

AN INVESTIGATION INTO THE AWARENESS OF THE LABOUR ACT IN GHANAIAN PUBLIC INDUSTRIES - THE CASE OF GHANA WATER COMPANY LIMITED

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ABSTRACT : *The purpose of this study is to investigate into the awareness of the Labour Act, 2003 (Act 651). Questionnaires and semi-structured interview were used to solicit both qualitative and quantitative data from the Ashanti Regional Branch of the Ghana Water Company Limited. The study revealed that 71 (46%), were not aware of the existence of the Act. The study concludes that awareness of the Labour Act at GWCL is not up to the level expected. It is also recommended that management should institute annual labour week observation to educate employees; staff should be encouraged to acquire copies the Labour Act. The National Labour Commission should established regional and district offices to intensify labour inspections.*

Keywords: Labour Act, Awareness, Public Industries, Ghana Water Company Limited

INTRODUCTION

Labour disputes around the world are increasing year after year after the Industrial Revolution era due to the complexities that have introduced by modern developments and technologies into the workplace which have affected viewpoints of employer-employee relationships. According to Hale (2009), labour disputes led to 758,800 working days being lost in the United Kingdom in the public sector. In Ghana, there have been numerous wastages of productive working hours due to a lack of awareness or failure of employers to apply the provisions found in the Act. The Labour Act, 2003 (Act 651) and the National Labour Commission Regulations, 2006 (L. I. 1822) are currently the most authoritative and instructive documents enacted to regulate labour relations in the country. Prior to the passage of the Labour Act, 2003 (Act 651), Ghana had a number of laws scattered in various pieces of legislation governing industrial relations. Some of the major laws were the Industrial Relations Act, 1965 (Act 299) and the Labour Decree of 1967, The Industrial Relations (Amendment) Act 1971 (Act 383). In all seventeen laws were repealed, except the Factories, Offices, and Shops Act, 1970 (Act 328), and the Workmen's Compensation Law, 1987 (P.N.D.C.L. 187). The passage of the Act 651 on 25th July, 2003, and its being put into operation on 31st March, 2004 sought to ensure that industrial relations conform to the provisions on labour under the 1992 Constitution as well as International Labour Standards.

Generally, the Labour Act, 2003 (Act 651) is designed to address issues including employment, individual employment relationships, wages and remuneration, conditions of work, health, safety and welfare, social security, trade unions, and

labour management relations. Section 9 of the Labour Act, 2003 (Act 651) outlines the duties of employers as including:

- a. providing work and tools,
- b. paying agreed remuneration,
- c. ensuring worker safety,
- d. training and retraining of workers,
- e. adequate procedure for discipline,
- f. furnishing workers with copies of their contracts of employment,
- g. keeping open the channels of communication, and
- h. protecting the interest of workers

The understanding of “employee” is unclear in many laws governing labour relations in Ghana. For instance, the Workmen’s Compensation Law, 1987, (PNDCL 187) and the Factories, Offices and Shops Act, 1970 (Act 328) do not adequately define who the “employees” is, although the Act 651 offers a definition of “worker” under Section 175 as a person who agrees to put his services at the disposal of another under specified and regulated conditions for an agreed remuneration. Section 12(1) and (2) provides that the employment of a “worker” by an employer for a period of six months or more or for a number of working days equivalent to six months or more within a year shall be secured by a written contract of employment, and that a contract of employment shall express in clear terms rights and obligations of the parties (Lewis, Thornhill, & Saunders, 2003).

The Act, under Sections 58 and 59 prohibits the employment of young persons and also forcing them to work in some occupations such as underground mine work. Much credence is given to protection of workers against discrimination, especially women, under Sections 55, 56 and 57.

According to Al-Tuwaijri (2008), millions of accidents occur on the job annually, while others suffer from work-related diseases. The Labour Act, however, provides for safety at the workplace in Section 118 to 121 on the need to ensure general health and safety of employees, measures to avoid exposure to imminent hazards, and the need for employers to report occupational accidents and diseases to the appropriate government agency.

Adding to its constitution and functionality, the Labour Act, 2003 (Act 651) states in Section 79 (1) that every worker has the right to form or join a trade union of his or her choice for the promotion and protection of the worker’s economic and social interests. Also Section 80 (1) mentions that two or more workers employed in the same undertaking may form a trade union. Thus a union by workers, and as permitted by Section 80 (2) may be formed to ensure protection and promotion of legal interests they so enjoy. In Ghana there are 17 individual unions that constitute the Trade Union Congress of Ghana. The presence of trade union in the informal sector helps resolve many of the problems of working conditions, as well as safety, health and welfare prevailing within the precarious employment (Obeng-Fosu, 2007). Danso (2005) has described all strike actions so far in the country as illegal. This was because these actions have been taken using processes contrary to what the labour laws in Ghana stipulate. The Labour Act and the National Labour Commission

Regulations, 2006 (L. I. 1822) specifically mention the use of negotiation, mediation, and arbitration, whether voluntary or compulsory in handling labour disputes.

The overall objective of this study is to investigate into the awareness of the Labour Act by the industrial players would mean an effort to understand how well informed they are with respect to the existence, the contents, as well as the implementation of it.

2. METHODS AND MATERIALS

The study employs the case study approach to investigate into the awareness of the Labour Act, 2003 (Act 651) at the Ghana Water Company Limited (GWCL).

2.1 Population

The study targeted workers of GWCL including Management staff, Senior staff and Junior staff. The organisation employs a total of 386 employees of which 302 belong to the class designated city employees, and 84 belonging to the class rural employees.

2.2 Sampling and Sampling technique

Saunders et al. (2009) explain that a sample is the complete list of all the cases in the population from which a probability sample is drawn. The sample frame for this study was 216. The respondents constituting the frame were selected from all the departments namely Customer Care, Distribution, Production, Accounting and Finance, Human Resource, and Management Information Systems (MIS). The study selected respondents from the various departments using simple random sampling.

2.3 Sources of Data

The research sought to investigate and ascertain the employer and employees awareness of the provisions in the Act 651. To achieve this, the researcher made use of both primary and secondary sources of data.

Saunders et al. (2009) explains primary data as data collected specifically for the research project being undertaken. The primary source of data therefore refers to firsthand information obtained or collected by the researcher through the use of questionnaire and a semi-structured interview.

In explaining the nature of secondary source of data, Saunders et al. (2009) said it is data used for a research project that were originally collected for some other purpose. Sources of secondary data used by the researcher included the website of the selected organisation, the office of the human resource officer, textbooks, journals, internet, and other sources.

2.4 Data Collection Instruments

In an effort to collect credible data to provide answers to the research questions raised, a research questionnaire was designed to solicit information from the respondents. Interviews were also conducted to achieve the common objective of the study.

2.5 Data analysis techniques

Analysis of data can be done using various analytical methods. The researcher employed the use of Microsoft Excel, mainly due to its availability and enhanced visibility of figures. Thus, the use of modest bar charts or graph and pie charts was employed. These diagrammatic or pictorial representations of information present facts using figures and percentages to explain the employer and employees' awareness of the Labour Act.

RESULTS AND DISCUSSIONS

Awareness of Labour Act

Results obtained from the respondents on their level of awareness showed 83 (54%) being aware of the existence of the Act. On the other hand, 71 (46%) gave an indication of the fact that they were not aware of the existence of the Act. These insightful results serve to support the statement made by Gamey (2006) that there have not been adequate public education that inform all employers and employees of the existence and content of the Act. This state of affairs further leads to unsatisfactory implementation of the provisions in the Act in many industrial settings as indicated by Gamey. Again, the results of the study showed, as indicated by, Mbroh (2006) that the passage of the Labour Act seem now to have been shrouded in a system yet to be decentralised nationwide that can create enough public awareness. Thus, the research explained that, contrary to the researcher's perception that almost all employers and employees were aware of the existence of the Act; this was far from the reality since the results on the awareness of the industrial players showed otherwise. Perhaps, this is also one of the key reasons why workers of the company, as indicated by the interview conducted, have threatened to go on strike on some occasions but have always rescinded such decisions anytime the union and the management drew their attention to the provisions in the Act as epitomised in their collective bargaining agreements. Figure 3.1 below presents the information relating to the awareness of both employers and employees with respect to the existence of the Act.

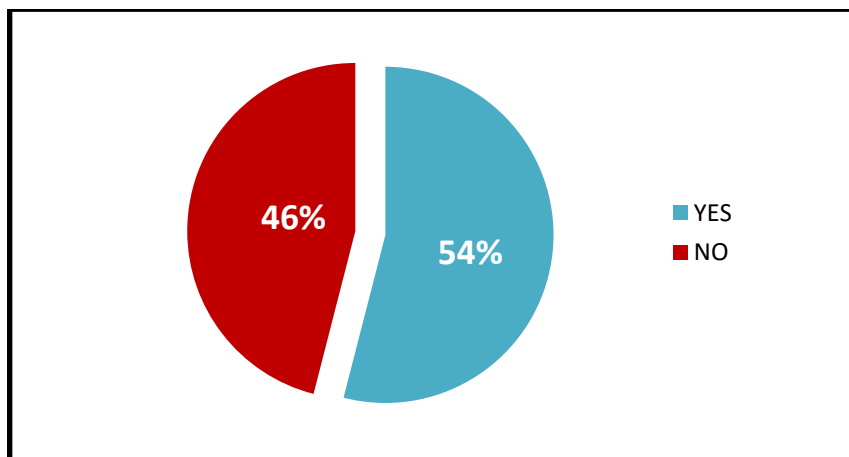


Fig. 3.1 Awareness of Act

Source: Researcher's field work

The results obtained showed that 53 (34.4%) respondents became aware of the Act during the years 2003 – 2005. Between 2006 and 2008, 51 (33.1%) became aware of the Labour Law's existence and finally 50 (32.5%) of the respondents indicated their awareness of the Act as ranging from 2009 – 2011. A close observation of these figures shows a particular trend – a trend of reduction of the level of awareness as the years passed by. This is contrary to what the researcher expected that as the Act stays for long, it should rather have a wider appeal and readership. This trend may be explained by the responses from the interviewees that it appears during the years and

months preceding the passage of the Act, much was done to hail it as a beautiful masterpiece but has afterward suffered much inattention and neglect that may lead to ineffective implementation. This clearly sides with Mbroh's (2006) assertion that the Act has suffered on the grounds of awareness and implementation due to the state neglecting its provisions including the powers of the National Labour Commission (NLC), as according to section 139 (2) of the Act, that it shall have the powers of the High Court in handling labour issues, and rather allowing another state institution, the Commission on Human Rights and Administrative Justice (CHRAJ), to carry out some of the express functions of the NLC as outlined in the Act. Again, this trend as indicated by figure 3.2 may also indicate that management of the company has not taken full cognisance of the value that will accrue to the business by the practising of Strategic Human Resource Management (Strategic HRM) which bothers on integrating human resource issues and policies into the organisation's mainstream strategy.

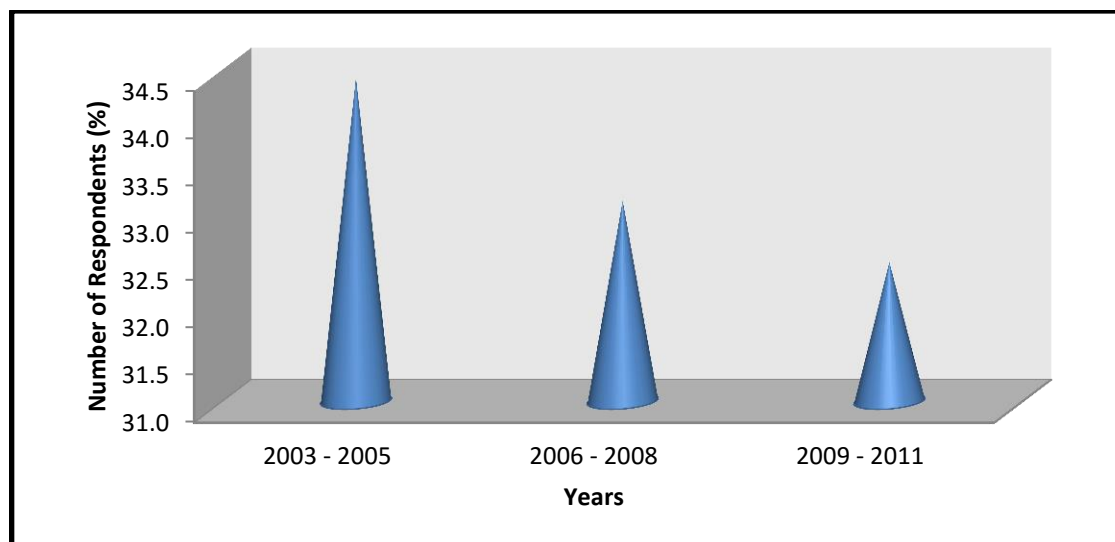


Fig. 3.2 Range of years of Awareness

Source: Researcher's field work

Possession and reading of Act

Results gathered by the researcher on this question from the total number of respondents indicated that only 1 (06%) of the respondents possessed a copy of the Act. The respondents interviewed generally indicated that this can be associated with several reasons. First, they believed it may stem from lack of management efforts in this direction. Second, they cited lack of national effort to sensitise people on the importance of the Act. Third, that many workers rather know and appreciate the use of the company's collective bargaining agreements that are renewed almost every two years. They thus think once it reflect contents of the Act, it can serve them satisfactorily. Interestingly, even the one who possess a copy of the Act, was an HR officer. This may indicate how human resource issues are treated as only belonging to the HR department. This disposition surely will not auger well for the business since HR issues permeate all aspects of the business and serve as a key determinant in achieving industrial harmony and productivity. The remaining respondents, 153 (99.4%) did not possess a copy of the Act. This information is shown in figure 3.3.

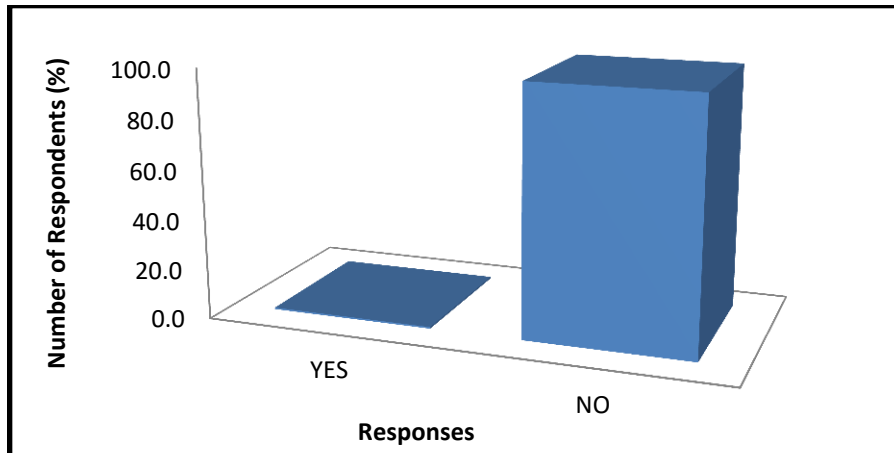


Fig. 3.3 Copy of Act

Source: Researcher's field work

On the question of reading of the Act, the picture was not too different from those who possessed a copy of the Act. In all, 151 (98%) indicated they had not read the Act before while 3 (2%) indicated they had read the Act. These results still leave much to be desired since a further breakdown exists in the number of employees who have read the Act. Among the 3 (2%) respondents, only 1 (33%), who was an HR personnel had read the whole Act. The remaining 2 (67%) indicated they had read only some parts given them some general knowledge about the contents of the Act. The general percentages are illustrated in figure 3.4.

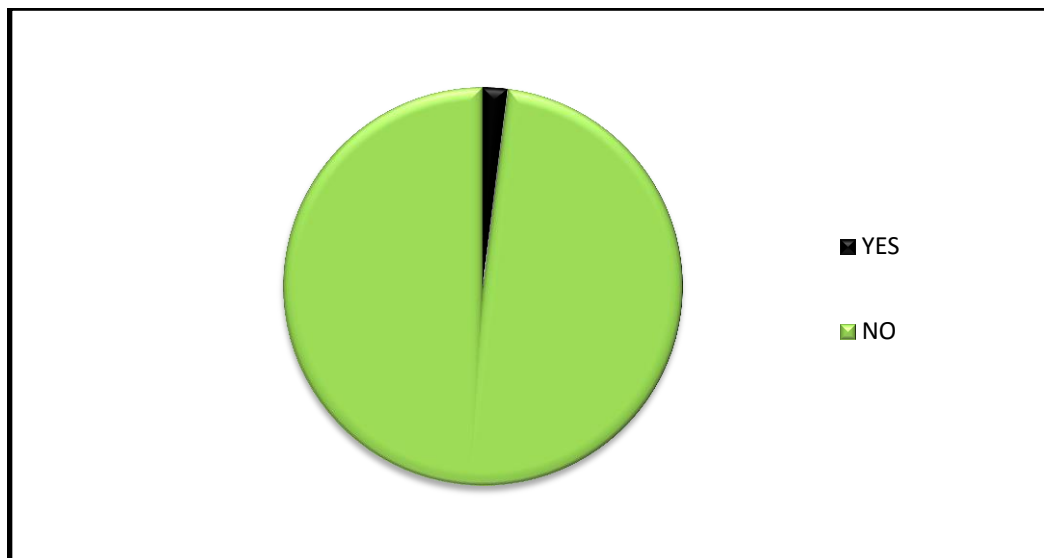


Fig. 3.4 Reading of the Act

Source: Researcher's field work

Awareness of Duties and Rights of Employers

The results gathered by the researcher indicated that 73 (47%) of the respondents knew about the duties and rights of employers while 81 (53%) indicated they were not

in the knowledge of these provisions as expressed in sections 8 and 9 of the Labour Act. This presents somehow a grim picture of what really transpired on the industrial field. For example, one can imagine an employer who is not fully aware of his duties and rights as an employer and the dangers he may create at the workplace especially with respect to mandatory welfare, health and safety provisions as enshrined in sections 13 – 54 of the Factories, Offices, and Shops Act, 1970 (Act 328), which discusses among other things cleanliness, overcrowding, lighting, drinking water, first aid, fire alarms, training and supervision, and safety regulations. Also, one cannot comprehend the extent of the effect an action by an employee who feels wronged can have on such an ignoramus running a business as an employer. It can be concluded that very grievous consequences in terms of finance and other resources can even spell the liquidation of the business if the provisions in the first and third schedules of the PNDCL 187 are invoked in the quest of aggrieved workers' effort to seek compensation.

Table 3.1 Duties and Rights of employers

Rights and Duties of Employers	Frequency	Percentage
Yes	73	47
No	81	53
Total	154	100

Source: Researcher's field work

Awareness of Duties and Rights of employees

There was an equal distribution of respondents with respect to their knowledge or otherwise of the duties and rights of employees in organisations as outlined in sections 10 and 11 of the Labour Act. 77 (50%) responded they have such knowledge while the remaining 77 (50%) did not have such knowledge. Although these results appear to be fair and good, it is equally a cause for concern since both employers and employees must possess such knowledge before they can ensure effective implementation of the Act. Also, when such knowledge is present, it will help chart a course for industrial harmony so that a mutually beneficial exchange can take place between employers and employees. Again, such preconception will foster a cooperative coexistence but not adversarial relationship between employers and employees. Table 3.2 shows the responses obtained.

Table 4.4 Duties and Rights of employees

Rights and Duties of Employees	Frequency	Percentage
Yes	77	50
No	77	50
Total	154	100

Source: Researcher's field work

Knowledge of Key Issues in Labour Act

The key issues in the Labour Act are several and varied. They may cover individual protection in employment or group or union rights, benefits and responsibilities. Such issues cover areas including collective bargaining, pay equity, employment of women, young children and persons with disabilities, education, training and development, and grievance handling. The responses obtained from the research showed that a rather lower percentage of the respondents lack these valuable knowledge that can promote industrial harmony. Information obtained from the research showed that 49 (32%) of the respondents possessed such knowledge. However, even within this class of workers, very few could enumerate more than two of such key issues found in the Act. On the other hand, 105 (68%) of the respondents indicated that they did not possess such knowledge. These results show that many in the industrial field, both employers and employees, lack such vital knowledge expressed in the supreme law on labour issues currently in the country. This should further stress the need to institute action geared towards acquainting employers and employees about the existence and contents of the Act which will promote implementation. Such an effort can accrue several benefits to the advantage of the organisation and its staff which include a relatively stable and motivated staff as well as a good co-operate image. Figure 4.7 below presents the above information.

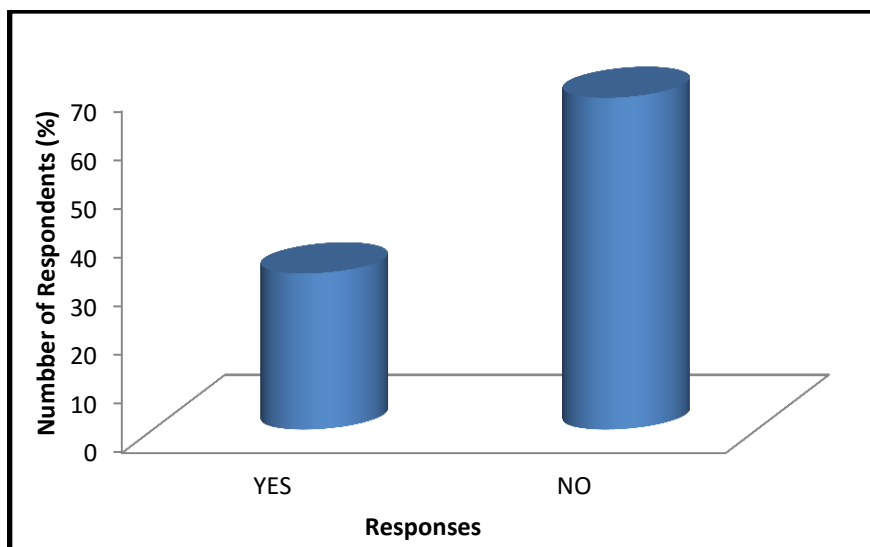


Fig. 3.5 Knowledge of key issues

Source: Researcher's field work

CONCLUSION

The research has the purpose of investigating into the awareness of the Labour Act, 2003 (Act 651). The conclusions drawn from the study were based on numerous observations made by the researcher. The study revealed that a significant number of respondents, that is 71 (46%), were not aware of the existence of the Act. This revelation stands in sharp contrast to the researcher's perception that almost all the respondents had such knowledge. Majority of the respondents became aware of the Act's existence between 2003-2005. Very few of the respondents possessed copies of

the Act with an insignificant number admitting to have read the Act which resulted in many of them lacking knowledge of key issues in the Act. It is however, right based on the finding of the study to conclude that awareness of the Labour Act at GWCL is not up to the level expected.

RECOMMENDATIONS

The researcher thus makes the following recommendations to help deal effectively with the challenges in an effort to achieve satisfactory levels of awareness of the Labour Act at GWCL.

1. Arrangement should be made to procure copies of the Act for workers by management and labour union leaders.
2. There is a need for the NLC and the Labour Department to intensify and regularize labour inspections.
3. There should be a dedicated collaborative effort between employers and employees to arrange for and finance periodic workshops and seminars to achieve increased awareness and implementation of the Act.
4. Employers and unions must find it necessary to motivate workers to check and read periodic excerpts from the Act posted on internal bulletin boards to promote learning of the contents of the Act.

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