Understanding those key elements helps managers determine an appropriate strategy for managing conflict. When people face a conflict situation, their behaviour can range from full cooperation to outright confrontation. Two intentions that determine the type of
conflict handling behaviour are assertion and cooperation. Assertion refers to an attempt to confront the other party, while cooperation refers to an attempt to find an agreeable solution. (Kae and Leon, 1981)

It is important that conflict should be prevented or resolved whenever it is possible to do so. However, it is unrealistic to think in terms of being able to prevent all conflict, since much of it occurs in a spontaneous, unpredictable manner.

2.2 Conflict Management

Equally it is unrealistic to think of resolving all conflict, although in practice most conflicts are capable of being resolved.

Gary Desslar in his book Human Resource Management said, “What is required is a situation where conflict is kept down to manageable levels and where destructive conflict is excluded as much as possible. It is also desirable to have mechanisms for identifying and dealing with conflicts. Two important areas in an organization, which deserve attention in the management of conflict, are communication and participation. Improvement in both of these should help to prevent, minimize and resolve conflict.”

The older style of management, corresponding to Mc Gregor’s theory X, was very authoritarian with decision making confined to the top management of the hierarchy. Decisions were conveyed downwards in a one-way communication system, which discouraged subordinates from querying or criticizing them. There was a shift from
authoritarian style to a more democratic style in which managers positively sought the advice and opinions of those under them. However decisions were still made at the top and the lower level members had no hand in making them. It is believed that people are more committed to decisions that they have actually helped to make and more willing to accept any undesirable consequence for themselves than they would be if the decision was made by somebody else and imposed from above. (Miller and Taylor, 1989).

Conflict is not resolved by ignoring it or neglecting it but by taking steps towards integration. The oppressors group will always be looking for opportunities to wrest power away from the oppressors and even if there is an appearance of harmony there will always be potential conflict lurking just beneath the apparently calm surface.

Neglecting conflict is potentially just as dangerous as suppressing it. It is only through positive action such as improving communication and participation and working towards better integration that conflict can be effectively managed. A realistic view is that conflict can have either a positive or a negative impact an organizational performance depending on how it is managed. To the extent that conflict results in better organizational performance it becomes dysfunctional to organizational survival (Kae and Leon, 1981).

2.3 Types of Conflict

Conflict can be perceived at different levels depending on interaction patterns within an organization. These may be:
1. Individual Conflict

These conflicts are those faced by an individual or between two different individuals with opposing views and opinions.

2. Intra-individual conflicts

They result from three variables; needs, drive and goal. Normal life is a smooth progression cycle and fulfillment of own expressions do not always occur in reality. Within each individual there are a number of competing needs and roles that can be expressed and also many types of barriers, which can come between the drives and goals, casting both positive and negative aspects. Put together this type of situation and you complicate the human adoption process resulting into conflict. An analysis of inter-individual conflict can be in terms of goal model, role model and frustration model.

3. Interpersonal Conflict

This conflict occurs between different individuals interacting with one another like employees within the organization. Individuals in an organization have many conflict organizational cross pressures operating on them. For example four predominant types of pressure exist:

(a) Hierarchical Conflict

Conflicts in this case occur between various levels of organization hierarchy and can be vertical or horizontal. Vertical conflicts arise from vertical relationships between superior
and subordinates levels in hierarchy placing. It may be in the form of superiors seeking to control the behavior of the subordinates while the latter may resist such control.

Horizontal conflict on the other hand occurs between the same people at the same hierarchy level either working or performing in the same or different functional departments which complement each other. The results of this type of relationships may be cooperative or conflicting in nature depending on the individuals interacting.

b) Functional Conflict

There may be conflict between various functional departments of the organization. Conflict between production and marketing department in an industrial organization is a classic example.

c) Line – Staff Conflict

There may be conflict between line and staff. It often results from situations in which staff personnel do not formally possess authority over line personnel. A very simple solution to help alleviate line/ staff conflict and improve communication would be for all staff personnel to use the approach of “Sell before tell” when dealing with line personnel. Taken philosophically and literally this approach has great merit for improving line staff relationships and this resolving organizational conflict.
d) Formal – Informal Conflict

There maybe conflict between the formal and informal organizations. For example the informal organization’s norms for performance may be incompatible with formal organizations norms for performance.

4. Group Conflict

A group can be said to be a collection of two or more interacting individuals with a steady relationship between them who share a common goal and who perceive themselves as belonging to one another. This kind of culture is common in private organizations where employees share common organizational goals and objectives, carrying out tasks that are interrelated and require common efforts. This kind of conflict may be classified as: -

i. Inter-group Conflict

This type of conflict occurs in groups where individuals come from different socio-cultural backgrounds. This on the other hand facilitates differences in perception and culture that creates disagreements in attitudes, opinions, issues, justice and fairness. Of course one does not expect every individual belonging to a department to always to be in agreement with each other. Therefore, one is expected to dump this difference for the benefit of the organization.
ii. Inter-group Conflict

This can exist within subgroups, within a parent group or different groups within a parent organization. Consider an organization that has different departments with different goals like the EPZs. The production department has a production objective while marketing has a market-orientated. All these departments have an objective of either being productive or reaching a specific target as required by management. This kind of conflict also exists from resource sharing especially if the resource pool is not adequate to meet the demand of the different groups existing within the organization. Inter-group conflict can also arise from shared tasks resulting from role ambiguity and task repetition (Adur, 1988).

2.4 Sources of Organizational Conflict

Certain situations produce more conflict than others. By knowing these situations that are at conflict, managers and group leaders in an organization can be better placed to anticipate and take steps to resolve conflict when it because more dysfunctional. Among the situations that tend to produce conflict are as follows:

Shared resources

If every unit in an organization had unlimited access to unlimited number of workers, money, material, equipment and space, the problem of how to share these resources would hardly arise. Conflict or loss of cooperation can result as organizational groups compete for the greatest possible share of available resources.
Differences in Goals
Organizational sub units tend to become specialized or differentiated as they develop dissimilar goals, tasks, and personnel. Such differentiation frequently leads to conflict of interest or priorities, even when overall goals of the organization are agreed upon. Because members of each department develop different goals and points of view, they often find it difficult to agree on programs of action.

Interdependence of work activities
Work interdependence exists when two or more subunits depend on each other to compete in their respective tasks. In such a case, the potential for a high degree of conflict or cooperation exists, depending on how the situation is managed. Sometimes conflicts arise when all the groups involved are given too much to do. Tension among the their responsibilities. Conflict may also flare up if the work is evenly distributed but the rewards are dissimilar. Potential for conflict is greater when one unit is unable to begin its work until the other unit completes its job.

Difference in Values of Perception
The differences in goals among the members of the various units in organization are frequently accompanied by differences in attitudes, values, and perceptions that can also lead to conflict.
Individual Styles and Organizational Ambiguities

Some people enjoy conflict, debate and arguments and when kept under control, mild discord can stimulate organization members and improve their performance. Other causes of conflicts in organization include:

**Unmet expectations**

- Collective decision making (The greater the number of people participating to make decisions the greater the potential for conflict).

- Organizational complexities (Conflict tends to increase as the number of mechanical and specialized tasks increases)

- Unreasonable or unclear policies, standards or roles.

- Unreasonable deadlines or extreme pressure.

2.5 The Discovery of Conflicts

**Grievance procedures:**

Not all grievances can be voiced to other people. A good supervisor knows the customary behaviour of subordinates and when significant changes in the behaviour occurs he or she is concerned with possible motives. In addition the study of various records and statistics can often give clues to general areas of trouble.
Suggestion Boxes

The organization that establishes an anonymous gripe system is concerned with the problem of bringing all conflicts of interests to light. Anonymity may provide the courage to submit a dissatisfaction that will otherwise go unvoiced.

Open Door Policy

The open door policy is often announced but seldom works. This technique of discovering dissatisfaction appeals only to people with ‘brass’, and these could well use the established conflict procedures.

Personnel Counselors

Some organizations hire trained psychologists to act as counselors for employees. When employees do not wish to go to a supervisor, they go to a person outside the chain of command who will protect their identity and confidence. It takes time to build up an atmosphere of impartiality and trust about the personnel counselor who is often considered a member of management in a staff capacity.

Exit Interview

If the conflict or disagreement is so great that the employee resigns, the exit interview provides one last opportunity to discover the nature of the complaint.
The ombudsman or ombudswoman

An organizational “path” that is attracting increasing interest among management theorists is the Ombudsman or Ombudswoman. This is a special position in that one acts, not as the right arm of the president of an organization, but rather as an additional set of ears. In effect, one operates a complaint on the fact that they have exhausted the usual means of receiving an acceptable hearing. (Lynch.2000)

Miscellaneous Channel

Numerous, other channels of upward communication have been utilized at the same time as a means of bringing conflict to light:-

- Group meetings or gripe sessions, are conducted by some supervisors who have the courage and balanced perspective to select complaints publicly.

- Unsolicited employees views sometimes constitute an additional channel.

- Collective bargaining is a highly formalized method of discovering the discontents of employees.

2.6 A Managers Step in Handling Conflict

At any one stage of conflict, some member of management must handle the dispute. In the solution of a problem the greater burden rests on management.
Receive and define the nature of the dissatisfaction

Instead of trying to deal with a vague feeling of discontent, the management team should attempt to define the problem properly. Sometimes a wrong complaint is given or received. He or she listens carefully with empathy in order to make sure that the true cause of conflict is being voiced.

Get the facts

Facts must be separated from opinion and impression. In gathering facts, one quickly becomes aware of the importance of keeping proper records such as performance rating, job rating, attendance records and suggestions in addition with the increasingly legalistic trend that is characteristic of modern labour management relations, the manager/supervisor is advised to keep records on each particular conflict. One may be called upon to testify in later steps in the procedure if the conflict is not resolved here. It is equally important that the supervisor possesses and exercises some skill in interview, conference and discussion.

Analyse and decide

With the problem defined and the facts at hand, the manager, must now analyze and evaluate them and then come to some decision. There is usually more than one possible solution. The manager must also be aware that the decision may constitute a precedent within both the departments and the organization.
Apply the answer

The manager must have the decision and reasons therefore properly recorded. If a decision favorable to the employees is reached the privilege and responsibility of communicating the answer to the employee should be delegated to the immediate supervisor.

Follow up

The purpose of the follow up phase is to determine whether the clash of interest has been resolved.

2.7 Conflict Process

Conflict has several stages before one feels its outcomes. The stages progress from potential opposition of conflict to resulting outcomes. These stages include:

Stage 1: Potential Opposition

These are the factors which create opportunities for conflict to arise and can be considered into three categories:

(a) Communication

The communicative source represents those opposing forces that arise from semantic difficulties, misunderstandings and noise in the communication channels. Misunderstanding and differences arises from training selective perception and
inadequate information about others. It is therefore arguable that the potential of conflict increases when either too little or too much communication takes place.

(b) Structure

This is used in the context of variables like size degree or routinisation, specialization and standardization of tasks and degree of independence between specific employee group members. The larger the group the more specialized its activities and the greater the likelihood of the conflict.

S. Tyson and A Yank in their book, Personnel management, suggest that conflict is higher in organizations where its employees are younger and there exists high turnover as regards to size and tasks. Reward systems on the other hand create conflict where an employee’s gain is at another’s expense.

(c) Personnel variables

This regards individual value systems and personal characteristics that account for his ideas and differences. Individuals with authoritarian dogmatic and low esteem are likely to create or lead to conflict.

Stage II: Cognition and Personalization

If the condition of stage one generates frustration, opposition becomes actual giving rise to conflict as long as all the parties involved are longtime virtue of such a conflict. A conflict perceived is not necessarily personalized as it is only when conflict is felt that
individuals became emotionally involved to experience tension, anxiety, frustration or hostility.

**Stage III: Behaviour**

This is the stage where a member engages in an action that frustrates the attainment of another goal to prevent the gathering of others goals or interests. Most conflict handling methods are initiated at this stage as once conflict is over the member tends to find a way of dealing with it.

**Stage IV: Outcomes**

The interplay or overt conflict and handling style results in outcomes, which may either be functional or dysfunctional. A functional outcome of conflict is one that enhances the performance of the organization. Dysfunctional outcome is that which hinders organizational performance. The demarcation between the two is neither clear nor precise. No level of conflict can be accepted as functional or dysfunctional under all conditions at all times. It is therefore necessary to have an insight of what is functional conflict at its manifestations from dysfunctional conflict.

**Functional Conflict**

Conflict is seen to be constructive when it improves

- The quality of decisions
- Stimulates activity and innovation
- Encourages interests and curiosity among employees in group
- Provides mechanism where problem can be cured and tension released
- Creates environment evaluation and change

A further study conducted by Alan C. fully shows that an incompatible group is likely to be more productive and contributes to team effectiveness and provided strings of achievements.

Dysfunctional Conflict

A reasonable summary of destructive of conflict include:

- Uncontrolled opposition breeding discontent that dissolves common ties
- Conflicts that reduce rather than increases group effectiveness
- Reduction of group cohesiveness
- Subordination of group goods to the primary infighting between members
- Halting group functioning that threatens group survival.

2.8 Stimulating Productive Conflicts

The following are suggested as signs that conflict stimulation is needed.

- The organization is filled with “yes men”
- Employees are afraid to admit ignorance
- Compromise is stressed in decision-making
- Managers put too much emphasis on harmony and peace
People are afraid of hurting the feelings of others
- Popularity is considered more important than technical competence
- People show great resistance to chance
- New ideas are not forthcoming
- There is an unusually low rate of employee turnover

Techniques for stimulating conflict

• Use nominal groups’ process, which encourage members to generate diverse viewpoints.

• Encourage individualistic thinking. Instead of relying on “yes men” for decision making the group can be composed of people who freely express different viewpoints.

• Increase individual competition; management can recognize and reward individual or group differences in performance.

• Provide threatening information; such as a reduction in profits or the loss of a competitive edge in the market. Tell the employees rather than trying to minimize its importance.

• Create role conflict between perceived and enacted roles.

• Change the organizational structure, which involves transfer of organization members, job definition, and new leadership structure.
• Third party interventions that can help conflicting parties resolve their differences. The role of third party is to provide an outlet by which the conflicting parties can assemble and search for solutions themselves.
• Locating a common enemy; the creation of an external enemy solidifies the relationships between groups within an organization.

2.9 Conflict Resolution Techniques

Some of the most practiced conflict management styles include:

(i) Integrating (Problem solving)

Affected parties in conflict situations confront the issue and cooperatively identify the problem. The style is best for complex issues where mis-understanding often occurs and where opposing value system exists. The strength of this style is that it deals with the underlying problem.

(ii) Compromising

This is a give and take approach involving moderate concern both for self and others, as each party needs to give up something of value. This style often includes third party interventions, negotiations and rooting. When over used it can lead to inconclusive actions or unmet deadlines. This in turn hinders creative problem solving.
(iii) Resignation

As implied by its name it is giving up. The belief is strong that there is no use trying the job. Fellow employees and the total organization will not permit job satisfaction the best solution at least for the time being is to avoid the barrier by accepting the unsatisfactory as best as the person can.

(iv) Regression

This is characterized by retreating or retiring. Pouting and losing emotional control typify a regressive defense mechanism. Likewise emphasizing the past when it is assumed one’s psychological wants were satisfied is a common type of regression and serves as a defense against current realities.

(v) Aggression

Identifies behaviour that is attacking, assaulting or taking the offensive against an offending person. It includes physical violence, but most examples in management are non-violent such as spreading rumours about another, poor decision-making or speaking in a derogatory manner about a plan or program that is not favored.

2.10 Role of Trade Unions in Conflict Management

These are organizations whose purpose are their member’s interests and bring about social change for the betterment of society. Situations occur where trade unions set
targets for achievements of those goals, which appear to be at odds with the target set by the management for the organization and its employees.

Disputes between management and the unions may hence be seen in the context of inter-organizational conflict and individual members of both organizations may then feel a tug of loyalties in opposing directions. However the officials of both organizations might succeed in reconciling the apparently conflicting goals.

It is important to be aware that trade unions are organizations in their own right and most assume too hastily or readily that the goals of a trade union are the same as those of its members or full time officials. The potential divergence between individual goals and organizational goals exist for union as well as for the organization. As much as unionism struggles are seen on the decline their necessity in crisis situations is of great importance and hence human resource management recognition of cooperation with the union.

2.11 Cooperation and Conflict

A necessary balancing out catalyst of effective conflict management is cooperation, which is viewed as a common cultural belief, and basic to any economic system. It is a good thing and achieves greater productivity than a lack of it. It has emotional appeal for it incorporates values about unity, teamwork, and comradeship insiders vs. outsiders and hence is useful to the organization non-corporate culture. It is also a rational appeal in a
sense that it demonstrates that a suitable number of people cooperating on task achieve better result than one person handling the same task alone.
2.12 THE CONCEPTUAL FRAMEWORK

Organizational Performance

Affects

Dependent Variables

Industrial conflict

Conflict resolution

Conflict intensity outcomes and unit performance

Cooperation and Conflict

Role of Trade Unions in Conflict Management

Stimulating Productive Conflicts

A Manager's Step in Handling Conflict

The Discovery of Conflicts

Sources of Organizational Conflict

Independent Variables

Source: Researcher 2005
EXPLANATION OF CONCEPTUAL FRAMEWORK

The Relationship Between Conflict Intensity Outcomes and Organizational Performance

The Level of conflict can be either too high or too low, either extremes groups performance. An optimal level is where there is enough conflict to avoid stagnation, stimulate creativity, allow tension to be released and initiate seed for change. Work groups, departments or organizations that experience too little conflict hence an inclination of being plagued by apathy lack of creativity and intention. Excessive conflict on the other hand erodes organizational performance, dissatisfaction, lack of teamwork and turnover. Appropriate types and levels of conflict energize a group in constructive detums.

Relationship between conflict resolution approaches and organization performance

The study was based on the foregoing conceptual framework:

Those organizations with structures that provide for procedures for resolving disputes and negotiating for changes are more effective since employees are more cooperative and ready to make concessions in order to accept and effect changes. At the same time the attitudes of employees towards management is directly linked to the way management resolves grievances and provides for employees welfare.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The research design for this study was mostly exploratory since the researcher went to the field to collect primary data for the study. This entailed an exploration of first hand information. A descriptive research design was also incorporated where the researcher went to the library to locate existing literature from published and unpublished sources.

3.2 Target Population

The target population of study included the California Links (EPZ) Ltd and Blue Bird EPZ Company in Mombasa, where the top management, middle management and supervisors were targeted. The trade union officials representing the employees; and the officers of the EPZ Authority also answered the questionnaire. Mombasa was preferred because it is an exit point for the products for EPZ, which are mainly for export through Kilindini port. Being a city Mombasa has many unemployed people who end up working in the EPZs. California Links (EPZ) Ltd was selected to represent other EPZs because it is the largest in Mombasa while Blue bird is a medium size Company thus giving a representative scope reliable for the research.

The target population for this study also included officials from the Ministry of labor, which provides the laws governing workers at EPZ and Ministry of trade and industry to
provide us with exports data. The target population was 144 employees, who provided the sample frame.

### 3.3 Sampling Technique

A representative sample was selected from the target population using stratified random sampling of top management, middle management, supervisors, trade union representatives, shop stewards and the EPZ Authority Officials who are the regulatory body. The researcher also selected two officers from the Ministry of Labor purposively to be included in the study. These were the District Labor officer and his or her deputy. A sample of 72 respondents was selected as follows:

**Table 3.1: The Study Sample**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target population</th>
<th>Ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>6</td>
<td>0.5</td>
<td>3</td>
</tr>
<tr>
<td>Middle Management</td>
<td>30</td>
<td>0.5</td>
<td>15</td>
</tr>
<tr>
<td>Supervisors</td>
<td>90</td>
<td>0.5</td>
<td>45</td>
</tr>
<tr>
<td>Shop stewards</td>
<td>10</td>
<td>0.5</td>
<td>5</td>
</tr>
<tr>
<td>Trade union representatives</td>
<td>2</td>
<td>0.5</td>
<td>1</td>
</tr>
<tr>
<td>EPZ Authority Officials</td>
<td>6</td>
<td>0.5</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>144</strong></td>
<td></td>
<td><strong>72</strong></td>
</tr>
</tbody>
</table>

Source: Researcher, (2005)
3.4 Data Collection Instruments

Data was collected by use of questionnaires and a structured interview. Specially designed questionnaires were used to collect data from the management of the EPZ companies, supervisors of EPZ companies, EPZ Authority officials and trade union representatives of the union representing EPZ employees. The questions in the questionnaire were mostly closed ended and some were open-ended.

3.5 Data Analysis Technique

The questionnaires returned were analyzed using descriptive statistics to establish the frequencies, mean and mode of responses. The interview data and open-ended questionnaire responses were analyzed qualitatively. The suggested data analysis was with the help of SPSS (Statistical Package for Social Sciences). It was then presented in pie charts, graphs and tables.
CHAPTER FOUR

4.0 DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis of the data collected from the field by the researcher. The chapter also discusses the findings and results of the study. It provides an overview of the data collected on the industrial conflict resolution approaches and their effects on organizational performance. The source of all data was the researcher.

4.2 Overview of Data Collected and Analyzed

Out of the 72 questionnaires that were distributed, 50 were returned. This represents a response rate of (69.4%), which is considered significant enough. This response rate can be relied upon to provide a basis for valid and reliable conclusions with regard to the industrial conflict resolution approaches and their effects on organizational performance.

The overview is well elaborated in the table below;

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample (t)</th>
<th>Returned Questionnaires (r)</th>
<th>Non-Response Error (t-r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Middle Management</td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Supervisors</td>
<td>45</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Shop stewards</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Trade union representatives</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>EPZ Authority Officials</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>72</td>
<td>50</td>
<td>22</td>
</tr>
</tbody>
</table>

t = Sample \quad r = Returned Questionnaires \quad t - r = Non-Response Error (6)
4.3 Categories of employees at E.P.Z

Table 4.3

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Top Managers</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Supervisors</td>
<td>30</td>
<td>60.0</td>
<td>60.0</td>
<td>84.0</td>
</tr>
<tr>
<td>Shop Stewards</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>94.0</td>
</tr>
<tr>
<td>Trade Unions</td>
<td>1</td>
<td>2.0</td>
<td>2.0</td>
<td>96.0</td>
</tr>
<tr>
<td>EPZ Authority Officials</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Chart 4.3

The Categories of the Respondents

- Top Managers: 4%
- Middle Managers: 20%
- Supervisors: 60%
- Shop Stewards: 4%
- Trade Unions: 2%
- Representative: 4%
- EPZ Authority Officials: 10%

Majority of the respondents were supervisors with a frequency of 60%. They were followed by the middle managers who had a frequency of 20% the rest had a frequency of less than 10%.
4.4 Duration of service

Table 4.4

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>27</td>
<td>54.0</td>
<td>54.0</td>
<td>54.0</td>
</tr>
<tr>
<td>4-7 years</td>
<td>13</td>
<td>26.0</td>
<td>26.0</td>
<td>80.0</td>
</tr>
<tr>
<td>8-10 Years</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.4

How Long Have You Been In The Organization?

When asked for how long they have been in the organization, a majority of the respondents were found to have served for only 0-3 years. This represents a frequency of 54% while those who have served for 4-7 years had a frequency of 26%. Those who have served for more than 8 years had a frequency of 20%. This shows that most of them are new in their field of work. It also indicates a high turnover since there are new employees after a short period of 0-3 years.
### 4.5 The size of workforce

**Table 4.5**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50</td>
<td>17</td>
<td>34.0</td>
<td>34.7</td>
<td>34.7</td>
</tr>
<tr>
<td>51-100</td>
<td>21</td>
<td>42.0</td>
<td>42.9</td>
<td>77.6</td>
</tr>
<tr>
<td>101-500</td>
<td>5</td>
<td>10.0</td>
<td>10.2</td>
<td>87.8</td>
</tr>
<tr>
<td>501 and above</td>
<td>6</td>
<td>12.0</td>
<td>12.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>98.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Figure 4.5**

**What is The Size of the Work Force?**

<table>
<thead>
<tr>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50</td>
</tr>
<tr>
<td>51-100</td>
</tr>
<tr>
<td>101-500</td>
</tr>
<tr>
<td>501 and Above</td>
</tr>
</tbody>
</table>

Many of the respondent said that their work force is between 51-100 employees, which represents a frequency of 42%. Those with a workforce of less than 50 employees closely followed them with a frequency of 34%. Those with a more than 100 employees had a
frequency of 12.2% and below. This shows that most of the EPZ organizations do not employ a large workforce, may be due to the expenses likely to be accrued by such a large number of employees in an organization.

4.6 Conflict among employees

Table 4.6

<table>
<thead>
<tr>
<th>Does the Organization Experience Conflict among the Employees?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Chart 4.6

Does the Organization Experience Conflict Among The Employees?

When asked whether they experience conflicts between employees many of them answered in affirmative, which represented a frequency of 56%. Those who answered
negatively had a percentage of 44%. This shows the need for trade union to arbitrate in case of such conflicts.

4.7 Causes of conflicts

Table 4.7

<table>
<thead>
<tr>
<th>Causes of Conflict</th>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor Sitting Arrangement</td>
<td>14</td>
<td>28.0</td>
<td>29.2</td>
</tr>
<tr>
<td>Sharing Office</td>
<td>19</td>
<td>38.0</td>
<td>39.6</td>
</tr>
<tr>
<td>Unclear Work Boundaries</td>
<td>15</td>
<td>30.0</td>
<td>31.3</td>
</tr>
<tr>
<td>Missing System</td>
<td>2</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>96.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Figure 4.7

What are the Causes of the Conflict?

Variables

Poor Sitting Arrangement

Sharing Office

Unclear Work Boundaries

Valid %
Asked the main causes of the conflict many said it was due to sharing of offices hence high chance of conflict. Having a frequency of 39.6%. The other causes such as poor sitting arrangements and unclear work boundaries had a frequency of 29.2% and 31.3% respectively.

4.8 a) Availability of a conflict handling office

Table 4.8 a.

<table>
<thead>
<tr>
<th>Is there an Office Assigned to Handle such Conflicts?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>29</td>
<td>58.0</td>
<td>59.2</td>
<td>59.2</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>40.0</td>
<td>40.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>98.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>1</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chart 4.8 a

Is there an Office Assigned to Handle Such Conflicts?

41% Yes
59% No
This question elicited varied responses. A small majority of 59% indicated that the company has an office assigned to handle conflicts. On the other hand, 41% of the respondents indicated that they do not have such an office.

4.8 b) The title of the officer assigned to handle conflicts

Table 4.8 b

<table>
<thead>
<tr>
<th>What is the Title of the Officer?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Managing Director</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>General Manager</td>
<td>4</td>
<td>8.0</td>
<td>8.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Finance Manager</td>
<td>10</td>
<td>20.0</td>
<td>20.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Others</td>
<td>34</td>
<td>68.0</td>
<td>68.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.8 b.

What is the title of the officer?
The officer is in charge of handling conflicts was mentioned by the respondents as follows, 20% indicated that conflicts are handled by the finance manager, 8% by the general manager and 4% by the managing director. However, a majority of 68% indicated that conflicts are handled by other officers.

4.9 The procedure followed in handling conflicts.

Table 4.9

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>27</td>
<td>54.0</td>
<td>54.0</td>
<td>54.0</td>
</tr>
<tr>
<td>Valid No</td>
<td>23</td>
<td>46.0</td>
<td>46.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.9

Is There a Set Procedure to Be Followed to Handle such conflicts?
54.0% of the respondents indicated that there is a procedure followed by EPZ Companies in handling of conflicts. However, 46.0% indicated there isn’t such an office.

4.10 If there is no office for handling conflict how is this handled?

Table 4.10

<table>
<thead>
<tr>
<th>If there is none, How are such cases handled?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The two Sort out their Problem</td>
<td>14</td>
<td>28.0</td>
<td>32.6</td>
<td>32.6</td>
</tr>
<tr>
<td>Through Welfare Officer</td>
<td>20</td>
<td>40.0</td>
<td>46.5</td>
<td>79.1</td>
</tr>
<tr>
<td>Through General Manager</td>
<td>6</td>
<td>12.0</td>
<td>14.0</td>
<td>93.0</td>
</tr>
<tr>
<td>Through Top Management</td>
<td>1</td>
<td>2.0</td>
<td>2.3</td>
<td>95.3</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>4.0</td>
<td>4.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>86.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>7</td>
<td>14.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.10

If there is none, how are such cases handled?

- The two Sort out their Problem (33%)
- Through Welfare Officer (46%)
- Through General Manager (5%)
- Through Top Management (2%)
- Others (14%)
This question had multiple answers where 46.0% of the respondents stated that they handle conflicts through welfare officers, 33.0% indicated that parties solve their own problems, 14.0% stated that conflicts are settled by the general manager, 5.0% stated others, and 2.0% indicated the top management as being the one's who solve or resolve conflicts.

4.11 Minimization of conflicts

Table 4.11

<table>
<thead>
<tr>
<th>What has the Organization Put in place to Minimize such Conflicts?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Clear work boundaries</td>
<td>25</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Minimize Sharing Office Resources</td>
<td>17</td>
<td>34.0</td>
<td>34.0</td>
<td>84.0</td>
</tr>
<tr>
<td>Minimize Sharing Offices</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.11

What Has the Organization Put in Place to Minimize Such conflicts?

- Clear work boundaries
- Minimize Sharing Office Resources
- Minimize Sharing Offices
The organization has put in place different measures for minimizing conflicts such as the one shown on the above figure where 50% of the respondents stated clear work boundaries, 34% minimization of the sharing of office resources and lastly 16% stated clear work boundaries.

4.12 Work Targets

Table 4.12

<table>
<thead>
<tr>
<th>Are there Work Targets?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>28</td>
<td>56.0</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
<td>44.0</td>
<td>44.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4.12

Are there Work Targets?

[Diagram showing bar chart with 'Yes' and 'No' variables, valid percentage values: Yes 56%, No 44%, cumulative valid percent 56%, 100%]
The respondents indicated that there are work targets at the EPZ. This is by the frequency of yes responses obtained (56.0%). However 44% of the respondents indicated that there are no work targets.

4.13 The role of the workers union.

Table 4.13

Do you have a Workers Union in your Organization and what role does it play in Conflict Management?

<table>
<thead>
<tr>
<th>Role</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote Members Interest</td>
<td>24</td>
<td>48.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Bring about Social Changes</td>
<td>14</td>
<td>28.0</td>
<td>29.2</td>
<td>79.2</td>
</tr>
<tr>
<td>Set Targets for Achievement</td>
<td>8</td>
<td>16.0</td>
<td>16.7</td>
<td>95.8</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>4.0</td>
<td>4.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>96.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>2</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As stated in the diagram below (Fig 4.13), all the respondents indicated that they have a workers union with a 100% score. The role of this workers union was mentioned as, promoting the member’s interests (50%), bringing about social change (29%), and setting targets for achievement (17%). There was a frequency of respondents who indicated that the workers union plays other roles (4%).
Figure 4.13

Do you have a workers union in your organization and
What role does it play in conflict management?

Table 4.14

How is the Union in the Organization?

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Active</td>
<td>20</td>
<td>40.0</td>
<td>41.7</td>
<td>41.7</td>
</tr>
<tr>
<td>Dormant</td>
<td>28</td>
<td>56.0</td>
<td>58.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>96.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
58% of the respondents indicated that the union is dormant while 42% indicated that it is active. This shows some negative feeling by the employees about the union, which should take care of their interests in the organization.

### Table 4.15

<table>
<thead>
<tr>
<th>Can Conflict Management do away with the need to have Union Representation?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>30</td>
<td>60.0</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>40.0</td>
<td>40.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Figure 4.15

Can conflict management do away with the need to
Have union representation?

A good majority of the respondents (60%) indicated that the conflict management could do away with the need for union representation, while the rest (40%) felt that it couldn’t do away with union representation.

4.16 Whether the situation at EPZ would be different if conflict management was withdrawn.

Table 4.16

<table>
<thead>
<tr>
<th>Would the Situation be different if the Conflict Management is Withdrawn?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>23</td>
<td>46.0</td>
<td>46.0</td>
<td>46.0</td>
</tr>
<tr>
<td>No</td>
<td>27</td>
<td>54.0</td>
<td>54.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Would the situation be different if the conflict management is withdrawn?

As asked whether the situation at EPZ would be different if conflict management was withdrawn, a majority of the respondents (54%) responded on the negative while 46% indicated that the situation would be different.

4.17 Whether the organization has been able to handle conflicts for the last two years.

<p>| Has the Organization been able to Handle Conflict for the last two Years? |
|-----------------------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>33</td>
<td>66.0</td>
<td>66.0</td>
<td>66.0</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>34.0</td>
<td>34.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Has the organization been able to handle conflict for the last two years?

A majority of the respondents with a frequency of 66% indicated that the organization has been able to handle conflicts for the last two years while 34% of the respondents indicated that the organization had not been able to handle conflicts in the last two years.

### 4.18 Performance of the organization after a conflict resolution.

**Table 4.18**

<table>
<thead>
<tr>
<th>How would you Attribute the Performance after Conflict has been Solved?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Best</td>
<td>3</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Fair</td>
<td>25</td>
<td>50.0</td>
<td>50.0</td>
<td>56.0</td>
</tr>
<tr>
<td>Good</td>
<td>19</td>
<td>38.0</td>
<td>38.0</td>
<td>94.0</td>
</tr>
<tr>
<td>Poor</td>
<td>3</td>
<td>6.0</td>
<td>6.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
When asked how they would attribute the performance of the company after a conflict resolution the respondents indicated that it was fair (50%), good (38%), best (6%), and poor 6%. This means that the company is trying to resolve conflicts and that conflict management improves performance.
5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the major findings of the study in relation to the objectives provided in chapter one. It discusses the recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings and Conclusions

The study evaluated the industrial conflict resolution approaches and their effects on organizational performance, a case study of export processing zones – Mombasa.

The findings of this study indicate that conflicts have affected staff performance at the EPZs.

- Too much conflict leads to a low level of performance
- An optimal (moderate) conflict leads to a high level of performance.
- Too little conflict leads to a low level of performance

It is evident that the conflict level affects the group (unit) performance and hence its productivity. At the end of the study it is apparent that conflict management is effective in conflict resolution in organizations and that if conflict was approached and handled using laid down procedure unrest would be minimal.
Lack of awareness by employees on the existence of conflict management procedures creates situations where conflict situations worsen leading to strikes and lockouts that in turn lowers the productivity and performance of the organization and also creates bad industrial relations.

The study also found out that the conflicts in the organization may be due to lack of innovation and creativity in problem solving skills. Unclear work boundaries, sharing work equipment and offices result in conflict between staff members, sub-ordinate staff and management, between the departments/ sections and other sections/ departments.

The causes of conflicts were as well identified as:

- Lack of communication between top management and staff
- Strict rules and regulations
- lack of meetings between staff and management,
- poor remuneration (salaries and allowances and other benefits),
- disparities in salaries between project and seconded staff,
- oppressive managers/supervisors,
- lack of representation by trade union,
- lack of a grievance procedure for processing of grievances/ disputes,
- lack of a joint negotiation machinery,
- lack of collective bargaining agreement (CBA),
- lack of representation in management decisions,
- lack of co-operation between departments and section/ department heads,
- suspicion and lack of goodwill between sub-ordinate staff and management, as well as misunderstanding on how activities should be coordinated between Technical and Administrative staff.

The study also found out that the conflicts were mostly resolved by mediation by third parties e.g. Provincial Administration, (DC’s, PC, etc). They were also solved through reconciliation by labor office, arbitration by Industrial court, grievance and disciplinary procedure. Meetings held between employees and immediate supervisors/company, managers/regional managers who hear grievances and offer solution, meeting with human resources department to present memoranda of grievances and a joint negotiation machinery are also used to resolve conflict

The findings of this study indicate that conflicts have affected staff performance at the EPZs. It is evident that the conflict level affects the group (unit) performance and hence its productivity.

It was also realized that the performance has indeed been affected by the fact that the delivery of services is poor and normal duties are not being attended to promptly. Staff morale is low and there is complacency and stagnation as staff are unwilling to work unless supervised. As a result there is an increase in customer complaints, loafing and tardiness, unwillingness to work and wastage of time as perceptions become less accurate
while departments use scapegoats. The study also found out that staff tend to avoid assisting other departments. There is lack of teamwork and coordination of activities between staff and departments leading to increased engagement in industrial action like strikes, picketing, go slows and witch hunting amongst staff members.

5.3 Limitations of the study

The following limitations were encountered in the course of the study:

i) Lack of cooperation from staff in assessing the relevant information especially pertaining to past activities by the union leaders and the reasons why they were denied permission for registration.

ii) Financial contaminants hampered mobility and communication with the respondents since the research was self-sponsored.

iii) Lack of documented information on union activities and minutes of meetings for resolving conflicts and other problems.

iv) Some respondents feared providing information due to the sensitive nature of the subject.

v) Obtaining organizational authority to carry out the research is difficult as organizations often try to avoid publicity or revelation of trade sheets and policies.

vi) Lack of clear-cut policies management procedures in organizations.
5.4 Recommendations

From the findings obtained above, the researcher would like to make the following recommendations in as far as conflict resolution is concerned.

1) Encouraging the aggrieved parties to sort out their problems through a welfare officer, general manager and the top management would improve conflict management.

2) To experience the optimum level of performance from a unit, managers should try to minimize sharing of office resources and offices and set clear work boundaries thus minimize conflicts.

3) The role of Trade unions in solving complex situations especially inner organizational conflict between management and its employees should never be underestimated. It’s role in conflict management should be in the form of promotion of members interests, bringing about social change and setting targets for achievement in terms of performance for its members. A silent union that agrees always with management is not healthy for its advancement.

4) Every conflict is unique and should be treated as such with a new and applicable handling style engaged in the situation. This enhances flexibility and uplifts the parties concerned trust in the managements ability to deal with each potential conflict as required.
5) Realistic training involving role-playing should be provided for managers to prepare them to try out alternative conflict handling styles.

6) Each employee should be assigned specific roles that are clear and definite with corresponding authority to avoid role conflict.

7) Conflict policies and procedures should be included in the organizational employee manual.

8) If signs of too little conflict such as apathy and lack of activity appear, then conflict needs to be initiated.

5.5 Suggestions for Further Research

The research was conducted over a short period of time and therefore did not cover a wide scope. The researcher would like to suggest that a similar study be carried out and this time with a wider scope, that is, the EPZ companies countrywide.

The researcher would also like to suggest related studies especially in the area of conflict resolution and how it can improve a company’s performance and employee productivity.

Future researchers, other than testing the already founded styles or conflict resolution approaches, should also conduct a study to find other strange (undiscovered) approaches that may be in use.
Further research should be undertaken in the area of causes of conflict in organization and the role of the trade unions in conflict resolution. The research should investigate the factors that influence the leadership approaches over the current objectives.
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APPENDICES

APPENDIX I

KENYATTA UNIVERSITY
SCHOOL OF BUSINESS
DEPARTMENT OF BUSINESS ADMINISTRATION

TO WHOM IT MAY CONCERN:

Dear Sir/Madam

RE: RESEARCH DATA COLLECTION FOR MKOK LAETITIA KINAITORE
(DS3/OL/1508/02)

This is to confirm that the above named student is an MBA (Human Resource Management Option) in the School of Business, Department of Business Administration, Kenyatta University.

Please authorize her to facilitate data collection for the student's Thesis project.

Any assistance you may accord her will be highly appreciated.

Thank you.

DR. GEORGE GONGERA
CHAIRMAN, BUSINESS ADMINISTRATION DEPARTMENT

7th July 2005
APPENDIX II

QUESTIONNAIRE (SUPERVISORS/TRADE UNION OFFICERS/EMPLOYEES)

NAME OF ORGANISATION__________________________________________

ADDRESS______________________________________________________

TEL NO: ________________________________________________________

NAME OF THE RESPONDENT (OPTIONAL) __________________________

TITLE OF THE RESPONDENT (OPTIONAL) __________________________

TICK AS APPROPRIATE AND PROVIDE THE CORRECT ANSWERS

1. How long have you been in the organization?
   □ 0 – 3 years
   □ 4 – 7 years
   □ 8 – years
   □ 10 And above

2. What is the size of the work force?
   □ 0 – 50
   □ 51 – 100
3. Does the organization experience conflict among the employees?
   - [ ] Yes
   - [ ] No

4. What are the new causes of conflict?
   - [ ] Poor sitting arrangement
   - [ ] Sharing of office
   - [ ] Unclear work boundaries

5. Is there an office assigned to handle such conflicts?
   - Yes [ ]
   - No [ ]

6. What is the title of the officer?
   - [ ] Managing Director
   - [ ] General Manager
   - [ ] Finance Manager
   - [ ] Others, (explain) ____________________________
7. Is there a set down procedure to be followed in handling such conflicts?
   □ Yes
   □ No

8. If there is none, how are such cases handled?
   □ The two sort out their problem
   □ Through Welfare Officer
   □ Through General Manager
   □ Through Top Management
   Others, (Explain) ____________________________

9. What has the organization put in the place to minimize such conflicts?
   □ Clear work boundaries
   □ Minimize sharing office resources
   □ Minimize sharing offices

10. Are there work targets?
    □ Yes
    □ No.

11. Do you have a workers union in your organization and what role does it play in conflict management?
    □ Promote members interests
Bring about social change

☐ Set targets for achievement

Others, explain ________________________________

12. How is the union in the organization?

☐ Active

☐ Dormant

13. Can conflict management do away with the need to have union representation?

☐ Yes

☐ No

14. Would the situation have been different if the conflict management is withdrawn?

☐ Yes

☐ No

15. Has the organization been able to handle conflict for the last 2 years?

☐ Yes

☐ No
16. How would you attribute the performance after conflict has been resolved?

- [ ] Best
- [ ] Fair
- [ ] Good
- [ ] Poor
APPENDIX III

QUESTIONNAIRE FOR MANAGERS

DESIGNATION

DEPARTMENT/SECTION

WORK STATION

DATE

Tick whichever answer is applicable. You can tick more than one alternative to answer questions.

1. Do you experience any conflicts at your place of work?
   YES ( )
   NO ( )

If the answer is No comment briefly.

What is the nature of these conflicts?

(a) Between staff members ( )
(b) Sub-ordinate staff and management ( )
(c) Between your Department/ Section and other Sections/ Department ( )
(d) Heads of Section/Departments

(e) None of the above

If the answer is (e), comment briefly.

2. What are the causes of these conflicts?

(a) Lack of communication between top management and staff

(b) Strict rules and regulations

(c) Lack of meetings between staff and management

(d) Poor remuneration (salaries and allowances and other benefits

(f) Disparities in salaries between project and seconded staff

(f) Oppressive manages/supervisors

(g) Lack of representation by trade union

(h) Lack of a grievance procedure for processing of grievances/ disputes

(i) Lack of a joint negotiation machinery

(j) Lack of collective bargaining agreement (CBA)

(k) Lack of representation in management decisions

(l) Lack of co-operation between departments and Section/ Department heads
(m) Suspicion and lack of goodwill between sub-ordinate Staff and management

(n) Misunderstanding on how activities should be coordinated between Technical and Administrative

(o) None of the above

If the answer is (o) explain briefly

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

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

3. How are these conflicts resolved?

Through:

(a) Mediation by third parties e.g. Provincial Administration (DC's, PC etc)

(b) Reconciliation by labour office

(c) Arbitration by Industrial court

(d) Grievance procedure

(e) Disciplinary procedure

(g) Meetings between employees and immediate supervisors/ Company managers/Regional Managers to hear grievance and Offer solution
(h) Meeting with Human Resources Department to present Memoranda of grievances

(h) A joint negotiation machinery

(i) None of the above

If the answer is (h) explain briefly.

5. In what ways do you think the conflicts have affected staff performance?

(a) Delivery of services is poor and normal duties are not being attended to promptly

(b) Staff morale is low

(d) There is complacency and stagnation as staff are unwilling to work unless supervised

(e) There is increase in customer complaints

(f) Loafing and tardiness

(Unwillingness to work & wastage of time)

(g) Perceptions are less accurate and departments use scapegoats To avoid assisting other departments

(h) Lack of teamwork and coordination of activities between Staff and departments

(i) Engagement in industrial action like strike, picketing
& go slow

(j) Witch hunting amongst staff members

(k) None of the above

If your answer is (k) explain briefly

Thank you for your co-operation