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INFLUENCE OF EMPLOYEE RELATIONS STRATEGIES ON PERFORMANCE OF SELECTED FIRMS IN THE TELECOMMUNICATION SECTOR IN KENYA

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Abstract: The main objective of the study was to establish the influence of employee relations strategies on performance of selected firms in the telecommunication sector. The specific objectives of the study include the effect of work life balance, employee voice, organizational communication, and employee compensation on performance of Safaricom and Airtel. This study employed descriptive research. The target population comprised of 150 employees in Airtel Kenya Limited and 546 employees in Safaricom Kenya limited who have worked for the company for at least a year. A sample of 226 (Safaricom) and 108 (Airtel) respondents was picked. Primary data was collected using a questionnaire and interview for selected respondents. Data was analyzed using Statistical Package for Social Sciences (SPSS) which is a software tool for data analysis. This involved organizing the data into categories, coding and sorting them to identify patterns and interpret the meaning of the responses. The findings showed that Work Life Balance, Organization Communication, and Employee Voice factors had a significant positive effect on the Firm Performance ratings; while Employee Compensation had an insignificant positive effect on the Firm Performance rating, 5% level of significance. The conclusion of the study is that employee relations strategies positively influence performance. The study recommends further research to other telecommunication firms in the region.

Key Words: *Work Life Balance, Organizational Communication, Employee voice, Employee Compensation, Performance*

Introduction

Human resource management is the unique central component in any organization and controls other components in an organization like finance, marketing, materials, technology, information and production. Organizations are seeking to create much competition between them, taking more market, more customers and more sales (Al-Khozondar, 2014). Rapid changes stemming from globalization, advancement of information systems and other factors have caused higher competition. Many organizations are driven by the market to set their goals in their performance. The realization of these goals will be achieved through the human resources management in organizations. Thus Human Resource Management (HRM) tries to establish good relationship among employees and maintain high morale and provide good working conditions in an organization. It helps and acts as a change agent while controlling various activities of the organization (Bajaj, 2013). Employee Relations is a specific field of HRM. It is a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organization. The human resources department can play a critical role in this process, both in terms of training and coaching managers and executives on how to effectively establish and nurture relationships with employees and in measuring and monitoring those relationships to determine whether objectives are being met (Oluchi, 2013).

Employee relations examine the various aspects on how people at work inter-relate. Employee relations, therefore, is the interaction between employees themselves and also with their employers. Such interaction can either be formal or informal. It encompasses all areas of management that may include labor relations, employee involvement and participation, employee communication and industrial relations (Armstrong, 2008). In international HR circles, the voice of the employee and the contract that is psychological is now a thing that is acceptable by the employers and they are actually evident in the policies that are made and even in the strategic visions of most international businesses (Budd & Bhave, 2008). The human relations movement is seen as the precursor of the modern human resources function. Before the human relations movement, workers were typically seen as replaceable cogs in organizational systems that put the ultimate value on higher output. The notion of quality as a competitive tool has been around for many years, but in the 2000s, receiving much more attention. In a period of fierce competition, a consumer may not tolerate poor quality. Human beings are at the heart of the quality movement because workers are given the power and responsibility to improve quality (Gupta 2009).

Statement of the Problem

The process of 'global interlinking of economies', accelerated by technological development, has intensified competition in today's business environment (Kuruvilla & Ranganathan, 2010; Steven & Gregory, 2002). There is increasing recognition that 'increases in global trade, facilitated by advancements in technology, communication and transportation, began to bring the markets of the world into greater competition' (Raymond, 1989; Steven & Gregory, 2006). As economic globalisation has become more pronounced, the ability of organisations to compete in the global marketplace is all the more tied to the quality of their human resources. Many organisations rely on the expertise of their employees to gain competitive advantage in global economies (Reiche, 2007).

A report released by CAK showed that Safaricom, Airtel, Essar and Telkom failed to meet the 80 per cent compliance target for Key Performance Indicators (KPIs) for the assessment period 2012- 2013. The CAK first quarter sector statistics report for the financial year (2015) revealed that Airtel (K) limited experienced a decline in total local mobile voice traffic to post 1.7 billion minutes down from last quarter's 1.8 billion minutes. Subsequently, its market share dropped by 4.0% to stand at 16.2 during the period under review. According to Communications Authority of Kenya, none of the three mobile network operators met the set minimum Quality of

Service (QoS) threshold of 80% in the financial year 2014/2015, trend, which has been witnessed for three years in a row. Safaricom, Airtel and Telkom Orange did not register any significant improvement in their overall performance, all having managed 62.5 per cent, the same score they had the previous financial year (CAK, 2016). Some of the employee relations issues that face workforce are work-life balance, organizational communication, employee voice, as well as employee compensation. Human resource must be prepared to deal with these issues. However some organizations like Safaricom and Airtel going from the CAK report might not have the knowledge or manpower to effectively deal with these issues. It is against this background that this study sought to establish the influence of employee relations on performance in selected firms in the telecommunication sector in Kenya.

Objectives of the Study

- i. To examine the influence of work-life balance on performance of selected firms in the telecommunication sector in Kenya.
- ii. To establish the influence of organisational communication on performance of selected firms in the telecommunication sector in Kenya.
- iii. To determine the influence of employee voice on performance of selected firms in the telecommunication sector in Kenya.
- iv. To assess the influence of employee compensation on performance of selected firms in the telecommunication sector in Kenya.

Literature Review

Theoretical Review

This study was anchored on several theories including; Spill over theory, Cybernetics theory, Capability approach, Expectancy theory and Resourced- Based theory. This study is anchored on spill over theory by Guest (2002). It postulates the conditions under which spill-over between the work micro system and the family micro system occurs. It can either be positive or negative. If work-family interactions are rigidly structured in time and space, then spill over in terms of time, energy and behaviour is negative. When flexibility occurs which enables individuals to integrate and overlap work and family responsibilities in time and space lead to positive spill over which is instrumental in achieving healthy work life balance. According to Guest (2002), the determinants of work life balance are located in the work and home contexts. Contextual determinants include demands of work, culture of work, demands of home and culture of home. Individual determinants include work orientation (i.e. the extent to which work (or home) is a central life interest), personality, energy, personal control and coping, gender and age, life and career stage.

The Cybernetics theory propounded by W. Ross Ashby and Norbert Wiener in 1960 emphasized on mathematics theory of communication and control systems through regulatory feedback. Feedback can be positive (when the required result is achieved) or negative; instantaneous (when the response is immediate) or delayed. Feedback is used to gauge the effectiveness of a particular message put forth or situation that has taken place. Cybernetics is the study of the Communication and control of regulatory feedback both in living and lifeless systems (organisms, organizations, machines), and in combinations of those. It has been found that effective communication improves job satisfaction (Holtzhausen, 2012) and which in turn improves productivity (Litterst & Eyo, 1982). Research has also shown that communication improves employee job performance (Goris, 2008), while poor communication results to low employee commitment to the organization (Kramer, 2007). The capability approach (CA), which was initially developed by Amartya Sen (1999, 2005) in the context of the study of poverty in developing countries, has more recently come to prominence in the debates over the future of the European Union (EU) and national policy agendas concerning work and employment relations (Salais and Villeneuve, 2004; Deakin and

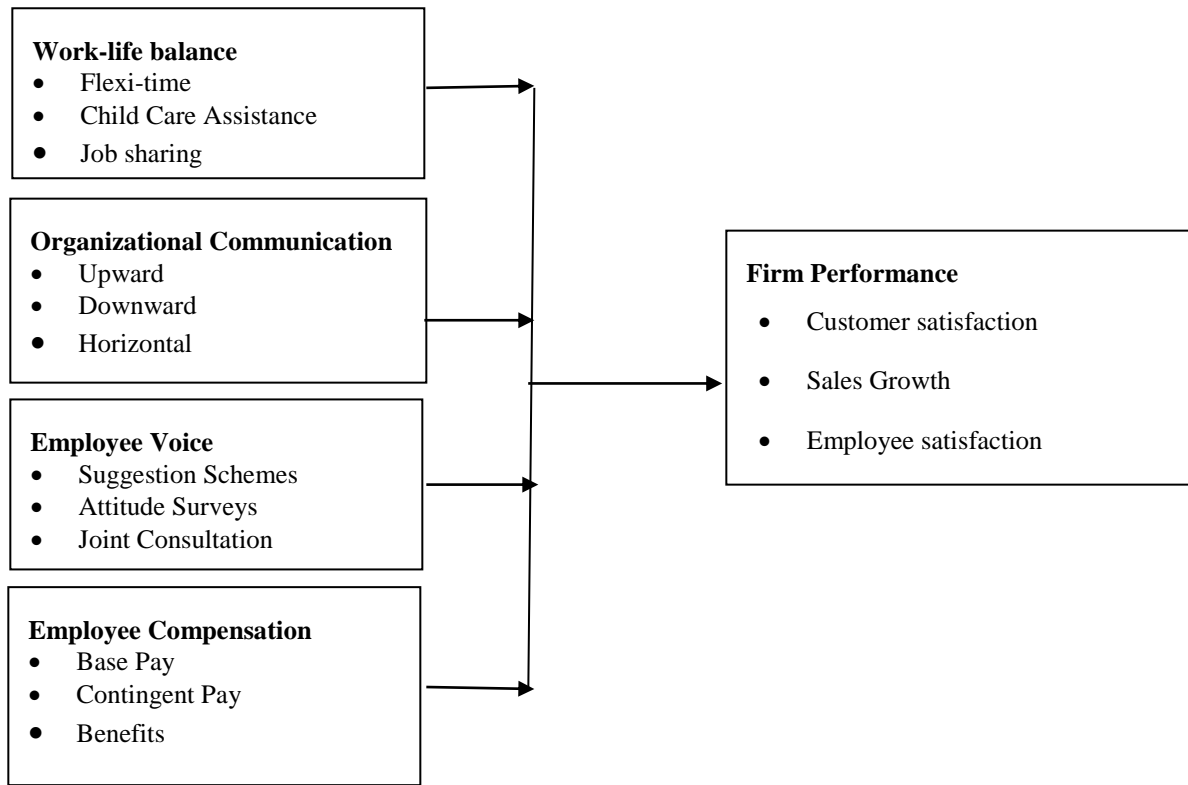
Wilkinson, 2005). Sen's version of the CA (see Sen, 1999, 2009) insists on the need for an enriched 'informational basis' for evaluating societal arrangements. In this vein, the CA can be thought of promoting a context-dependent process of social learning as the basis for institutional formation. The importance of learning points the way to a particular kind of capability, 'capability for voice', as the basis for 'the ability to express one's opinions and thoughts and to make them count in the course of public discussion' (Bonvin, 2008: 247). This theory supports the view that employee voice is a way of making employees an integral part in the organization and it has a direct bearing on their performance. According to Mueller (2012), employee voice in organizations impacts on quality and productivity of employees and inhibits issues that might explode.

The expectancy theory was proposed by Victor Vroom of Yale School of Management in 1964. The theory stresses and focuses on outcomes and states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual. The Expectancy theory states that employee's motivation is an outcome of how much an individual wants a reward (Valence), the assessment that the likelihood that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (Instrumentality). Implication of the Expectancy Theory in this study is that managers can correlate the preferred outcomes to the aimed performance levels and that employees must be compensated for their exceptional performance. Anvari *et al.* (2011) indicate that there is a positive and significant relationship between practical compensation strategies with organizational affective commitment.

The resource-based theory of the firm blends concepts from organizational economics and strategic management (Barney 2007, Conner 1991). A fundamental assumption of this view is that organizations can be successful if they gain and maintain competitive advantage (see Porter 1985). Competitive advantage is gained by implementing a value-creating strategy that competitors cannot easily copy and sustain (Barney 2007) and for which there are no ready substitutes. For competitive advantage to be gained, two conditions are needed: First, the resources available to competing firms must be variable among competitors, and second, these resources must be immobile (not easily obtained).

Three types of resources associated with Organizations are (a) physical (plant; technology and equipment; geographic location), (b) human (employees' experience and knowledge), and (c) organizational (structure; systems for planning, monitoring, and controlling activities; social relations within the organization and between the organization and external constituencies). The RBV suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm (Hoffer & Schendel, 1978 ; Wenerfelt, 1984). This theory supports the view that periodic salary increments, allowance, bonuses, fringe benefits and other compensations on regular and specific periods keep staff morale high and makes them more motivated (Danish & Usman 2010).

Conceptual Framework



Independent Variables

Dependent Variable

Figure: 1 Conceptual Framework

Empirical Review

Vishwa *et al* (2015) investigated work life balance policies and its impact on employee’s job satisfaction and performance. The findings of this study emphasized that each of the work life balance policies on its own is a predictor of job satisfaction. Azeem and Akhtar (2014) researched on the influence of work life balance and job satisfaction on organization commitment of health care employees. The findings of the empirical test shows that employee in the health care sector have a moderate level of perceived work life balance, job satisfaction and commitment. Kamau, Muleke, Makaya and Wagoki, (2013) investigated work life balance practices on employee job performance at eco bank Kenya. The finding of the empirical study shows that there was correlation between work life balance and employee performance. Dissanayaka and Ali (2013) investigated the impact of work life balance on employee performance. The finding of the result was that there is a positive relationship between work life balance and employee performance. Also there is a need for systematic effort to enhance work life balance of the employee to achieve better employee performance.

Kibe (2014) investigated the effects of communication strategies on organizational performance. A descriptive research design was used in this study. 132 questionnaires were distributed employees. The findings of this research showed the importance of both the theoretical level and practical level. Bery, Otieno, Waiganjo and Njeru (2015), explored the effect of employee communication on organization performance in Kenya’s horticultural sector. This study was carried out in flower farms in Kenya. The study found that communication facilitates

exchange of information and opinion with the organization, that communication helps in improving operational efficiency thus improving organization performance. Oyetunde and Oladejo (2012) in a study titled “communication approach and firms performance: appraisal of Nigerian Bottling Company (CocaCola), Ilorin-Nigeria” submitted that research findings no doubt have validated the synergistic relationship between communication approach and efficient performance of NBC, Ilorin plant. Studies reviewed by Ojukuku *et al.*, (2014), show evidence that employee participation in decision making should be recognised as a managerial tool for improving their performance.

In another study, Gray and Shasky (2007), also using multiple regression analysis examined the impact of strategic HRM practices on the performance of state Governments agencies. The results showed that when organizations employed such personnel practices as internal career ladders, formal training system, result-oriented performance appraisal, employment security, employee voice and performance-based compensation, they were more able to achieve their organizational goals and objectives. Obasan (2012) linked compensation with performance using three selected conglomerate firms in Nigeria. The findings revealed compensation strategy has significant and positive effects on work productivity and organisational performance. It thus posits that compensation strategy is a veritable option for attracting, retaining, and motivating employees for improved organizational productivity. Shahzad *et al.* (2008), Tessema and Soeters (2006), Huselid (1995) and Frye (2004) examined the relationship between compensation and firm performance and found a positive relationship between the two. Hameed, Muhammad, Hafiz, Ghazanfar and Muhammad (2014) examined the impact of compensation on employee performance of banks in Pakistan. Findings from correlation and regression analyses showed that compensation has positive impact on employee performance.

Research Methodology

Descriptive research design was employed to determine the relationship between the dependent and the independent variables and to establish any association between these variables. The target population comprised of 150 employees in Airtel Kenya Limited headquarters and 546 employees in Safaricom Kenya limited headquarters who have worked for the company for at least a year. From the above population target, a sample of 226 (Safaricom) and 108 (Airtel) respondents was picked. The sample size the study derived using the Bryman and Bell (2007) formula for determining the sample size as shown below:

$$n_0 = \frac{z^2 \cdot p(1 - p)}{d^2}$$
$$n_0 = \frac{1.96^2 \cdot 0.5(0.5)}{0.05^2}$$
$$n_0 = 384.16$$

Where

n_0 is the initial sample size for proportion

z^2 is the Z value which at 95% confidence level it is 1.96

p is the population proportion, in this case it is 0.5 for both p and $1-p$

d^2 is the Margin of Error at 5% (0.05)

Thus, the initial sample size for proportion was 384.16.

The size of the sample, n is given by the formula:

$$n = \frac{n_0 \cdot N}{n_0 + (N - 1)}$$

$$n = \frac{384.16 * 546}{384.16 + 545}$$

$$n = \frac{384.16 * 150}{384.16 + 149}$$

$$n = 225.74$$

$$n = 108.08$$

Where

N is the size of the population, in this case it is 546 (Safaricom) and 150 (Airtel).

Substituting n_0 in the formula the sample size n is 226 (Safaricom) and 108 (Airtel) respondents.

Primary data was collected. The major primary data collection instrument (information collected for the first time) that was used was the questionnaire which was self-administered.

Data analysis involved first coding the responses; tabulating the data; and performing several statistical computations (i.e. averages, frequencies, percentages and regression coefficients). The study employed descriptive statistics method for presenting and summarizing bio-data. Statistical instrument that was used for the research analysis was mainly inferential statistics, specifically multiple regression analysis. The general multiple regression model for this study was:

$$Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \epsilon$$

Where

Y is the dependent variable firm performance, α_0 is the constant of the regression equation, α_i is the coefficient of X_i for $i = 1, 2, 3, 4$, X_1 is the work life balance, X_2 is the organization communication, X_3 is the employee voice, X_4 is the employee compensation and ϵ is the error term.

Research Findings and Discussions

The sample of the study comprised of 334 respondents, 226 (Safaricom) and 108 (Airtel).

Out of 334 questionnaires that were administered, 210 questionnaires were returned, which represented a response rate of 63% which is slightly above the 60% response rate recommended by Armstrong (2014).

Descriptive Statistics

Work Life Balance

The study sought to examine the influence of work-life balance on performance of selected firms in the telecommunication sector in Kenya. 32.4% (68) of the respondents Strongly Agree that Work Life Balance is a determinant of Organization Performance, 38.6% (81) Agree, 12.4% (26) are Neutral; 12.9% (27) Disagree and 3.7% (8) Strongly Disagree. Table 4.7 summarizes from the respondents the extent to which work life balance influences firm performance of Safaricom and Airtel. From the findings in Table 1, on a scale of 1 to 5, the mean score of Work Life Balance was 3.87 (SD = 0.85). This shows that 77% of the respondents tend to agree that Work Life Balance is a critical factor to them.

Work Life Balance has a standard deviation of 17% implying that the proportion of employees agreeing with this finding ranges between 60% and 94%. From the findings in Table 1, majority of the respondents agreed that the organization encourages them to have healthy hobbies outside work, by a mean of 3.9191. The respondents also noted that they are satisfied with the organization's policy on telecommuting, as shown by a mean of 3.8483. The findings are consistent with Prerna (2012) who asserts that a proper balance between work and family life plays a key role in achieving personal and professional goals.

Table 1 : Work Life Balance and Organization Performance

Work Life Balance	SD	D	N	A	SA	Mean	Standard Deviation
Employees are allowed to work on flexi hours	31	32		108	39	3.6169	.85907
Child care assistance programs are available to employees		47	28	37	98	3.4820	.72808
The organization has job sharing mechanisms to reduce work load		16	46	109	39	3.7181	.64851
I am satisfied with the organization’s policy on telecommuting		16	31	80	83	3.8483	.95467
I have the support of my supervisor to set career goals and means to achieve them		16	28	84	82	3.6404	.75451
The organization provides employees with recreational facilities to rest and have fun	31	28		53	98	3.6742	.87040
My supervisor listens to, and implements, employee feedback on what enhances employee work life balance.		59	31	81	39	3.7034	.97006
The organization encourages us to have healthy hobbies outside work			47	96	67	3.9191	.82464
Work Life Balance	8	27	26	81	68	3.87	.85

Organization Communication

The study sought to examine the influence of organization communication on performance of selected firms in the telecommunication sector in Kenya. 20% (42) of the respondents Strongly Agree that organization communication is a determinant of Organization Performance, 57% (120) Agree, 10% (20) are Neutral; 9% (18) Disagree and 8% (10) Strongly Disagree. Table 2 summarizes from the respondents the extent to which organization communication influences firm performance of Safaricom and Airtel. From the findings in Table 4.8, on a scale of 1 to 5, the mean score of Organizational Communication was 3.82 (SD = 0.50). This shows that 76% of the respondents tend to agree that Organizational Communication is a critical factor to them.

Organizational Communication has a standard deviation of 10% implying that the proportion of employees agreeing with this finding ranges between 66% and 86%. From the findings in Table 2, majority of the respondents agreed that the Employees contact their supervisors freely, by a mean of 4.3381. The respondents also noted that Supervisors interact freely with employees, as shown by a mean of 4.1714. Previous studies show that effective communication improves job satisfaction (Holtzhausen, 2012) and which in turn improves productivity (Hussein, 2014).

Table 2 : Organization Communication and Organization Performance

Organization Communication	SD	D	N	A	SA	Mean	Standard Deviation
Employees contact their supervisors freely				139	71	4.3381	.47419
Supervisors interact freely with employees			27	120	63	4.1714	.6332
Employees engage freely with each other	31	32		111	36	3.5762	.51648
I am satisfied with the organization's communication policy		63		116	31	3.7762	.47165
The organization conducts communication audit frequently	16		74	108	12	3.8976	.5081
The organization has clear communication lines		32		146	32	3.8571	.66152
The organization plans for employee trainings to gain effective communication skills.	16		28	120	46	3.8952	.51122
The organization appraisal tools has scores for effective communication	15	16	31	104	44	3.5476	.60349
Organization Communication	10	18	20	120	42	3.82	.50

Employee Voice

The study sought to examine the influence of employee voice on performance of selected firms in the telecommunication sector in Kenya. 27% (57) of the respondents Strongly Agree that employee voice is a determinant of Organization Performance, 54% (113) Agree, 13% (28) are Neutral; 4% (8) Disagree and 2% (4) Strongly Disagree. Table 3 summarizes from the respondents the extent to which employee voice influences firm performance of Safaricom and Airtel. From the findings in Table 4.9, on a scale of 1 to 5, the mean score of Employee Voice was 4.02 (SD = 0.75).

This shows that 80.4% of the respondents tend to agree that Employee Voice is a critical factor to them. Employee Voice has a standard deviation of 15% implying that the proportion of employees agreeing with this finding ranges between 65.4% and 95.4%. From the findings in Table 3, majority of the respondents agreed that the organization has a clear process for employees to express their grievances, by a mean of 4.4143. The respondents also noted that organization does not discourage union membership, as shown by a mean of 4.2048. According to Mueller (2012), employee voice in organizations impacts on quality and productivity of employees and inhibits issues that might explode.

Table 3: Employee Voice and Organization Performance

Employee Voice	SD	D	N	A	SA	Mean	Standard Deviation
Employees express their views and suggestions freely		27	47	96	40	3.7095	.921
The organization conducts attitude surveys frequently			58	97	55	3.9857	.73516
The organization encourages joint consultations among employees			46	120	44	3.9905	.65615
I am satisfied with the organization’s culture of openness	19		12	120	59	3.9810	.92113
Employees are involved in decision making at all levels	11	20	15	109	55	3.8238	.82066
The organization places a high value on feedback and acts upon them		15	16	124	55	4.0429	.79054
The organization does not discourage union membership			27	113	70	4.2048	.64961
The organization has a clear process for employees to express their grievances				123	87	4.4143	.49378
Employee Voice	4	8	28	113	57	4.02	.75

Employee Compensation

The study sought to examine the influence of employee compensation on performance of selected firms in the telecommunication sector in Kenya. 38% (80) of the respondents Strongly Agree that employee compensation is a determinant of Organization Performance, 43% (90) Agree, 11% (23) are Neutral; 3% (7) Disagree and 5% (10) Strongly Disagree. Table 4 summarizes from the respondents the extent to which employee compensation influences firm performance of Safaricom and Airtel. From the findings in Table 4.10, on a scale of 1 to 5, the mean score of Employee Compensation was 4.03 (SD = 0.8).

This shows that 80.6% of the respondents tend to agree that Employee Compensation is a critical factor to them. Employee Compensation has a standard deviation of 16% implying that the proportion of employees agreeing with this finding ranges between 64.6% and 96.6%. From the findings in Table 4, majority of the respondents agreed that their base pay is commensurate with their skills and performance levels, by a mean of 4.219. The respondents also noted that organization has a competitive pay structure, as shown by a mean of 4.1429. Anvari et al. (2011) indicate that there is a positive and significant relationship between practical compensation strategies with organizational affective commitment.

Table 4 : Employee Compensation and Organization Performance

Employee Compensation	SD	D	N	A	SA	Mean	Standard Deviation
My base pay is commensurate with my skills and performance levels			28	108	74	4.219	.66319
The organization has a competitive pay structure	16		12	112	70	4.1429	.83498
The employee benefits are distributed equitably among staff	10		10	110	80	4.0476	.950704
I am satisfied with the organization’s employee compensation plan	11		16	108	75	4.1048	.84064
Employees compensation is reviewed regularly to adjust to industry trends			44	81	85	4.1952	.76087
Employees are allowed to negotiate for pay rise		16	32	64	98	4.1619	.94968
Managers seek out to maximize value for their team members	16	10	28	96	60	3.7429	.8494
The organization’s monetary and non-monetary compensation packages are satisfactory	32	32	15	37	94	3.6143	.53703
Employee Compensation	10	7	23	90	80	4.03	0.7983

Firm Performance

The study sought to establish the extent to which organizational performance is affected by work life balance, organization communication, and employee voice and employee compensation in selected firms in the telecommunication sector in Kenya. From the findings in Table 5 , on a scale of 1 to 5, the mean score of Firm Performance was 2.75 (SD = 0.65). This shows that the overall performance rating of the two telecommunication firms was 55% on aggregate. Firm Performance has a standard deviation of 13% implying that the overall Firm Performance rating ranges from 42% to 67% on aggregate. From the findings in Table 5, majority of the respondents rated employee satisfaction at 2.857 (SD = 0.68); sales growth at 2.793 (SD = 0.86) and customer satisfaction at 2.613 (SD = 0.38). The performance of Microsoft as measured by sales growth grew by 33% in 2016 (Microsoft, 2017).

Table 5 : Organization Performance

Firm Performance	Mean	Standard Deviation
Customer Satisfaction	2.857	.679
Sales Growth	2.793	.858
Employee Satisfaction	2.613	.384

Multiple Regression Analysis

Multiple regression analysis adopted to predict the unknown values of dependent and independent variables was analyzed using SPSS software are follows:- The "R" column represented the value of R (the multiple correlation coefficient). R being the measure of the quality of the prediction of Firm Performance. From the findings, a value of 0.689 indicated a high level of prediction. The "R Square" column represented the R² value (also called the coefficient of determination), which was the proportion of variance in the dependent variable that could be explained by the independent variables. From the findings, the R² value of 0.475 indicated that Employee Compensation, Work Life Balance, Organization Communication, Employee Voice factors explained 47.5% of the variability of the Firm Performance in Safaricom and Airtel; 52.5% of the variability of Firm Performance is explained by other factors.

Table 6 : Regression Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.689 ^a	.475	.470	.59452

a. Predictors: (Constant), Employee Compensation, Work Life Balance, Organization Communication, Employee Voice

The F-ratio was used to test whether the overall regression model was good for the data. The table showed that the independent variables statistically significantly predicted the dependent variable, F (4, 205) = 167.523, p =.000 implied the regression model was good fit of the data.

Table 7 : ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	144.763	4	36.190	167.523	.000 ^b
	Residual	160.005	205	143.276		
	Total	304.765	209			

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Employee Compensation, Work Life Balance, Organization Communication, Employee Voice

The co-efficient of Work Life Balance was 0.298 indicating that when the number of the employees who tend to agree that Work Life Balance is a critical factor to them increases by 1%, the Firm Performance rating increases by 0.298%. The t-value and corresponding p-value indicates that the coefficient is statistically significantly different to 0 (zero), since p = 0.000. The co-efficient of Organization Communication was 0.907 indicating that when the number of the employees who tend to agree that Organization Communication is a critical factor to them increases by 1%, the Firm Performance rating increases by 0.907%. The t-value and corresponding p-value indicates that the coefficient is statistically significantly different to 0 (zero), since p = 0.000.

The co-efficient of Employee Voice was 0.486 indicating that when the number of the employees who tend to agree that Employee Voice is a critical factor to them increases by 1%, Firm Performance rating increases by

0.486%. The t-value and corresponding p-value indicates that the coefficient is statistically significantly different to 0 (zero), since $p = 0.000$. The co-efficient of Employee Compensation was 0.060 indicating that when the number of the employees who tend to agree that Employee Compensation is a critical factor to them increases by 1%, Firm Performance increases by 0.060%. The t-value and corresponding p-value indicates that the coefficient is statistically significantly different to 0 (zero), since $p = 0.009$. Unstandardized coefficients were used to indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant.

The coefficients of regression showed the change expected on the dependent variable (y) when there was change in each of the independent variables (x_1, x_2, x_3 and x_4) while other variables were held constant. From the estimated regression equation (i) above β_0 , which was the value of y in the absence of all the other independent variables or when all the other variables were equals to zero assumed a value of 3.323.

The research findings indicated that Employee Compensation, Work Life Balance, Organization Communication, Employee Voice factors all had a positive effect on Firm Performance of Safaricom and Airtel. The findings show that Work Life Balance, Organization Communication, and Employee Voice and Employee Compensation factors had a significant positive effect on the Firm Performance ratings; at 5% level of significance.

Many researchers agree that Employee Compensation, Work Life Balance, Organization Communication, Employee Voice are some of the most crucial elements for enhancing firm performance (Kalumba & Obonyo, 2012; Kubaison, Gachunga, & Odhiambo, 2014; and Kibe, 2014). Although Anvari et al. (2011) indicate that there is a positive and significant relationship between practical compensation strategies with organizational affective commitment, the findings of Gungor (2011) shows that for the application of rewards management system to influence firm performance, employee motivation should be present.

The current study affirms the view that there is a positive relationship between the employee relation strategies and firm performance in telecommunication industry in Kenya (Kalumba & Obonyo, 2012; Kubaison, Gachunga, & Odhiambo, 2014; and Kibe, 2014). Thus it is incumbent upon the organizational leaders to relate with their employees strategically in a bid to boost firm performance.

Table 8 : Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.323	.584		5.695	.000
Work Life Balance	.298	.066	.210	4.511	.000
Organization Communication	.907	.127	.379	7.161	.000
Employee Voice	.486	.044	.607	10.921	.000
Employee Compensation	.060	.070	.035	.863	.009

Dependent Variable: Firm Performance

Conclusion

The study aimed at establishing the influence of employee relations strategies on performance of selected firms in the telecommunication sector in Kenya. The results showed that employee relations strategies were found to significantly and positively influence performance. The strategies included work-life balance, organization communication, employee voice and employee compensation. When all the stated variables were tested in the regression model, they were found to have a significant relationship between themselves and firm performance. The findings further revealed that telecommunication companies should strive to undertake human resource management strategies that are aimed at helping them to achieve their goals. In adopting the best employee

relations strategies, they will have a competitive edge over other telecommunication companies in Kenya and in Africa.

Recommendations of the Study

The study recommends more flexible working arrangements for employees so as to increase their availability for work and reduce their commuting time. A proper balance between work and family life plays a key role in achieving personal and professional goals. The study recommends that organizational leaders ensure that the employees have a conducive and safe environment to communicate. Once members of the organization feel free to share feedback, ideas and even criticism at every level it increases performance.

The study recommends that organizational leaders do all it takes to engage with their employees and expand their sphere of influence in organization decisions. Employee voice is a way of making employees an integral part in the organization and it has a direct bearing on their performance. The study recommends that organizational leaders focus on increasing and enriching employee motivation and commitment even before focusing on employee compensation. The practical compensation strategies should be coupled with organizational affective commitment; and the application of rewards management systems should boost employee motivation.

Conflict of Interest

No potential Conflict of Interest was recorded by the authors

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