NATIONAL OPEN UNIVERSITY OF NIGERIA

PUBLIC PERSONNEL MANAGEMENT

COURSE CODE: PAD 771

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Course Guide

Introduction

The course, Personnel Administration is a core course available to all students enrolled into Postgraduate Diploma programme and practitioners in the field of administration. It provide students and practicing administrators with a comprehensive explanation of vital or central issues in personnel administration and underscores the basic principles, concepts and practices required for effective management and utilization of organizations most valuable resource- human resources. It presents the issues, theories and practice of the subject matter in a precise, detailed and logical manner that facilitates easy understanding. The essence is to provide students and practitioners with relevant facts and understanding that will aid the study and practice of personnel administration.

The basic requirement for the course is a first degree in any discipline or its equivalent from any tertiary institution.

The course guide provides clearly but briefly what the course is all about. That is, the content of the course, the materials needed to successfully complete the programme, how to allot time to each unit of the study, and how to make the most out of the course. More importantly, it guides students on the tutor marked assignments and creates understanding on how students should work their way through the materials provided. The course guide is thus, designed in such a way that will help accomplish the overriding objective of the programme.

What you will learn in this course

Generally, the intention of this course is to introduce you to the philosophies, principles and concepts underlying the management of organizations human resources. The course is essentially meant to help prepare students and practitioners on how to make effective decisions on human resources and other critical issues related to the management and utilization of organizations workforce especially in public sector organizations.

In this course you will learn about the meaning and the nature of personnel administration and the basic concepts relevant to an understanding of personnel administration. Also covered are details of the functions of personnel administration as well as industrial relations in public organizations.

Course Aim

In synopsis, the course intends to provide a general understanding on the foundations for the philosophy and practice of personnel administration and the principles underlying effective management and utilization of an organizations human resources and more importantly, the application of these principles and theories to the management of human resources in both public and private sector organizations.

Course Objectives

To achieve this aim, the course sets overall objectives. Units of the course also have specific objectives (respectively) which are stated at the beginning of the unit. You are advised to read them before going through the unit. Reference should also be made to these objectives during the study of the unit and finally on the completion of the unit. The reviews of these objectives after completing each unit will enable you assess the extent of coverage of what is expected of you from the unit.

Below are stated the broad objectives of the entire course. You would have achieved the aims of the course, if you meet these objectives.

After completing this course, you should be able to:

1. Explain the basic concepts germane to the understanding of personnel administration.
2. Discuss the nature of personnel administration.
3. Trace the historical development of personnel administration.
4. Describe the personnel department.
5. Explain the procurement function of personnel administration.
6. Discuss the personnel function of staff development.
7. Explain the nature of employee compensation
8. Discuss the nature of performance appraisal.
9. Discuss the concept of Employee motivation.
10. Explain the meaning of promotion, demotion and transfer.
11. Discuss staff discipline and control in organizations.
12. Explain the nature of industrial relations in public sector organizations.
13. Describe the actors in industrial relations.
14. Explain the nature of trade disputes and grievances.
15. Describe the grievance settlement procedure.
16. Explain the meaning of industrial democracy.

Working through this course

Successful completion of this course requires that you read the study units, the references provided and other materials that may be provided by the National Open University of Nigeria. You will also take same tutorials. Each unit contains self assessment exercise and at some points in the course, you are required to submit assignments for assessment purposes. The course should take you about 16-17 weeks to complete. The final examination comes up at the end of the course.

The components of the course (what you have to do and how you should allocate time to each unit in order to successfully complete the course on time) are listed below.

Course materials
1. Course guide
2. Study units
3. Textbooks
4. Assignment files (to be made available by the NOU).
5. Presentation schedule

The textbooks recommended will be provided by the students and not the NOU. Students can contact their tutor or the course developer if they have problems in obtaining the texts.

Study Units

This course comprises of sixteen study units:

MODULE 1 Public Personnel Administration: An Overview
Unit 1 Introduction to Basic Concepts
Unit 2 The Nature of Personnel Administration
Unit 3 The historical Development of Personnel Administration.
Unit 4 The Personnel Department.

MODULE 2 The Operative Functions of Personnel Administration
Unit 5 Procurement
Unit 6 Staff Development
Unit 7 Employee Compensation
Unit 8 Performance Appraisal
Unit 9 Employee Motivation
Unit 10 Promotion Demoting and Transfer
Unit 11 Staff Discipline and Control

MODULE 3 Industrial Relations in Public Organizations
Unit 12 The Nature of Industrial Relations
Unit 13 Actors in Industrial Relations
Unit 14 Trade Disputes and Grievances
Unit 15 Grievance Settlement Procedure
Unit 16 Industrial Democracy

The first module presents an overview of public personnel administration x-raying the various concepts relevant to an understanding of personnel administration, the nature of personnel administration, listing and development of personnel administration and the personnel department.

The second module looked at the operative functions of personnel administration, comprising, the procurement function, staff development, compensation, performance appraisal, motivation and staff discipline and control.

The third module examined industrial relations in public organizations.

These issues are logically presented to aid understanding.

Text Books

Dessler, G. (2011). Human Resource Management 12th edition. Boston: Pearson
Onah, F.C. (2008).Human Resource Management. 2nd edition. Enugu: John Jacoobs
Mullins, L.(2002). Management and organizational behaviour. Sixth Edition. New York: Prentice Hall

Assignment File

The Assignment file will be available at the NOU secretariat. In the file, you will find the details of the work you must submit to your tutor for grading. The mark for these assignments is part of the final mark you obtain for this course.

Altogether there are sixteen tutor marked assignments which cover all the units studied.

Presentation Schedule

The presentation schedule in your course material provides information on all the important dates for the completion of the tutor marked assignments and participation in tutorials. All assignments should be submitted on the scheduled date.

Assignment

To complete the course and to be qualified for final grading, you must undergo two forms of assessment: the tutor marked assignments and the written examination. You are therefore advised to get yourself acquainted with the units of the course. All assignments are to be submitted to your tutor for formal assessment on the scheduled dates as stated in the presentation schedule and the assignment file. These assignments carry a substantive percentage of your total course marks.

Tutor Marked Assignments (TMAS)

There are sixteen tutor marked assignments for this course. These are found in the assessment file. You need to submit only eight assignments. It is however advised that you submit all the sixteen, but the highest eight of the sixteen marks will be counted and recorded for you. To answer the questions in the assignment file, study very well the units of the course, as well as the recommended texts and any other information as may be provided by NOU. As a graduate student, it is advised that you read and research widely to beef up your knowledge of the course. The references at the end of each unit will help you to successfully do the assignments. The assignments must be submitted to your tutor on or before the deadline for submission. Except for special circumstances which will be discussed with your tutor, submission of assignment after the deadline will not be tolerated. Each assignment has a value of 5%

Final Examination and Grading

For the final examination, you are advised to make out time to review all the assessment exercises and tutor marked assignments before the final examination in order to be fully equipped for the examination. The questions will cover all the units

of the course and will be related to the assessment exercises and tutor marked assignments.
The final examination will be of three hours duration with a value of 60% of the total course grade.

Course Marking Scheme
The grading system is presented in the table below
Table 1: Course Marking Scheme

Assessment	Marks
Assignments 1 – 16	Sixteen assignments, best eight of the assignments count 40% (5%) each.
Final examination	60%
Total	100% of course marks

Course Overview
Table 2 brings together the units, the number of weeks it will take to complete them and the assignments that follow them.
Table 2 Course Organizer

Unit	Title of work	Weeks activity	Assessment
	Course Guide		
	Module 1		
1.	Introduction to basic concepts	1	Assignment
2.	The nature of personnel administration	1	Assignment
3.	The Historical Development of Personnel Administration	1	Assignment
4.	The Personnel Department	1	Assignment
	MODULE 2		
5.	Procurement	1	Assignment
6.	Staff Development	1	Assignment
7.	Employee Compensation	1	Assignment
8.	Performance Appraisal	1	Assignment
9.	Employee motivation	1	Assignment
10.	Promotion, Demotion and Transfer	1	Assignment
11.	Staff Discipline and Control	1	Assignment
	MODULE 3		
12.	The Nature of industrial relations	1	Assignment
13.	Actors in Industrial Relations	1	Assignment
14.	Trade Disputes and Grievances	1	Assignment
15.	Grievance Settlement Procedure	1	Assignment
16.	Industrial Democracy	1	Assignment
	Revision	1	
	Total	17Weeks	

How to get the most from this course

In distance learning the study units stand in for the University lecturer. You are required to read and work through specifically designed study materials at your own convenience, at a chosen place and time. It entails reading the lecture rather than listening to a lecturer as obtains in a formal University system. The study units in distance learning tells you what to read, books to consult, when to read your other materials; and provide you with exercises to do at appropriate time.

Each of the study units follow a common format, It starts with the introduction to the subject matter of each unit and learning objectives that let you know what you should be able to do by the time you have completed the unit (these objectives are guide to the study) to the main body of the unit which directs you through the required reading from other sources and then the self texts spanning throughout the reading units. Attempting these tests will help you achieve the objectives of the unit and prepare you for the assignments and the examination. Contact your tutor if you have difficulty with the course guide or the self test or exercises for further clarifications.

To get the most from this course, the following tips should be followed:

1. Read the Course Guide carefully and thoroughly.
2. Organize a study schedule and follow strictly the time you are to spend on each unit.
3. Endeavour to stick to the study schedule and enlist the help of your tutor if you have problem at any point.
4. Turn to unit 1, and read the introduction and the objectives for the unit.
5. Assemble your materials. Information about what you need for a unit is given in the *content* at the beginning of each unit. Make reference to your set books regularly when you are studying the units.
6. Work through the units. The content of the units has been arranged respectively to provide a sequence for you to follow.
7. Keep in touch regularly with your set books.
8. Regularly read through the Assignment file and know that you will gain a lot by doing the assignment carefully. The assignment have been designed to help you meet the objectives of the course and to help you pass the exam. Ensure that assignments are submitted as at when due.
9. Examine the objectives of each unit respectively to confirm that you have achieved them. Consult your tutor it you have problem with meeting up with the objectives.
10. Proceed unit by unit through the course. Always ensure that you have achieved the unit objectives before you move to the next unit. Keep yourself on schedule.
11. After submitting an assignment to your tutor for marking, do not wait for its return before starting on the next unit. Always keep to the schedule. Each time an assignment is returned, carefully attend to the tutor's comments as written on the assignment and on the tutor marked assignment form.
12. On completion of the last unit, do a revision on the entire units and prepare yourself for the final examination. Ensure that you achieved the unit objectives

(listed at the beginning of each unit) and the course objectives (listed in this Course Guide).

Tutor and Tutorials

Tutorial hours are provided in support of this course. You will be notified of the dates, times and location of these tutorials, together with the name and phone/e-mail of your tutor as soon as you are allocated to a tutorial group.

Your tutor will mark and comment on your assignments, watch your progress and provide assistance on any difficulties you might encounter during the course. You must mail your marked assignment to your tutor in good time – before the due date.

It is good to attend all tutorials as it gives you an opportunity to have face-to-face contact with your tutor and to ask questions which are answered on the spot. It also gives you the opportunity to raise any problem encountered in the course of your study.

Don’t fail to contact your tutor if:

- You do not understand any part of the study units or the assigned readings.
- You have difficulty with the self tests or exercises.
- You have a question or problem with an assignment, with your tutor’s comments on an assignment or with the grading of an assignment.

You are free to contact your tutor by phone or e-mail if you need help.

We hope you will enjoy the course and find it enlightening.

CONTENTS

MODULE ONE

Unit 1 Introduction to Basic Concepts

Contents

1.0. Introduction

This unit begins with the clarification of some basic concepts which are fundamental to an understanding of the meaning and nature of personnel administration.

2.0. Objectives

After studying this unit, students should be able to:

1. Define the term organization.
2. Explain the meaning and role of personnel (workforce) in an organization.
3. Explain the concept of management and administration.
4. Outline and discuss the features of an organization.

3.0. Main content

For a clear understanding of the subject matter, we shall explain some basic concepts which are germane to our understanding of personnel administration. These concepts are briefly but clearly explained below.

3.1 Personnel

The 'Personnel' of an organization are the people that work in that organization. They are the individuals that make up the productive force of an organization regardless of their roles. According to Barney (1995), personnel or human resources include all the experiences, skills, judgment, abilities, knowledge, contacts, risk taking and wisdom of individuals and associates within an organization. It refers to those workers in an organization that help in the realization of organizational goals. The personnel of an organization combine all factors of production to produce goods and or services which are of benefit to mankind.

Easily recognized as the most important of all organizational resources, the personnel or workforce of an organization are the key to efficient service delivery and without an adequate, skilled and well-motivated workforce operating within a sound personnel management system, the realization of organizational objectives is far-fetched, thus, an administrator or a manager that underrates the crucial role and underplays the importance of people in goal achievement (whether public or private sector) can neither be effective nor efficient (Onah, 2003). No matter the size and structure of an organization, there is need for the human elements and without them; no form of endeavour can begin (Obikeze, Obi and Abonyi, 2005).

3.2 Organizations

Organizations generally are associations of people working together towards the attainment of stated objectives. Personnel administration presupposes the existence of organizations. This is because administration or management is more meaningful within the context of organization.

Scott (1968) defines an organization as a system of coordinated activities of a group of people working together under authority and leadership. Ile (1999) sees organization as an association of two or more people who work together in a structured way to achieve a specific goal or set of goals. Organizations are social constructs created by groups in society to achieve specific purposes by means of planned and co-ordinated activities. These activities involve using human resources to act in association with other inanimate resources to achieve the aims of the organization (Farmhan and Horton, 1996). This is because organizations exist to achieve objectives with the efforts of individuals in order to attain synergy.

According to Robbins (1983), organization works as a consciously coordinated social entity with a relatively identifiable boundary that functions on a relatively continuous basis to achieve a common goals or set of goals.

From the definitions above we can identify the following features of an organization.

i. Consciously coordinated: This implies administration or management. Organizations have well defined structure outlining authority, power, responsibility and accountability relationship.
ii. Social Entity: Organizations are composed of individuals or groups who interact with each other. The interactions are not haphazard and do not just emerge, rather, they are pre-meditated. Also, the interaction must be balanced and harmonized to minimize friction and redundancy as well as ensure that tasks are completed.

iii. An organization exists to achieve goals. Goals are the purposiveness that gives organization legitimacy. They are the diverse functions which organizations as sub-systems, perform for the society and become the basis for measuring organizational effectiveness or performance.

iv. People in an organization have some continuing bond which is broken at the point of one’s exit from the organization. The people in the organization are the participants and it is their patterned and regularised relationship that forms the social structure of an organization.

v. An organization has a relatively identifiable boundary that distinguishes members from non-members. The boundary defines who is a member of the organization.

vi. Technology: This refers to the knowledge of the productive activities of the organization. It is the cause-effect beliefs in the transformation process.

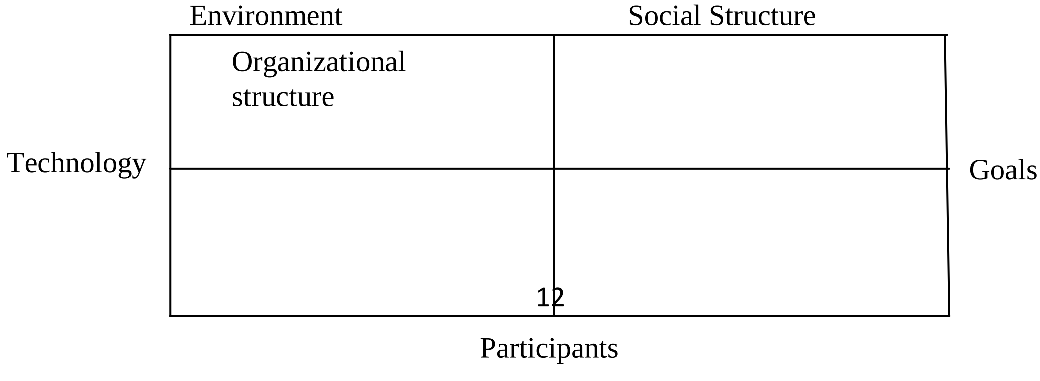
vii. Organization structure: This defines the relationship between the different components of an organization. It is the framework which defines how activities such as task allocation, coordination and supervision are directed towards the achievement of organizational goals.

viii. The environment of an organization refers to those entities, customers, institutions, competitors and others which an organization deals and which have varying decree of influence on the activities of the organization.

There are two dimensions of the environment: the task environment and general environment. The task system environment refers to those entities whose activities have direct influence on the focal organization. The general environment constitutes the outer extended society which has an indirect influence on all organizations.

Also, there are formal and informal organizations. A formal organization is characterized by division of labour and established hierarchy of authority and responsibility as well as a body of rules that guide individual actions toward the attainment of stated objectives. An informal organization, on the other hand, is not deliberately created but arises as a consequence of the interaction existing among people in an organization. These interactions culminate in formation of groups within the organization which are not part of the organization where they exist.

Fig. 1 Basic Elements of an Organization



Source: Onwuchekwa (1994). Personnel Management. P. 3

3.3 Management

Taylor (1903) defines management as knowing exactly what you want people to do and seeing that they do it in the best and cheapest way.

Griffen (1997) further notes that all organizations use four basic kinds of input or resource from the environment, namely: human, financial (money/capital), physical and information resources. It becomes the duty of management to combine and coordinate these various resources to achieve organizational goals. Thus, he views management as a set of activities (including planning and decision-making; organizing, leading and controlling), directed at an organization's resources (human, financial, physical and information) with the aim of achieving organizational goals.

There are two dimensions to the definition of management. First, management can be seen as a function and secondly, as people who discharge the function.

3.4 Administration

Okoye (1997) sees administration as a cooperative human action marked by a high degree of rationality. It is the organization and use of man and materials to accomplish a purpose. This takes place in the context of planned system of cooperative effort in which individuals have assigned functions. Administration is also seen as the organization and direction of persons in order to accomplish specific ends.

It consists of human beings working together in a hierarchical set up, making use of tools, equipment, human and material resources all in the quest to attain the objectives for which the organization is established (Adebeyo, 1977).

According to Robbins (1983), administration covers the universal process of efficiently getting activities completed with and through other people. This process is concerned with planning, organizing, leading and controlling that take place to accomplish the objectives. Whether in the public or private sector of any economy, administration remains an indispensible tool for attaining set objectives.

3.5 Administration and Management

Is a difference between administration and management? Obikeze, Obi and Abonyi (2004) argued that a look at the features and functions of the two concepts will reveal that both are the same. Administration needs men, money and materials to accomplish the desired objectives in the same manner management need them. Both concepts have people, action, interaction and cooperation as their basic components in their bid to achieve desired end. Also, both are involved in planning, organizing, staffing, directing, coordinating, reporting and budgeting.

However, some scholars believe that the difference between the two simply lies in the nature of an organization, that is; whether it is private or public, as well as the environment or cultural dispositions in which it operates.

Self Assessment Test
The personnel of an organization are the key to efficient service delivery. Discuss.

4.0. Conclusion

The foregoing has been able to clarify key concepts that will enable us understand the subject matter under discussion. We have attempted to explain the interrelatedness of these concepts-personnel, organization, management and administration as well as their relevance and impact on the effective and efficient functioning of organizations.

5.0. Summary

We have in this unit briefly but clearly examined the meaning and nature of some fundamental concepts to enable us understand the subject of this course - Personnel Administration. What we have learnt will go a long way in giving us the necessary background needed for an in-depth study of personnel administration

6.0. Tutor Marked Assignment

With good examples, explain the features of an organization.

7.0. References and Further Reading

Barney, J.B (1995) Looking inside for competitive advantage. *Academy of Management* Executive P. 50.

Onah, F.O. (2003) Human resource management. Enugu: Fulladu Publishing Company.

Obikeze, O., Obi E. And Abonyi, N. (2005). Personnel management: concepts, principles and applications. Onitsha Book point

Scott, W.R. (1981). Organizations: rational, natural and open systems. New Jersey: Englewood.

Ile, N.M. (1999).Management and organizational theory and practice. Enugu: Vougasen Ltd.

Farnham,D and Horton, s.(1996). Managing public and private organisations. London: Macmillian

Robbins, S. (1983).Organizational behavior. In Abba, U,Anazodo, R. &Okoye, J. (2004). Management and organizational behavior: Theories and applications in Nigeria. Onitsha: Abbot Books.

Taylor, F.W (1903). Shop management, New York: Hamper and Row.

Griffen, R.W. (1997). Management. Delhi: A. I. T.B.S Publishers.

Okoye,J.C.(1997). Modern management techniques and development administration. Onitsha: Abbot Books.

Adebayo, A.(1977) Principles and practice of public administration. Nigeria: Ibadan: Spectrum Books Ltd.

Obikeze, O., Obi E. And Abonyi, N. (2005) Personnel management: Concepts, principles and applications Onitsha Book point

Unit 2. The Nature of Personnel Administration

Contents

1.0. Introduction

In the first unit, we looked at the basic concepts that are relevant to an understanding of personnel administration. This will serve as a background to further exploring its meaning. In this second unit, we want to look at the definitions and nature of personnel administration. Specifically, we will look at its objectives and the distinctive features as well as the difference(s) between the subject and human resource management.

2.0. Objectives

After studying this unit, students should be able to:

1. Define personnel administration.
2. Explain the objectives of personnel administration.
3. Identify the features of personnel administration.
4. Explain the difference between personnel administration and human resource management.

3.0. Main contents

3.1. What is Personnel Administration?

Personnel administration has been variously defined. It simply means the management of people in work situation. The term is used to refer to a set of programmes, functions and activities designed to maximize both personnel and organizational goals. That is, activities are so designed to accomplish individual and organizational goals (Carell, Elbert, and Hatfield (1995). According to Armstrong (1980), personnel administration can be viewed in terms of obtaining, organizing and motivating the human resources required by the enterprise, developing organizational climate and management style which will promote effective effort, cooperation and trust between all the people working in an organization, and helping the enterprise to meet its legal obligations and social responsibilities toward its employees, with regard to the conditions of work and quality of life provided for them.

It covers a series of activities in which the job, individual and the organization all interact as each develops and changes. Personnel administration involves designing and implementing policies and all the practices that can assist in promoting efficient utilization of human resources. Flippo (1986) argues that personnel administration involves planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individuals, organizational and societal objectives are accomplished. Flippo's definition reveals that personnel administration has two basic functions. These are the managerial and operative functions. Thus a personnel administrator performs the managerial and operative functions of personnel administration.

The above definitions have almost one central theme - that personnel administration is mostly concerned with the recruitment, development and maintenance of a highly motivated and functioning workforce. It is a crucial organizational function because effective personnel administration and successful implementation of personnel policies and activities are essential ingredients for improved organizational performance. It is very critical to the survival of an organization as it facilities the effective implementation of management processes as well as enables organizations maintain an effective workforce. In the public sector, which is the main concern of this course, personnel administration concerns itself with providing qualified and capable personnel to run the affairs of the tiers of government and parastatals. It extends to cover the following broad activities:

- human resource planning and employment;
- salary and wage administration, including related reward systems;
- organizational design and patterns of work;
- education, training and development;
- employee relations and;
- employee services, welfare, health and safety
  (Mullins, 2002).

Personnel administration provides the framework within which personnel activities are planned and implemented. The personnel function is a component of the management sub-system of an organization as well as an integral and specialized part of management which seeks to help management enhance the individual and collective contributions to the short and long-term success of the enterprise (Frank 1974).

3.2. The Objectives of Personnel Administration.

The overriding objective of personnel administration is to obtain, develop and maintain a level of morale and human relationship which will ensure willing and full cooperation of all persons in the organization in order to attain optimum operational performance (Mullins, 2000). Others include:

1. To support programmes for improving organizational effectiveness by developing policies in such areas that will facilitate such effectiveness.
2. To enhance motivation, job engagement and commitment by introducing policies and processes that ensure that people are valued and rewarded for what they do and achieve and for the level of skill and competence they reach.
3. To create a climate in which productive and harmonious relationship can be maintained through partnership between management and employees, including trade unions.
4. To ensure maximum individual development of the personnel of an organization.
5. To enable each person to make his maximum contribution to the effective working of the organization.
6. To ensure respect for human personality and the well- being of the individual.
7. To ensure the satisfaction of various needs of individuals for achieving their maximum contribution towards organizational goals (Armstrong, 2005; Sharma Sadana and Kaur, 2012).

From the perspective of employees, it helps in developing their potentials, skills and knowledge. It also ensures their recognition in management decision-making improves their welfare and enables them to sustain the pressure in the labour market.

3.3. Features of Personnel Administration

1. It is a component and an integral part of management.
2. Personnel administration is concerned with the human elements in the organization.
3. It is the responsibility of the management.
4. It is a basic management function performed at all levels and in all levels of management.

Personnel administration is a continuous function which every manager has to perform (Sharma,Sadana and Kaur, 2012).

3.4 Personnel Administration and Human Resource Management

There have been arguments and questions on the difference(s), if any, between personnel administration and human resource management. Some scholars like Hailey (1998), Keenoy (1990), Legge (1989) etc, cited in Armstrong (2006), have highlighted the revolutionary nature of human resource management. Others have vehemently denied that there is a significant difference between the two concepts. For instance, Torrington and Hall (1991) see the nature and degree of difference between the two concepts as remaining largely a matter of opinion. To Armstrong (2006),however, the difference between the two appears to be substantial, though they could be seen as a matter of emphasis and approach rather than one of substance. Nevertheless, Hendry and Peltigrew (1990) assert, human resource management can be seen as a perspective on personnel management and not personnel management itself. Personnel administration is associated with a wide range of activities typically associated with day- to - day management of people in organization as provided by laws and regulations. These activities fall within the operative role of human resource management.

Human resource, as a concept, is a shift away from the traditional industrial relations-based personnel management. It represents a significant investment of organizational effort in human resources within the same context as the financial, technological and other recourses that matter to an organization. This is in recognition of the strategic role of human resources, which include the application of some basic HR ideas, such as flexibility, customer orientation, a focus on quality and strong sense of employee commitment to the organization (Onah, 2003).

Fig.2 Comparisons between Personnel Administration and Human Resource Management

Personnel Administration	Human Resource Management
• Reactive, servicing role	Proactive, innovative role
• Emphasis on implementation of procedures	Emphasis on strategy
• Specialist department	General management activity
• Focus on employees' needs in their own right	Focus on employee requirement in the light of business needs
• Employees seen as cost to be Controlled	Employees seen as investment to be nurtured as well as cost to be controlled
• Presumption of union-management Conflict	Conflicts dealt with by team leaders within their teams
• Preference for collective bargaining pay and conditions	Management-led planning of people, resources and employment condition
• Emphasis on settling pay more in terms of the organization's internal market	Emphasis on competitive pay and conditions to stay ahead of competitors
• Serving other departments/ units	Contributing 'added value'to business
• Supporting change	Stimulating change
• Challenging business goals in light of	Total commitment to business goals

effects on employees	
• Less flexible approach to staff Deployments	Completely flexible approach to staff deployment

Source: Personnel and Human Resource Management by Cole (2002 p 8).

These differences, notwithstanding, both concepts recognize that one of their most essential functions is that of matching people to the ever changing organizational requirements - placing and deploying the right people in and for the right job. The concepts (personnel administration, personnel management and human resource management) are used interchangeably in this course to mean the same.

4.0. Conclusion

Personnel administration is a component of the management sub-system of an organization. It is a specialized part of management which seeks to help management acquire the diverse human resource skills that can help organizations operate its core technology in order to attain its goals. It covers a wide range of activities spanning routine to strategic human resource functions.

5.0. Summary

In this unit, we have dealt with the definition, objectives and features of personnel administration. We have also attempted to differentiate between the concepts of human resource management and personnel administration.

6.0. Tutor marked Assignment

What is Personnel Administration?

Is there any difference between Personnel Administration and Human Resource Management?

7.0. References and Further Reading

Armstrong ,M. (1980) Handbook of human resource management practice. In Obikeze, O., Obi E. And Abonyi, N. (2005) Personnel management: Concepts, principles and applications Onitsha Book point

Carell,M.R., Elbert,M.F., Hatfield R.D.(1995). Human resource management: Global strategies for managing a diverse workforce 5th edition. Englewood cliff: Prentice hall

Flippo, E. (1986) Personnel management 6th edition. New York McGraw-Hill Inc.

Frank, H.E.(1994).Human resource development: The European approach. Texas: Gulf publishing Company.

Mullins L.J. (2002). Management and organizational behaviour 6th. Essex: Pearson Education Ltd

Armstrong, M. (2006) A hand book of human resource management practice 10th edition. London: Kogan page.

Torrington, D. and Hall, L. (1991). Personnel management; A new approach. New Jersey: Prentice Hall.

Cole, G. (2002). Personnel and human resource management.5th edition. London: Book Power.

Sharma, M.P,Sadana,B.L and Kaur, H (2012). Publish administration in theory and practice. Allahabad:Kitab Mahal publishers

Hendry , C. and Peltigrew , A.(1990). Human resource manangement: an agenda for the 1990's International Journal of human resource management .1(30 p 17 -43

Onah, F.O. (2003) Human resource management. Enugu. Fulladu Publishing Company.

Unit 3 The Historical Development of Personnel Administration and Industrial Relations

Contents

3.0. Introduction

In this unit, we will briefly look at the origin and development of personnel administration and industrial relations generally and that of Nigerian particular. We shall be reflecting some of the views of Flippo (1986) as presented by Onwuchekwa (1994), Aniemeka (1999) and Anugwom (2007). Also to be discussed are the factors that influenced the development of personnel administration.

2.0. Objectives

At the end of this unit, students should be able to:

1. Explain the stages in the development of personnel management.
2. Discuss the factors that influenced the development of personnel administration.
3. Discuss the origin of personnel administration in Nigeria

3.0. Main Contents

3.1. The Origin and Development of Personnel Administration

The history of personnel administration and industrial relations dates back to the period of industrial revolution of the 18th century. Prior to the industrial revolution, goods were produced by the handcraft method, using hand tools and human or animal power. It was a period of self-sustenance economy in which merchants supplied materials, and sometimes tools and machines, to workers who produced goods at home and turned the finished products over to the merchants. That was the case till the 18th century which witnessed the beginning of modern industrialization. This period of this far-reaching change in the method of production (industrial revolution) witnessed massive unemployment and unpleasant work practices, as the newly invented machines took over most of the jobs previously performed by human labour.

There was also the recourse to the use of cheap and unskilled labour in other to save costs. Women and children were hired to operate heavy machines, while they worked from dawn to dusk in cold and poor sanitary conditions. As the factories became larger, an ever widening gap separated the owners and workers. Low wages and productivity were common place, while, workers were poor, uninformed and powerless to hold out economically against their employers. The workers were more of dehumanized robots. These issues gave rise to personnel and industrial relations problems. Subsequently, workers were prompted to start organizing themselves to pursue their rights. With the obvious intolerable working conditions, and the widespread rising agitations, some large business or factory owners like Robert Owen initiated certain welfare principles into profit-oriented businesses. About 1864 in Britain, labour unions were legalised. As a result, owners of businesses were compelled to seek for new and legal ways of addressing their personnel and industrial relations problems.

Irrespective of the fact that personnel management problems started during the industrial revolution, it was only during the 1940s that modern personnel administration practices started. (Onwuchekwa, 1994; Anugwom, 2002)

Personnel administration has passed through three major developmental stages. These stages were: the mechanical approach to personnel administration practice, which saw a worker as one of the tools of production which must be used at a maximum and disposed off when it became obsolete. This mechanical perception about a worker was influenced by the classical schools of management theory, which were mechanistic in their approaches.

The second stage of development was the paternalistic approach, which was prevalent from 1927 to early thirties. This approach encouraged management to play fatherly roles in organizations by providing socio-economic aids for their workers out of their own initiatives. The prevailing management theory during this period was the human relations theory which visualized man as a social organism.

The third stage was the social system view, which demanded that personnel administration should aim at satisfying the needs of the organization, workers and society. The management theory prevalent during this period was the system approach. Personnel administration was visualised as a component of the organizational system which had functional relevance for the survival of the organization.

Modern personnel administration is based on the theoretical concept of the social system concept of personnel administration.

3.2. Origin of Personnel Management in Nigeria

Before the twentieth century in Nigeria, the system of production was purely traditional and payments for labour services were in kind. The issue of monetary payment was not popular in the economy since there was no employment of labour, and payment of wages. In the 20^{th} century, with the onset of commercial activities introduced by the colonial masters who needed the services of labourers for the exploitation of raw materials; the colonial civil service started employing indigenous workers, wage employment was established in Nigeria. The increase in commercial activities and subsequent workers agitation led to the establishment of the first trade union in Nigeria, the Civil Service Union, which was formed in 1912 to fight for better conditions of service for civil servants in Nigeria. In 1938, the Trade Union Ordinance was enacted in Nigeria, thus providing the framework for the recognition of trade unions in the country. More trade unions were later formed and by the 1940s, they had become strong enough to organize a nationwide general strike in 1945 to press for their demands from the government.

This marked a turning point in industrial relations in the country. Neither the general manager nor his personnel assistant who was merely trained to handle union grievances could perform the personnel function any longer. It needed a full time employee to be in charge of the function. Thus the era of labour and staff managers or personnel assistants were born. Initially, there were no qualified Nigerians. As such expatriates were used for such positions. This situation prevailed until the 1950s. Between 1950 and 1960s, the personnel management function became the first of the managerial functions to be Nigerianized. The trade union leaders were the first set of Nigerians to be recruited as personnel officers.

In recent times, the situation has changed considerably, as large, industrial, public and commercial organizations now have well established personnel departments headed by qualified personnel directors.

3.3 Factors that Influenced the Development of Personnel Management and Industrial Relations

1. Industrial Revolution

The Industrial Revolution led to a radical re-definition of the domestic system of production and exchange. It introduced new work methods that exploited workers to the advantage of employers. According to Ubeku (1983), workers fought against these values in order to re - establish certainty and ensure job security through the formation of trade unions. Union activities had its consequences. It gave room to management problems between employees on the one hand and employers on the other. Thus personnel administration came on stream to ensure that productivity was not negatively affected.

2. Response to Unionization

With the formation and legalization of trade unions, the unions at that time gave management tough time over the conditions of work and welfare of workers. To help ensure rancour - free work environment, the status of the personnel department was elevated to handle labour and management issues.

3. Government Legislations

The government contributed to the development of personnel management. Legislations from the government on personnel issues like protective labour laws abound. These laws helped to ensure good human resource management practices.

4. Response to New Knowledge

The contributions of the classical management theories concerning organizational effectiveness and how to optimally use organizational resources to achieve economic efficiency also influenced the development of personnel management. Through these studies, management has come to the knowledge of human problems requiring analysis and proper attention.

Self Assessment Test

With concrete examples, discuss the developmental stages of personnel administration.

4.0. Conclusion

Personnel administration is a product of the British industrial revolution. It originated as a result of personnel and industrial relations problem witnessed during the early period of industrial revolution. In Nigeria, it came up as a result of the introduction of the wage employment and the commercial activities of the colonial masters at the Niger Delta areas. Its growth and development was facilitated by government legislations, response unionization, employment and the need for records, response to new knowledge etc

5.0. Summary

Personnel administration originated as a result of personnel and industrial relations problem witnessed in organizations as a result of industrial revolution that changed the method of production. In Nigeria specifically, it originated as a result of the introduction of wage employment and the increase in commercial activities at the Niger Delta areas. Right from its very beginning, personnel administration has passed through three developmental periods; the mechanical, the paternalistic and the social system periods. Many factors such as government legislations, response to unionization etc contributed to the growth and development of personnel administration and today, it has grown into a specialized department and has became an integral part of management.

6.0. Tutor marked Assignment

Trace the historical development of personnel administration and industrial relations; and succinctly discuss the factors that facilitated its development.

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Unit 4 The Personnel Department

Contents

1.0. Introduction

This unit will discuss briefly the personnel department, its organization, the principles governing the relationship between the personnel staff and line managers as well as the functions of personnel administration

2.0. Objectives

At the end of this unit, students should be able to:

1. Explain how the personnel department is arranged and managed.
2. Discuss the principles that govern the relationship between the personnel staff and line managers.
3. Explain the functions of personnel administration

3.0. Main Contents

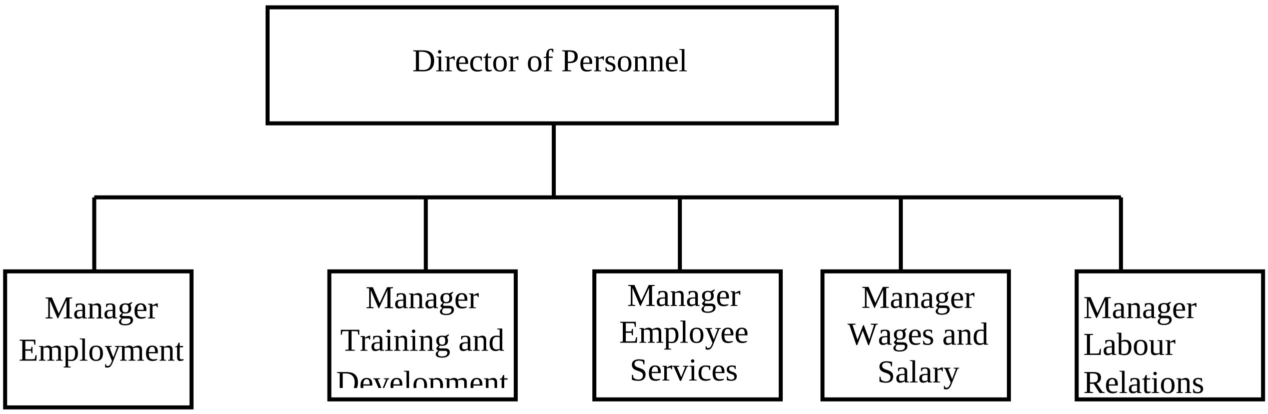
3.1. Organization of the Personnel Department

The personnel department is one of the functional areas in an organization. It selects, maintains and develops all the workers in the organization. The personnel department works with people in other departments in the concerted effort of achieving organizational goals. It is designed in such a way that it must have appropriate structures to achieve the personnel objectives. Jobs must be designed and co-ordinated into identifiable divisions in the personnel department.

In classifying the activities of the personnel department, the functional basis is employed. The number of employees, size of the organization, and the number of services that are offered determine the number of sub-departments. Each sub-department is headed by a manager or supervisor. In large organizations, there are such important positions as:

i. Employment Manager: responsible for manpower planning, recruitment and selection, placement, research and records.
ii. Training/Development Manager: responsible for staff training and development, employee assessment, performance - related issues and appraisal.
iii. Supervisor of Wages and Salaries: responsible for wage and salary determination, job analysis and classifications.
iv. Employee Services Manager or Supervisor: responsible for and administers the fringe benefit programmes such as health services, safety at work, etc.
v. Director of Labour Relations: responsible for collective bargaining, grievance handling, dispute settlement etc. (Onwuchekwa, 1994).

Fig. 3 Organization of the Personnel Department



Some organizations have central personnel department for recruitment and placement, and even training. Branch offices handle other services. The complexity of an organization influences the arrangement, while the arrangement is, in turn, often influenced by what the organization considers the best for the optimal use of resources.

3.2. Principles That Govern the Relationship between the Personnel Staff and the Line Managers.

The existence of a specialized personnel department affects the relationship between personnel staff and the line managers. Such relationship can be controlled based on four principles. These are:

i. The principle of staff advice

This principle states that personnel staff can only advise line managers on what to do but cannot compel them to accept their advice. Where personnel staff believes that his advice is sound, he could appeal to a superior to intervene. Usually, however, personnel directors rely on persuasion to achieve their goal.

ii. The principle of limitation of staff economy
For the line managers to operate at maximum economy and effectiveness, it is often necessary for the personnel staff to operate with reduced economy. He may occasionally have to run his department in a rather undesirable manner in order to serve the line managers properly.

iii. The principle of compulsory staff advice
This principle compels line managers to seek the advice of personnel staff before taking certain decisions or actions, though line managers are not bound to accept the advice.

iv. The principle of staff independence
To avoid the dominance of the personnel staff by the line managers, the personnel staff should have enough security so that he does not lose his job as a result of his expert advice.

3.3 Functions of Personnel Administration

The goal of personnel administration is to develop the workers in the organization to contribute to its goal achievement by means of improved productivity, quality and service. To realize this, there are two basic functions of personnel management. These are the managerial and operational functions.

The Managerial Functions

A manager is one who exercises authority and leadership over other subordinates in his department or organization. Below are the four managerial functions of personnel management.

1. Planning: Planning means setting goals and stipulating actions and activities through which the goals could be realized. The personnel manager is expected to formulate his personnel programmes/goals in advance and specify actions through which they can be realized. Through planning, the personnel manager anticipates forces that will influence future supply of, and demand for employees in line with organizational goals.
2. Organizing: This simply implies designing an appropriate structure or means of achieving the plan. The personnel manager must establish definite relationships among jobs, staff and physical factors necessary for carrying out the job with respect to the personnel functions. He must systematically structure, integrate and co-ordinate tasks, goals, activities and resources in order to realize personnel objectives.
3. Directing: This personnel function seeks to build an effective work climate and create opportunity for motivation, supervision and discipline. This is said to be central to goal achievement as planning, organizing and staffing would be of little importance if the directing function is lacking. The directing function is also known as commanding, motivation or leadership.

For people in the organization to perform effectively, there is need to encourage them. This is often done through motivation. Motivation provides the incentive for workers to put in their best towards a specified end. The personnel manager must understand how best to motivate workers in the organization.

4. Controlling: This function seeks to ensure that all the activities performed by workers are in line with the goals of the entire organization. Where deviations occur,, these are corrected and subsequent efforts directed towards the formulated plans.

The Operational Functions

1. Procurement: This is concerned with procuring or obtaining the human resource requirements of an organization. It includes activities, such as the staffing functions of recruitment, selection, placement etc. Through the procurement function, the organization improves the quantity and quality of its personnel needed to discharge its duties.
2. Development: This function aims at improving the skills of the workers through training and development programmes. Such programmes are specifically tied to job improvement/ performance.

3. Compensation: This is defined as the adequate and equitable remuneration of the workforce for their contribution to organizational objectives. The fundamental factor here is financial/economic-related compensation. Discussion within this function includes job evaluation, wage policies, wage systems etc.

4. Integration: This function aims at reconciling the interests of workers with those of the organization and society. It is based on the understanding that both conflicting and mutual interests exist in matters pertaining to these significant stake holders of the organization. Included here are issues related to the handling of grievances, disciplinary actions, labour unions etc.

5. Maintenance: The maintenance function deals with the continuous survival of the organization and its component units. It includes coordination through effective communication, maintaining the physical conditions of the work place, health and safety conditions in the organization, etc.

6. Separation: This is the last operative function of personnel management. It deals with issues of employee retirement, lay-off discharge etc.

4.0 Conclusion

The personnel department is one of the most important units in an organization. This is in consideration of both the operative and the strategic role of personnel administration in the organization. The manner in which the personnel unit is organized depends on the size of the organization and what actually the organization wants. The function of the personnel department is grouped into the managerial and operative functions.

5.0. Summary

The personnel department can be organized on the basis of functions. In public sector organization, the personnel department is headed by the director of personnel. Depending on the nature of the organization, some do have a central personnel department for recruitment and placement. The complicity of an organization also influences the organization of its personnel department.

6.0. Tutor Marked Assignment

Explain the managerial and operational functions of personnel administration

7.0. References.

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MODULE TWO

Unit 5 Procurement

Contents

1.0 Introduction

The process through which people join an organization as employees is called the procurement, employment or staffing process. It simply refers to the series of steps and activities that are performed, on continuing basis, to keep the organization supplied with the right people in the right positions and at the right time. In this unit we intend to discuss the concepts and the process of staffing the organization with the human resource requirements.

2.0 Objectives

At the end of this unit, students should be able to:

1. Conceptualize the terms- manpower planning, job analysis, and recruitment
2. Discuss the relevance of manpower planning and job analysis to the staffing process
3. Differentiate between recruitment and selection
4. Identify the steps in the selection process
5.

3.0. Main Contents

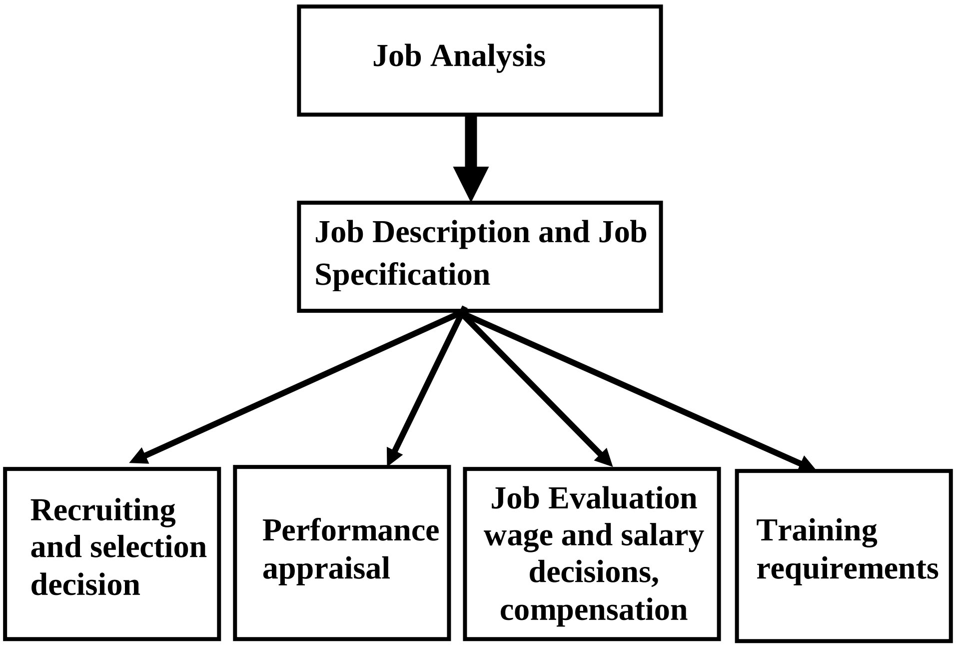
3.1 Job Analysis

According to Dessler (2011), the personnel administrative function begins with deciding what the job entails. This is because it is the responsibility of the personnel administrator to fill the positions within the organizational structure with the right personnel according to the tasks to be performed. To effectively perform this duty, the personnel administrator must describe the positions/jobs designed within the structure of the organization in order to understand the quality of personnel required and the specifications of minimum qualification of a person to perform each job (Onwuchekwa, 1994).

Job analysis is the process of recording all the elements involved in performing a job. It is the method by which management systematically investigates the tasks, duties and responsibilities of a job (Agbo, 2003). Aniagolu (2000) agrees. He sees job analysis as the formal process of collecting information about a job in order to show the components involved in performing the job.

Job analysis is central to a planned and systematic approach to the procurement of personnel or the staffing process as it involves examining a job to identify its component parts and the circumstances in which it is performed. By so doing, it provides information about the content of a particular job for the purpose of understanding the quality and duties of personnel required to perform that particular job (Onubogu, 1995). Organizations consist of jobs that have to be staffed and job analysis is the procedure for determining the duties of these positions and the characteristics of the people to hire for them. It provides information concerning the nature and conditions of work involved in a given job (James, 1994, Onah, 2003).

Fig 4 Uses of Job Analysis



Source: Dessler, G.(2001)Human Resources Management

There are two immediate results of job analysis. These are job description and job specification. A job description is an organized factual statement of the duties and responsibilities of a job position. It is a broad statement of the purpose, scope, duties and responsibilities of a particular job (Onwuchekwa, 1994). A job description gives information on the total requirements of the job; exactly what it is, what it entails, the responsibilities and activities attached to it and its position within the formal structure of the organization. It may also include a note on any particular features of the work environment (Mullins, 2002).

Job specification, on the other hand, is a statement of the minimum acceptable human qualities necessary to perform a job properly. It is an extension of the job description and it gives information on not just the job but also provides a guide on personnel attributes and qualities required to do the job effectively.

The end product of job analysis is job requisition which is an authorization from the management of an organization enabling the personnel administrator to employ certain number of personnel with certain described qualifications. It is meant to give the recruitment officer sufficient information about a job to enable him fill it. It provides guidelines for the objective assessment of applicants. Drawing therefore from the job requisition, the procurement function of the personnel administration is carried out.

Job analysis provides information on recruitment and selection of candidates for job openings, helps in the systematic and orderly process of determining the worth of a job in relation to other jobs, can be used to determine how an employee has performed on his job. It can also help managers to discover essential unassigned duties thereby closing the gap, It facilitates orientation and training of workers and reveals the training that a job may require. Job analysis is a crucial step in validating all major human resource management decisions (Onah 2003, Dessler, 2011).

Information needed for job analysis could be collected through the questionnaires, interviews, observation and written narratives from a job holder, his superior or management.

3.2. Manpower/Human Resource Planning

Recruitment and selection ideally start with personnel planning. Job analysis identifies the duties and human requirements for each job. The second major problem in providing the human resource requirements of an organization is to determine the number of personnel needed to work in an organization that is, deciding how many of these jobs need to be filled (Dessler,2011; Onwuchekwa,1994). This, according to Onwuchekwa (1994), involves determining the present work force and future needs of the organization.

Human resource planning, to Cole (2002), refers to the activities concerned with identifying an organization's demand for human resource and devising means to ensure that a sufficient supply of labour is available to meet that demand. It is the act of determining the number of employees needed to work in an organization. It is the process of deciding what positions the organization will have to fill and how to fill them. The essence of manpower planning is to anticipate and provide the manpower needs of the entire organization. That is, ensuring that the organization has the right people, in the right number, with the right knowledge, in the right jobs, in the right places, at the right time and at the right cost. It, therefore, pre-supposes that the planner should have a thorough knowledge of the entire organization it is expected to serve, the degree of planned staff reduction, expansion and adjustments in the existing workforce. The manpower plan will start with an analysis of the organization structure and the people working in it. This will require the preparation of full job descriptions and an evaluation of the relative importance of all jobs listed. An assessment will then be made regarding the existing staff and their suitability in carrying out their jobs. This will be rated to facilitate comparison with the requirements of the various jobs previously described. The assessment must also include a method of spotting those employees who possess potentials for development in order to prepare them for higher responsibilities in the future.

Future staff changes and requirements must be estimated based on:

1. Knowledge of the age distribution of the present staff and the number likely to retire during the plan period.

2. Figures regarding labour turnover, voluntary resignations, discharges, etc will enable a forecast to be made of the number of present employees likely to leave during the period under review.

3. The proposed expansion of organizational activities, likely technological advances and the prospects of competitors(replacement of old production lines with a new line may lead to either retraining of present work force or bringing in new employees from outside to fill certain positions).

This will be followed by a comparison between future requirements and present resources and the difference between what the organization needs and what is available is the manpower requirement. Manpower planning helps management to have the necessary information on the number of employees required, in existence, or anticipated to perform the various tasks of the organization. It helps the personnel office in planning the recruitment, selection and development of employees, thereby cutting down the time required to fill existing vacancies. It also helps to reduce costs by eliminating too much hiring, training, transfer costs and lay-offs.

The following factors affect the manpower needs of an organization

1. Technology

   The core technology of an organization can change overtime and this can lead to hiring of new staff or lay-offs. A study of an organization’s technology can help the organization to make meaningful prediction on how its technology will change in the future and how it affects the human resource need.

2. The present workforce situation

Certain situations in an organization can cause a change in the present workforce, e.g. compensation policy etc

3. Changes in business environment
   Increase in price of goods and services can affect customer behaviour, which invariably affects an organization's ability to retain more employees.

4. Changes in strategy
   This can either result in the need for new employees or laying off ofold ones (adopted from Onwuchekwa, 1994).

3.3 Recruitment

Ivancevich, Skinner and Crossby, (1994) see recruitment as the set of activities an organization uses to attract job candidates with the abilities and attitudes needed to help the organization achieve its objectives. It is the process of searching both inside and outside the organization for people to fill vacant positions (Hellriegel and Slocum, 1996). Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization. It aims at increasing the number of applicants per job and eliminating the weak ones, thus helping the organization to employ the best applicants (Onwuchekwa, 1994).

There are two major types of recruitment. These are external and internal recruitment. Internal recruitment is the process of filling job openings by selecting from among the pool of present employees, by promotion, demotion or transfer. Internal recruitment increases the general level of workers morale as most workers expect to advance to positions of higher pay and status during their careers. It is relatively simple, less expensive and with less risk, as the employees concerned are already known. It, however, prevents the bringing in of new ideas and knowledge, especially at the upper levels. It also limits the pool of talents available to an organization.

External recruitment, on the other hand, is the process of filling job openings by selecting candidates from outside an organization. An organization may decide to go for external recruitment for positions whose specifications cannot be met by present personnel. The major sources of external recruitment are:

- Use of employment agencies
- Recommendations of present employees
- Schools and colleges
- Casual applications
- Labour unions
- Newspaper advertisements
- Executive search firms

3.4 Selection

This involves choosing from among the candidates, the one that best meets the position requirement. The goal of recruitment is to create a large pool of persons who are available and willing to work for an organization, while the selection process has as its objective the sorting out or elimination of those considered unqualified to meet the job and organizational requirements. The seven - point plans for selection rating are:

3.4.1 The application form

This provides the interviewer with basic information which is relevant towards understanding the applicant before detailed employment interview. An application form requires prospective applicants to provide such information as sex, qualifications, nationality, etc. From this information, the personnel unit can make initial screening about those who meet the basic requirements and who could be invited for in depth interview.

3.4.2 Initial Screening

This is used to confirm that those who applied have met all the basic requirements demanded. It is used to make a quick evaluation of an applicant's suitability for the particular job. This stage determines for both the applicant and the interviewer whether or not to proceed with the selection process.

3.4.3 Testing

The recruitment officer can predict how well prospective candidates could perform on the job through tests on mechanical aptitudes and skills or personality and psychological tests. Such tests are used as a way of reducing the number of people that will be coming for interview.

3.4.4 Background investigation

Information about a candidate could be obtained from one or more of his referees or previous employers. This is often to confirm or ascertain the reliability and validity of the information contained in his/her application form or curriculum vitae. Background investigation helps to provide more information about an applicant so that even before he appears for interview, the panel has already known much about him.

3.4.5 In-depth selection interview

This is a crucial part of the selection process in an organization. It is conducted by the manager to whom the candidate would report to (if employed). Typically, this is carried out to obtain more information of interest to the interviewer about the candidate in order to determine the candidate's suitability for the job and to fill in gaps on the candidate's application form.

3.4.6 Physical examination

This is one of the last steps in the selection process except where the job involves heavy physical labour or stress. Physical examinations are designed to ensure that the candidate can effectively perform in the position applied for and verify the health status of the applicant in order to protect other employees against contagious diseases as well as the organization against unjust compensation claims.

3.4.7 Job offer

Where an applicant meets the specified requirements, he is offered the job. This is done by communicating the applicant officially through the personnel department. The employment letter contains the position and job of the applicant as well as his basic salary scale. It also contains information on when he is to start, and the period of expiration of the job offer, and other terms and conditions of service, as the case may be.

3.5 Placement

Placement, according to Onah(2003),is the process of appointing or investing an appointee with the authority to perform his assigned role. It is the employment contract. Once a decision to appoint a candidate has been made, an offer of employment must be made either verbally or in letterform. The candidate may then accept or reject the offer made. The contract of employment results from this oral or written offer and acceptance, together with “considerations”, which means reciprocal promises or obligations made by both parties. In this case, the employer promises to pay the employee in return for the employee’s promise to work. The terms of the contract may be express (written down) or implied (understood informally by both parties). An employer must give the employee a written statement setting out the particulars of his employment before he commences the job not later than two months after the employment offer.

The statement must specify:

- the names of the employer and the employee
- the effective date of employment
- remuneration methods and intervals of payment
- hours of work
- holiday entitlements
- health entitlements
- pension and pension schemes
- notice entitlements
- job title or brief job description
- Where it is not permanent, the period for which the employment is expected to continue or, if it is for a fixed term, the date when it is to end
- The place of work or, if the employee is required or allowed to work in more than one location, an indication of this and of the employer’s address
- Details of the existence of any relevant collective agreements which directly affect the terms and conditions of the employee’s employment, including where the employer is not a party, the persons by whom they were made. (see Onah, 2003)

The statement may also include details of the employer’s disciplinary and grievance procedures or a reference to where they could be found. All employees are also entitled to itemized pay statements (slips), which must include details of gross pay, net pay, variable deductions (with detailed amounts and reasons) and fixed deductions.

Self Assessment Test

Of what relevance is manpower planning to organizations?

Explain the factors that affect the manpower needs of organizations.

4.0 Conclusion

Procurement is the first operative function of personnel management and it is concerned with obtaining and satisfying the manpower requirements of an organization. The main objective of this personnel function is to attract and equip an organization with sufficient and suitable manpower that will transform the organizations objectives into reality. Thus, through the procurement function, the organization improves the quality of its personnel and the quantity needed to discharge the duties of the organization.

5.0. Summary

This chapter highlighted the basic personnel function of procurement. Issues such as manpower planning, job analysis, recruitment, selection and placement were discussed. The procurement of personnel to perform the work of an organization involves the forecasting of manpower needs, the analysis of jobs to determine what each job entails and the human requirements for the performance of the job. It also involves the recruitment and screening of applicants for job openings and continues until the placement of the employee on his job. The procurement process is very important because it is through the process that employees are selected with respect to special needs of an organization. Thus a high level of objectivity is needed to ensure that an organization is appropriately staffed.

6.0. Tutor marked Assignment

Define the procurement process and discuss the seven point plans for selection rating.

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Unit 6 Staff Development

Contents

2.0 Introduction

In the preceding unit, we treated the personnel function of procurement and emphasised on getting the best quality staff that can help an organization achieve its objectives. It must be, however, noted that having got the right quality, the personnel administrator must organize training and development programmes for the employees in order to get them fit to assume roles in the organization, This unit considers the key issues in the training and development of employees.

2.0 Objectives

At the end of this unit, students should be able to:

1. Conceptualize the terms ‘training and development’
2. Explain the difference between training and development
3. Discuss management development methods
4. Explain the meaning of organizational development

3.0 Main Contents

Training and development programmes are designed for three groups of workers. Training programmes designed to improve skills of workers are meant for those in operation, while development programmes are put in place for managers and executives. However, organizational development programmes and interventions are designed for all organizational participants. In this unit, we shall discuss these three basic training programmes as they pertain to these specified categories of employees.

3.1Staff Training

Staff training is the organized procedure by which employees acquire knowledge and or skills for doing specific jobs. It involves obtaining skills that will enable an employee to competently carry out his functions. Dessler (2011) defines training as giving new or current employees the skills they need to perform their jobs. Mullins (2002) believes that the purpose of training is to improve knowledge and skills, and to change attitudes. Training is a crucial factor for improved organizational performance and a very important motivator. It increases the level of individual and organizational competence and helps to reconcile the gap between desired targets or standards and actual level of work performance. Training also enhances the confidence and motivation of staff, provides recognition and enhanced responsibility as well as the possibility of increased pay and promotion. It gives a feeling of personal satisfaction and achievement, while broadening opportunities for career progression. Besides, training assists in improving the availability and quality of staff. According to Cole (2002), training needs arise from four sources:

4. The requirements of newcomers
4. Shortfalls in employee performance
4. Organizational change
4. The individual's expressed needs

Training programmes according to Dessler (2011) consist of four steps, namely:

6. Needs analysis
   Here, the specific knowledge and skills the job requires are identified and compared with the prospective trainees' knowledge and skills.
6. Instructional design
   In this second step, specific measurable knowledge and performance training objectives are formulated, possible training programme content reviewed and a budget for the training programmes estimated.
6. Programme implementation
   This step involves the actual training of the target employee group using methods such as on – the- job or online.
6. Evaluation
   This is an assessment of the success or failure of the programme.

3.1.2. Operational Training Methods

Training programmes are designed to be relevant to the needs and requirements of an organization. Some operational training methods are briefly discussed below.

1. On- the -Job Training
   This method gives the individual the opportunity of learning while actually performing the job. He is assigned a supervisor who will serve as a coach or

mentor on how to perform the tasks required. His success depends more on his supervisor.

2. Apprenticeship Programme(s)
This is a process by which employees acquire skills through the combination of formal learning and long-term on- the- job training. This type of training is designed to produce high level skills among the trainees. It pays more attention to formal classroom learning than training on the job because knowledge as well as skills necessary in performing the craft is involved. On-the-job-training is combined with classroom instruction in particular subjects.

3. Vestibule school(s)
This is a small school attached to an institution for the training of workers. It is used when large number of workers must be trained quickly, for instance, to accommodate the rapid expansion of an organization. It is an important preliminary to on- the- job training and new workers are trained for specific jobs. It is a form of sandwich school involving both training and working. It puts more emphasis on teaching the method than on getting out production.

4. Informal learning
This is an operational training method where employees learn through informal means, including performing their jobs on a daily basis in collaboration with their colleagues

5. Public vocational institutions
People study in these institutions for the purpose of acquiring special skills. The training director arranges with public or trade school authorities to provide training for would-be employees in certain courses.

6. Programmed training
This is a new training method which uses teaching machines, programme books or film strips. This method differs from other methods in that the materials to be learned are presented in such a way that the learners can proceed at their own pace. Learning is accomplished in stages and the trainee moves to the next stage as soon as he is through with the preceding one.

3.2Management Development

Executive or management development refers to a course or courses of action designed to enable an individual realise his potentials for growth in an organization. It relates to the future rather than the present job. Dessler (2011) explains this as any attempt to improve managerial performance by imparting knowledge, changing attitudes or increasing skills. It consists of assessing an organization’s strategic needs, appraising managers’ current performance and developing the managers and future managers (Beeson, 2006). There is need for planned and systematic executive development programmes because of the complex nature of many jobs. Executive or management jobs involve planning, organizing, staffing, directing and controlling, meaning that a typical day in the life of a manager may not be neatly cut out. On many occasions, he may not spend more than half of his time on direct contact with his subordinates. The rest of such time may be allocated to individuals outside theorganization's chain of command. This therefore requires that the manager should possess skills bothering on such matters, as persuasion, negotiation, co-ordination and facilitation.

A combination of development techniques may be used in a planned systematic executive development programme. However, such, as may be selected, depend on an organization's philosophy on staff development.
Executives need the following skills and knowledge:

1. Decision-making skills.
Programmes or techniques for developing decision-making skills include:

a. In-basket executive development programme
Executive trainees are given background information, for instance, on a simulated company situation, its products, organization and key personnel etc. The trainee executives are then provided with in-basket of assorted memoranda, requests and data about the firm. They are then to study these and must make sense out of the mass of paper work. Subsequently, they prepare memos, make notes and delegate tasks within a limited time period.
Abilities that can be developed include:

- Situational judgments in being able to recall details, establish priorities, inter-relate items and determine need for more information.
- Social sensitivity in exhibiting courtesy in writing notes, scheduling meetings with involved personnel and explaining reasons for actions taken.
- Willingness to make decisions and take actions.

b. Business games
Teams of trainees are formed to meet, discuss and arrive at decisions concerning subjects like production, research and development or other activities of an organization. The requirement that decisions be made as a team provides trainees with experience in cooperative group processes. Playing business games enhances one's ability to take firm stand and make definite decisions. Organizational ability, financial acumen, quick in thinking and the ability to adapt under stress can also be developed through the use of game simulations.

c. Case studies
Actual case examples are collected from various organizations for diagnostic purposes. The trainee is expected to:

- Identify the major and minor problems in the case
- Sieve the important facts from the unimportant.
- Analyze the issues and use logic to fill in the gaps in the facts.
- Arrive at some means for solving the problem(s) identified by him

2. Interpersonal Skills

A manager needs three major types of skill. These are conceptual, technical and human relation skills. In order to improve the level of quality of his work, a manager needs to develop interpersonal competence because he interacts and accomplishes his tasks through human beings. The types of executive training to develop interpersonal skills are:

a. Role playing

This is where participants interact with each other, assuming different roles. A problem situation is simulated by asking the participants to assume the roles of particular persons in a given situation. A trainee's role may be recorded to enable him examine his performance with additional insights of observers.

b. Sensitivity training

The goal of sensitivity training is to develop awareness and sensitivity to behavioural patterns of oneself and others. Trainees who are not previously known to each other are brought together to form a small group. The group meets from time to time for periods of about two weeks. One learns about oneself in the course of discussions since each other's behaviour is mentioned and criticised.

3. Job knowledge

An executive is required to have knowledge about his job. In order to achieve this, he may be provided with various forms of executive development techniques, such as:

a. Coaching: This involves on-the-job training with a skilled coach, having authority as the trainee's boss. This technique individualises training, as one learns by actually doing the job, and through example by the coach.

b. On-the-job experience: The trainee is assigned to a job and learns by experience. This forms a source of motivation and information.

c. Understudy

This is different from other methods of development because the trainee is designated as the successor to the holder of a position. The trainee is thus attached to an executive he is expected to succeed, and he learns on the job. The trainee's future depends on what happens to his superior, and how much he has demonstrated ability to learn.

4. Organizational knowledge

Executive development programmes are also directed toward providing them with knowledge about the whole activities of the organization they are working for. Two major techniques are considered relevant here.

a. Position Rotation

This requires the executive training programme to take the trainee to the different departments of the organization. The aim is to broaden the background of the trainee.

b. Multiple management

This may involve setting up of a junior management board of directors. This board may be given authority to discuss and deliberate on all issues pertaining to the organization rather than concentrate on their specialized areas. All recommendations forwarded to the senior management board must be unanimous and remain as recommendations until so approved by the senior board.

5. General Knowledge

A manager, apart from his area of specialization, is expected to have general knowledge. The higher one goes up in the managerial hierarchy, the more he needs conceptual skills. The only way to improve on this skill is to give or provide the manager with general knowledge. The types of executive development programme for this are:

- Special courses
- Special meetings on special subjects.
- Selective readings

6. Specific individual needs

This programme tries to design a development programme according to individual differences so as to meet a trainee's observed needs. The methods under this programme include:

- Special projects
- Committee assignments

3.3 Organization Development (OD)

This is a "complex educational strategy intended to change the beliefs, attitudes, values and structure of organisations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself". It is a planned and calculated attempt to move the organisation as a unit to the climate of the behavioural, open organic model (Onwuchekwa 1994).

Both operational and managerial training can be worthless if the organisational environment debars learned skills from actually being utilized. Thus organization development is an intervention strategy whereby the general environment is altered to emphasise collaboration, competence, confrontation, trust, candour and support. A variety of techniques included under organization development are:

1. Team development

This is a type of sensitivity training programme conducted for the members of an operating unit off-side-away from job. The programme is carried out by a consultant outside the organisation. The consultant plays three major roles:

1. Contacting all members separately to determine what they think are the major obstructions to effective functioning of the unit.

2. Feeding such gathered information to the convened group in a manner that preserves the confidentiality of information contributors.

3. Serving as a catalyst, during discussion. This is designed to encourage honest feedback and candour.

2. Survey Feedback

Survey on employee morale in an organisation can be used as an organisation development strategy by feeding the results back to those who answered the questionnaires. Employee task forces can be set-up to analyze results in areas like reward systems, leadership style, conflicts, communication processes etc. Recommendations are made to management and final decisions are made and a feedback sent to the employees concerned. Not only are changes made in specific areas, an atmosphere of mutual respect and trust may also be created.

3. Intergroup session

- Used when there is dysfunctional competition or misunderstanding among some units of the organisation.
- A consultant is used to help the conflicting departments to settle their differences through inter group sessions.

Self Assessment Test

What is organization Development (OD) ?

Discuss the various organization development strategies.

4.0. Conclusion

Staff training and development is the second operative function of personnel management. Training and development programmes perform three major functions within an organisation. It helps to improve workers' skills and their technical competence. It is also helpful in integrating workers in an organization. In addition, it helps to integrate the diverse departments of an organization as a whole so that the organisation can function as one entity with common authority and leadership as well as common goals.

5.0. Summary

Training and development programmes in organizations aim at helping employees develop or improve skills, as well as executives to successfully manage their organizations. Such programmes also help in integrating the entire organization as a whole. The training programmes for the operational staff include on-the-job training, special course, vestibule schools and apprenticeship programmes. Executive development aims at improving skills, inter-personal skills, organizational knowledge and general knowledge of managers among others. Organizational development programmes include three major interventions of team development, survey feed-back and inter-group sessions. Generally, all these help an organization build a competent workforce necessary for the actualization of organizational goals.

6.0. Tutor marked Assignment

Discuss the training and development programmes designed for operational staff and management in an organization

7.0. References and further reading

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Unit 7 Employee Compensation

Contents

1.0 Introduction

Employee compensation is strategic and very crucial to organizational goal attainment. It is a major determinant of the relationship that exists between labour and the management in the work place and can be the deciding factor for an organization's performance and success. This unit presents a discourse on the concept. Reference is also made to the various types of compensation policies and the determinants of such policies. The views of Onwuchekwa (1994) and Obikeze Obi and Abonyi(2005)

2.0 Objectives

At the end of this unit, students should be able to:

1. Explain the meaning of employee compensation
2. Discuss the various types of compensation policy and their functions
3. List and discuss the determinants of compensation policy

3.0 Main Contents

3.1 Compensation Policies

Employee compensation, according to, Obikeze Obi and Abonyi (2005),is the reward that individuals receive from organisations in exchange for their labour. This is very important in securing a good organizational climate. Thus organisations strive to formulate compensation policies which would satisfy the economic needs of their employees so that they can contribute to the attainment of the objectives of such organisation. Flippo (1986) defines compensation as the adequate and equitable remuneration of personnel for their contributions to the organizational objectives. Schuler (1992), similarly views this as an activity through which organizations, on the basis of their ability, and within the law, reasonably assess the contributions of employees, directly and indirectly, for the distribution of financial and non -financial remuneration. Dessler (2011), on his part, sees the concept in terms of all forms of pay going to employees and arising from their employment.

Employee compensation refers to a wide range of financial and non-financial rewards to employees for their services rendered to their organizations. It is paid in the form of wages, salaries and employee benefits, such as paid vacations, insurance, maternity leave, free travel facility, retirement benefits etc., Monetary payments are a direct form of compensating the employees and have a great impact in motivating them.

Compensation policies are formulated to achieve three basic functions, namely: to attract workers to an organization, motivate and retain them on the job.

It should be noted that wages are used for those employees whose pay is calculated according to the number of hours worked. In other words, it is the pay received by daily paid or blue- collar workers. Salary, on the other hand, is a fixed periodic payment to non-manual employees. It is usually expressed in annual terms, implying a relatively permanent employment relationship, though normally paid at monthly intervals. It refers to compensation based on an annual rate of pay, though paid monthly irrespective of the number of hours worked. Wages and salaries are subject to annual increments. They differ among various employees, and depend upon the nature of job, seniority, and merit.

3.2 Types of Compensation Policy Operated by Organisations

There are basically three types of compensation policy. These are basic compensation policy, the major function of which is to attract workers to an organization; variable compensation policy, which motivates workers towards better performance and fringe benefits which retain workers on the job.

Basic Compensation Policy

This is the initial salary which an organisation designs to pay its workers. One of the requirements of this compensation policy is that it must be equitable. Its major function is to attract workers to the organisation. Basic salary is normally fixed during the recruitment exercise. It is also known as base or basic pay. The base rate is the amount of pay (the fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job or, for manual workers, the level of skill required. Basic wages / salaries refer to the cash component of the wage structure based on which other elements of compensation may be structured. It is normally a fixed amount which is subject to changes based on annual increments or subject to periodical pay hikes. Base pay may be expressed as an annual, weekly or hourly rate.

Base pay may be influenced by internal and external factors or relatives. The internal relatives may be measured by some form of job evaluation. External relatives are assessed by tracking market rates. Alternatively, levels of pay may be agreed through collective bargaining with trade unions or by reaching individual agreements (Armstrong, 2006).

Variable Compensation Policy

This simply means extra payments made to workers for the variations in their contributions and performance in the organisation. The philosophy behind this compensation policy is that employees in an organisation make variable contributions. Thus employees who have contributed or performed more should be compensated more so that their positive work behaviour would be retained in the organisation. It is also based on the fact that management may expect certain work behaviour or some specific work performance goals and is willing to give special compensation to those workers who perform as expected. Its major function is to motivate workers towards superior performance, according to the expectations of management. It is a kind of incentive paid in addition to wages and salaries and is also called ‘payments by results’. Incentives depend upon productivity, sales, profit, or cost reduction efforts. There are:

(a) Individual incentive schemes, and

(b) Group incentive programmes.

Individual incentives are applicable to specific employee performance. Where a given task demands group efforts for completion, incentives are paid to the group as a whole. The amount is later divided among group members on an equitable basis.

Fringe Benefits

Fringe benefits may be defined as wide range of benefits and services that employees receive as an integral part of their total compensation package. It simply means the benefits workers get from their organisations apart from their basic salary and variable compensation. They are based on critical job factors and performance. Fringe benefits constitute indirect compensation as they are usually extended as conditions of employment and not directly related to the performance of concerned employee. Fringe benefits are supplements to regular wages received by workers at a cost to employers. They include benefits, such as paid vacation, pension, health and insurance plans, etc. Such benefits are computable in terms of money and the amount of benefit is generally not predetermined. The purpose of fringe benefits is to retain efficient and capable people in an organization over a long period. They foster loyalty and act as a security base for employees. They have different titles such as ‘service programmes. non-wage payments’, ‘employee benefits’, hidden pay roll’ etc.

Characteristics of Good Compensation Policy

1. External consistency: The salary or wage structure must compare favourably with the wage rate that prevails in the locality and labour market.

2. Internal consistency: These have to do with relative wages within the organisation. If a supervisor is paid less than his sub-ordinals, the rates are inconsistent.

3. Compensation must be easy to understand and administer.

4. Effort expended must be equal to the pay. This touches on equity.

5. Recognition for individual performance must be apparent.

3.3 Determinants of Compensation Policy

The capacity of organizations to pay
Ability to pay is one of the determinants of what salaries and wages a company can accept. Every organization is always working out its own plan to strike a balance between the responsibilities she can carry and her survival opportunities.

Government legislations
Governments all over the world are increasingly getting involved in wage issues. They do this through setting minimum wage standards and other fiscal policies. The essence of government intervention is mainly to protect disadvantaged groups, ensure full employment, check inflation and stimulate demand.

The labour market
The labour market to a large extent, determine what should be the cost of labour. In the events that the labour market is saturated, the cost of labour is, by implication, going to be very cheap. However, salaries and wages, on the other hand, are likely to be pushed up when the labour market is under supplied.

Productivity
Organizations employ people to help achieve their goals and objectives, by their productive labour. In determining the wage level, the employer would be certain that additional wage increases would be justified by additional productivity.

Social Pressure
Compensation paid to employees in a given company often affects that company's pricing of its goods and services. Consumers are forced to be interested in compensation decisions. The government often responds to public opinion and steps are taken to regulate prices of goods and services.

The Influence of Trade Unions
Labour unions by their nature are always in the struggle for better working conditions for their members. Their organizational ability determines the level of influence they

can command in an organization or economy. If they are strong, they can, through the process of collective bargaining get better wages for their members.

Prevailing Cost of Living

The prevailing cost of living in any society has been identified as instrumental in determining salaries and wages to be paid for labour. In unregulated economies like that of Nigeria and most other African countries, the cost of living keeps fluctuating and in most cases on higher scales, and this has often pushed up the demand for increase in salaries and wages.

Prevailing Wages in the Industry

Most industries or professions have prevailing wage rates. Organizations within an industry, try to pay salaries that are comparable to others in that same industry. Though some organizations may want to pay more than the prevailing rates in order to attract and retain high quality manpower, most organizations pay something near the industry average.

4.0 Conclusion

Compensation is a reward given by employers and received by employee in exchange for the services rendered by the latter to the former. The system of compensation should be so designed that it is equitable and capable of attracting competent employees to the organization, ensures that the employees are motivated and do not have need to seek for greener pastures frequently.

5.0. Summary

In this unit, effort has been made in explaining the concept of employee compensation, the three types of compensation policy and their functions. We have also attempted to examine the determinants of compensation, which include, ability to pay, productivity, influence of labour unions, prevailing cost of living, the labour market and government legislation, among others.

6.0. Tutor marked Assignment

Explain the three types of compensation policy and their functions.

7.0. References and further reading

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Unit8 Performance Appraisal

Contents

1.0. Introduction

Over time, there is usually the need for an organization to determine how well an employee has performed on his job. The process of evaluating or determining the performance and potentials of employees is through a system of performance appraisal. In this unit, we shall be looking at the meaning and nature of performance appraisal, the reasons for it, the various appraisal methods and attendant appraisal problems. We shall be reflecting the views of Flippo (1986), Onah (2003), Dessler (2011) and Obikeze, Obi and Abonyi (2005).

2.0. Objectives

At the end of this unit, students should be able to:

1. Explain the meaning of performance appraisal.
2. Know the importance of performance appraisal
3. Explain the different appraisal methods.
4. Explain the problems to avoid in appraising performance.

3.0. Main Contents

3.1. The meaning of performance appraisal

The process of determining how an employee has performed on his job is called performance appraisal. It is a personnel management practice to constantly monitor the extent of performance of an employee on his job. This is to ascertain the employee's proficiency on a particular job. Through such appraisal or evaluation the strengths and weaknesses of an employee on his job may come to the fore. Thus, performance appraisal is that process undertaken by management to find out the extent to which an employee is performing on the job that may have been assigned (Ezeh, 2013). Dessler (2011) sees performance appraisal as an evaluation of an employee's current and/or past performance relative to his performance standards. It involves setting work standards, assessing employee's actual performance relative to those standards, and providing feedback to the employee with the aim of motivating him to eliminate performance deficiencies or to continue to perform in line with or above the stipulated standard. Performance appraisal assumes that employees knew what their performance standards are and receive feedback required to remove performance deficiencies. Mullins (2002) and Dessler (2011) outline the following as the benefits of performance appraisal.

1. It can help identify an individual's strengths and areas of development and indicate how such strengths may best be utilised and weaknesses overcome.
2. It can help to reveal problems which may be restricting progress and causing inefficient work practices.
3. It can produce information for human resource planning to assist succession, to determine suitability for promotion and for particular types of employment and training.
4. It can improve communication by giving staff the opportunity to talk about their ideas and expectations, and how well they are progressing.
5. It can also improve the quality of working life by increasing mutual understanding between managers and their staff.
6. Appraisals provide an opportunity to review an employee's career plans in the light of his exhibited strengths and weaknesses.
7. It plays an integral role in the employer's performance management process.
8. It serves as a basis for pay and promotional decisions.
9. It helps to determine training and development programmes.
10. It can be a source of job motivation.

3.2. Performance Appraisal Methods

In appraising employees, organizations use a number of methods. The methods to be used depend on the convenience and need. These methods, according to Obikeze, Obi, and Abonyi(2005) Dessler (2011) and Anikeze(2007), are:

1. Ranking Method: This involves comparing one person with all others for the aim of placing them in a simple rank order of worth. The workers are compared based on their performance and are listed in order of merit, starting from the best to the worst, in a simple grouping. The ranking method does not evaluate the employee against some established performance standard but compares his performance against other employees in the organization. Ranking is difficult in large groups, and as well very subjective. It does not provide useful information for feedback.

2. Graphic Rating Scale: This method of appraisal demands that certain categories of merit are strictly selected and defined, usually, of a continuum from best to worst or most acceptable to unacceptable. The rater is given a form containing some job performance qualities and told to circle the points that best describe the qualities of the employee.

3. Critical Incidents: This method of appraisal demands that a supervisor keeps a record of positive and negative incidents of a subordinate's work related behaviour. At intervals, as may be stipulated by the organizations policy, the supervisor and subordinate meet to discuss the latter's performance, using examples of these critical incidents.

4. Essay Method: Using the essay method, the rater writes a brief narrative describing the employee's performance. The effectiveness of this method depends on the appraiser's writing effectiveness. The essay method is also called a descriptive appraisal, since it involves unstructured narrative report on the employee being appraised and his job performance.

5. Checklist Method: The rater is asked to choose among three or four statements, the one that best describes the employee and the one that least describes him.

6. Person-to-person method: Certain factors, such as leadership, initiative and dependability are selected for purposes of analysis, and a scale designed for each factor.

3.3. Appraisal Problems/Errors

According to Onah (2003) and (Dessler(2001), five main problems can constrain appraisal tools.

Unclear Standards

Some appraisal methods result in unfair evaluation since the traits and degree of merit are open to interpretations. For example, different supervisors would probably define "good" "performance", "fair" or "creativity" differently.

There are several ways to rectify this problem. The best way is to develop and include descriptive phrases that define each trait. A form could specify what is meant by "outstanding", "superior" and "good" quality of work. This specificity results in appraisals that are more consistent and more easily explained.

Halo Effect

This is the tendency of most raters to allow the ratings they assign to one aspect of a man's character of performance influence their rating on all subsequent traits. For instance, a rater may, at times, let a bad character trait adversely influence his entire appraisal of an employee. It is rare to find a man who is either completely good or completely bad; he is likely to be better in more areas than in others.

One way of reducing the hallo effect is for the supervisor to stick up a single factor or trait, judge all his subordinates on this factor before going on to the next trait. This way, he can measure all his men against particular standards without the prospect of bias. Sometimes, a rater may not realize that he is guilty of the hallo error and may take correction if it is pointed out to him.

Central Tendency

Some rate their subordinates at the outer ends of the scale, that is, the rater marks all or most of the employees as average. This central tendency often occurs when the rater has little information about the behaviour of the persons he is rating. Thus, he devotes little time and effort to the rating process. He tries to play it safe by neither condemning nor praising.

Leniency or Strictness

Some supervisors tend to be liberal in their ratings, that is, persistently assigning high scores to their subordinates. On the other hand, some supervisors consistently give low ratings. The errors may be overcome by holding meetings or training sessions for the raters so that they can reach agreement on what they should expect of their men.
The fact that performance evaluation is highly subjective becomes very glaring when ratings change according to the way they are going to be used by management. If the raters know that the ratings will be used to determine promotions and pay increase, they will tend to rate on high side (they are lenient). But if the appraisals are used for the development of the employees, the supervisors tend to emphasis weakness, that is, what is wrong with the people and what they have to do to improve.

Bias

Individual differences among raters, in terms of characteristics like age, race, and sex can affect their ratings. In one study, for instance, researchers found a systematic tendency to evaluate employees (over 60 years of age) lower on "performance capacity" and "potential for development" than younger employees (Rensen and Gerdee, 1976). The rater's race and sex can also affect the person's rating.

Self Assessment Test

Drawing from any public sector organization, outline the uses of performance appraisal

4.0. Conclusion.

Performance appraisal is a personnel management function that attempts to evaluate an employee's current and/or past performance relative to his performance standards. It involves setting work standards, assessing employee's actual performance relative to those standards, and providing feedback to the employee with the aim of motivating him to eliminate performance deficiencies or continue to perform above the standard. When handled very well, it becomes a source of job motivation that can invariably boost productivity. Where reverse is the case, it can adversely affect productivity. Managers should therefore be very careful and ensure that appraisal is based on measurable and relevant assigned criteria.

5.0. Summary

Performance appraisal is a periodic exercise that is carried out to ascertain the extent to which an employee is performing on the assigned job with respect to some set standards. The aim is to find out employees' areas of strengths and weaknesses and to use such feedbacks for relevant management decisions. There are many appraisal tools and organizations are at liberty in selecting such methods based on their need and the convenience of the methods. Careful planning and execution of the exercise would help minimize and possibly eliminate errors in appraisal.

6.0. Tutor marked Assignment

Discuss the common errors in performance appraisal and suggest ways of overcoming them.

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Unit 9 Motivation

Contents

1.0 Introduction

This unit intends to examine the concept of motivation. To achieve this, we intend to, first of all, explain its meaning and then discuss some of its prevailing theories, drawing from the content and process theory of motivation and then concluding by examining the implications of such theories on management decisions. We shall be reflecting the views of Obi, Obikeze and Abonyi (2005) Onwuchekwa (1994) and Flippo(1986)

2.0 Objectives

At the end of this unit, students will be able to:

1. Explain the meaning of motivation
2. Explain the nature of different theories of motivation
3.

3.0. Main Contents

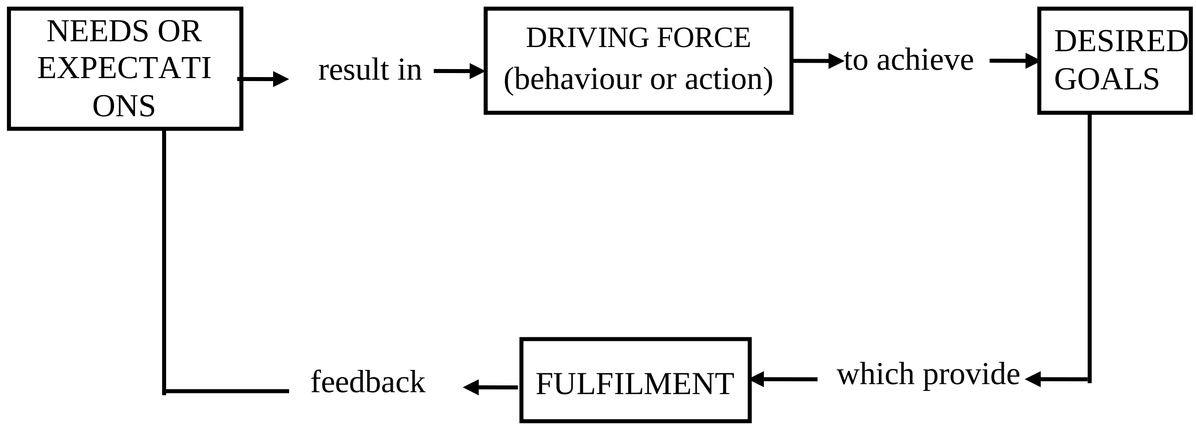
The Meaning of Motivation

According to Krech, Crutchfield and Ballachey(1962), in general terms, motivation can be described as the direction and persistence of action. It is concerned with why people choose a particular course of action in preference to others, and why they continue with a chosen action often over a long period, and in the face of difficulties and problems.

Mitchell (1982) defines motivation as the degree to which an individual wants and chooses to engage in certain behaviour. The underlying concept of motivation is some driving force within individuals by which they attempt to achieve some goal in order to fulfil some need or expectation. People's behaviour is determined by what motivates them and their performance is a function of ability and motivation.

Motivation is any influence that brings out, directs, or maintains people's goals-directed behaviour (Hallriegel and Slocum 1996). It is seen by Ivancivich, Lorenzi, and Crossby (1994) as the set of forces that initiate behaviour and determine its form, direction, intensity and duration. Motivation can as well be defined as the act of directing an individual's behaviour towards a particular end through the manipulation of incentives (Obikeze. Obi and Abonyi, 2005).

Fig5. Basic motivational model



Source: Mullins, (2002) Management and Organizational Behaviour. 6th Edition p. 418

According Stoner (1982), there are three major views on motivation. There are the traditional, human relations and human resources views.

The traditional view and scientific management school are related. This school held that an important aspect of a manager's job was to make sure that workers under them performed their boring repetitive tasks in the most efficient way. Managers determined how the jobs should be done and used systems of wage incentives to motivate the workers - the more they produced the more they earned. This school believed or assumed that workers were essentially lazy and that managers understood the workers' jobs than the workers did. Workers should be rewarded by financial incentives only and had very little to contribute outside their jobs.

The human relations views on motivation recognized the importance of the social needs of workers, that is, belongingness and recognition as important aspects of workers' motivation. This view held that managers could motivate employees by acknowledging their social needs and making them feel useful and important. The human resources view on motivation believes that employees were motivated by many factors not only money or desire for satisfaction. Human beings are motivated by need for achievement and performing meaningful work (Onwuchekwa, 1994).

3.2. Theories of Motivation

Motivation theories can be classified into three. These are the content, process and reinforcement theories.

Content theories of motivation tell us more about what motivates individuals. That is, the internal needs within individuals which they want to satisfy through organizational relationships. The focus is on particular needs that make an individual to act in certain ways. Content theories of motivation include the need and human relations theories of motivation, two factor theories of motivation as well as achievement theories of motivation.

Process theories of motivation, on the other hand, emphasize on the actual process of motivation. It tells us how an individual is motivated. Two elements are important in understanding the process theories of motivation. These are valence and expectancy. Expectancy is what a person anticipates is likely to occur as a result of his behaviour and valence is the strength of an individual’s preference for the expected outcome. Motivation is thus viewed as:

Motivation force = Valence X Expectancy. Two examples of process theories are:

1. Value/ Expectancy theory
2. Equity/Inequity theory of motivation.

Reinforcement theories of motivation are also called operant conditioning or behaviour modification theories. These theories deal on how the consequences of past action influence future actions in a cyclical learning process (Onwuchekwa, 1994). People behave the way they do because in the past they learned that certain behaviour was associated with pleasant outcomes and that certain other forms of behaviour were associated with unpleasant outcomes. Because people generally prefer pleasant outcomes, they are likely to avoid forms of behaviour with unpleasant consequences.

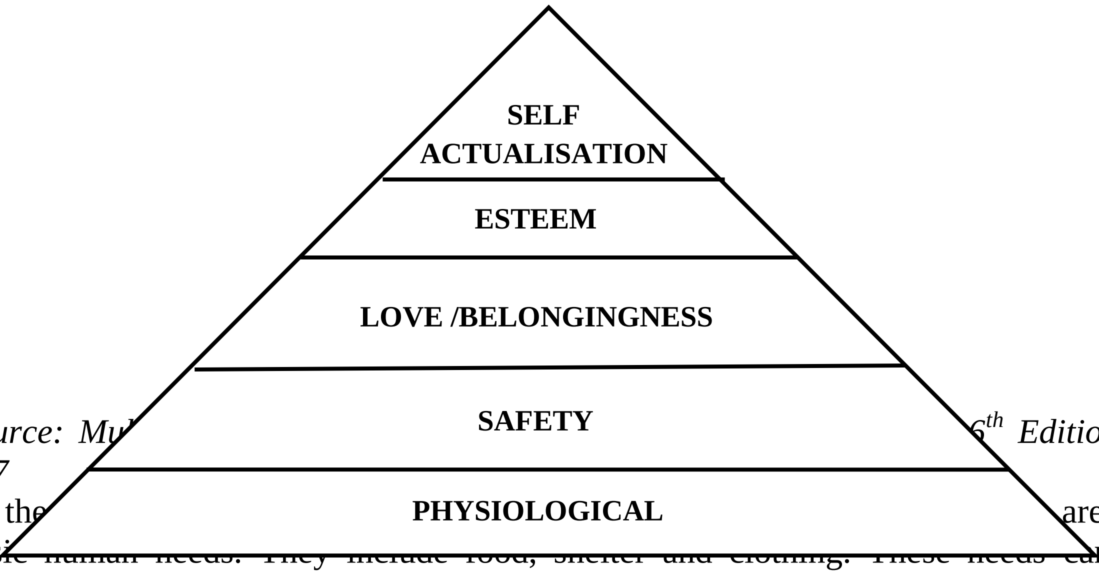
3.2.1 Content Theories of Motivation

A clear, but brief explanation of these theories are presented below. We shall adopt a summary of these theories as articulated by Obikeze, Obi and Abonyi (2005) and Onwuchekwa (1994).

Maslow’s Hierarchy of Needs Theory

Abraham Maslow, a psychologist, propounded this theory which is the most popular of the content theories. The theory is based on two assumptions, which are that people have different needs which are active at different times, and it is only those of these that are not satisfied that can influence the individual’s behaviour. Secondly these needs are arranged in a hierarchical order of importance. This hierarchy contains needs which are grouped into five, namely: physiological, security, belongingness, esteem and self -actualization

Fig. 6 Maslow’s hierarchy of needs model



Source: Mu... 6th Edition p. 427

At the ... are the basic human needs. They include food, shelter and clothing. These needs can be satisfied by an organization through good salaries.

The second step in the hierarchy is security needs. This is the need for safety, stability and security in both physical and economic terms. Job security, healthy insurance schemes, guaranteed retirement benefits and a safe working environment are means by which an organization can take care of this need.

Belongingness need is the third in the hierarchy. This relates to people's desire for social acceptance, friendship and affection. Organizations can take care of this need through encouraging team work and creating a friendly atmosphere in the work place.

The esteem need, which is the fourth, is the need to be respected and valued. It is the desire to be recognized and to also have self esteem. To satisfy this need, organizations are advised to adopt an equitable and appropriate reward system, good job titles and equally give employees challenging job responsibilities. They should also publicly reward excellence and outstanding or extra-ordinary performance.

The last step of the hierarchy is the self-actualization needs. This is the need for self - fulfilment and personal growth. This need is fulfilled by creating a motivating environment by involving employees in the decision making process and creating a clear career path for all employees to realize their full potentials.

Hellriegel and Slocum (1996) have summarized the basic assumptions of Maslow's theory thus:

a. A satisfied need isn't a motivator. Once a need is satisfied, another emerges to take its place. Thus people are always striving to satisfy some higher need.
b. The need's network for most people is complex. That is, various needs affect a person's behaviour at the same time.
c. In general, lower level needs must be satisfied before higher level needs become strong enough to stimulate behaviour.

d. There are many more ways to satisfy higher level needs than there are to satisfy lower level needs.

Though Maslow's theory is very popular in management circles, it still has some noticeable shortcomings. First, the arrangement of the needs in a hierarchy has been criticized. Though Maslow himself did not claim that the hierarchy is a rigid one, it has been argued that some needs may occur simultaneously while individual differences and preferences dictate which of the needs that are considered important. For instance, while some people are motivated by money (physiological needs), others are not motivated by it. The theory also fails to take care of environmental factors on people's needs. The influence of culture, religion, education etc was equally ignored in the analysis of the hierarchy of needs.

In conclusion, Ivancivich, Lorenzi, and Crossby, (1994) state that, to a large extent, Maslow's ideas help us understand that everyone has a basic need that must be satisfied and one way to satisfy these needs is through work. But the complexity of the need satisfaction process makes simple prescription problematic Maslow's need hierarchy describes a model of basic human needs but offers little practical guidance for motivating workers.

Human Relations Theory

The human relations theory of motivation de-emphasizes the importance of pay or financial incentives, which it sees as able only to satisfy the physiological (economic) safety needs, and possibly, some belongingness and ego needs. Implicit in the human relations theory of motivation is the view that motivation depends primarily on the satisfaction of the higher level needs in Maslow's hierarchy. According to Likert (1961), the human relations theory asserts that productive work units are characterized by favourable member attitudes toward all aspects of the job, including other workers, supervisors and the organization. These attitudes are not merely those of easy complacency, but include identification with the organization and a strong involvement with its goals. As a consequence of these attitudes, dissatisfaction may occur when achievement falls short of set goals.

The managers of productive organizations, according to this theory, strive to use all the factors which yield favourable and cooperative attitudes in such a way that motivational forces are mutually reinforcing. These forces include economic, security, ego motives, along with curiosity and desire to be creative. Such managers typically activate these motives by encouraging widespread participation and involvement in decision making (Filley et al).

Herzberg's Two Factor Theory

The two-factor theory resulted from a research conducted by Frederick Herzberg, Benard Mausner and Barbara Synderman on 200 Accountants and Engineers. Herzberg and his associates were interested in establishing the relationship between job satisfaction and productivity. They asked the participants to recall times when they felt exceptionally good and times when the felt exceptionally bad about their jobs. They were equally asked to state the factors that were responsible for the two extreme feelings.

The findings of the research were indeed very interesting. It completely discredited the widely held notion that satisfaction and dissatisfaction were different sides of the same coin. The participants identified completely different work conditions for the two feelings. The absence of what made a worker happy with his job may not necessarily make him feel satisfied with it. Likewise, remedying the condition that made him feel unsatisfied with his job may not necessarily make him feel satisfied with it. It was based on this that Herzberg postulated that the variables that determine motivation and satisfaction on the job are different from the variables that cause dissatisfaction and a lack of motivation (Herzberg 1987). It is these two separate and distinct variables that cause satisfaction and dissatisfaction that are known as the two-factor model.

The factors that lead to satisfaction were labelled satisfiers, while those that lead to dissatisfaction were labelled hygiene factors or dissatisfiers. The satisfiers relate to the job content while the dissatisfiers relate to the job context. While the motivators are intrinsic, the hygiene factors are extrinsic.

Herzberg further explained his theory with the twin concepts of job enlargement and job enrichment. Job enlargement refers to the number of operations a worker performs in a job cycle. It is related to the hygiene factors. Workers desire job enlargement in order to make their jobs more challenging and less monotonous. It is therefore suggested that managers who desire to motivate their workers should enlarge their jobs. Job enrichment, on the other hand, refers to the amount of responsibility given to a worker in the work place. Job enrichment is related to motivators because it is concerned with work content.

Though the theory was very popular initially, it has been flawed, since those that tried to test it in other organisations found different results from that of Herzberg. Ivancevich, Lorenzi, Skinner, and Crossby (1994) have summarized the three main grounds on which the theory has been faulted thus:

a. Method of data collection: The information was collected via a potentially biased structured interview format.
b. Individual differences: Individual differences were discovered to affect the two factors. For example, some workers avoid advancement.
c. Limited Sample: Conclusions were based primarily on studies of professionals (i.e. Engineers and Accountants), whose tasks differ significantly from other kinds of workers.

Despite the short-comings of the theory, its relevance lies in the fact that it confirms the veracity of Maslow’s theory since its hygiene factors or dissatisfiers correspond to Maslow’s lower-order needs while the satisfiers or motivators correspond to the higher order needs. It can therefore be said that both theories confirm the fact that the value of work itself is a motivational factor.

McMclelland’s Need Theory

David McClelland, a psychologist developed this theory through the use of the Thematic Apperception Test (TAT). The basis of the theory is that people acquire three important needs as they grow up. These are needs for achievement, affiliation and Power. McClelland (1961) believes that the degree to which individuals acquire these three needs depends on their various childhood and life experiences.

The Need for Achievement: This is reflected in striving to accomplish difficult but feasible goals. Individuals with a high need for achievement are interested in assuming personal responsibility, having a high sense of initiative and are goal-oriented. They also value immediate feedback based on achievement.

The Need for Affiliation: It is the desire by individuals to be accepted by others. It is that desire for companionship and social interaction. This need is the same thing as Maslow's belongingness needs. People with a high need for affiliation are good organisational materials, because they value team work. They can also function well in the group. As organisations are basically institutions where people work together towards achieving set objectives, these people will excel in jobs that encourage social interactions among the workers.

The Need for Power: This is the desire to be influential and have control over others and the environment. People who have a high need for power perform well in leadership positions and jobs like the military and police.

Good managers and leaders should have a high need for achievement. Based on these three needs which everybody possesses but in different degrees, managers should discover which of the needs that each worker has in high proportion and place him in a matching job. The essence of this is that wrong placing could lead to frustration on the part of the worker and may shorten his stay in that organisation.

Expectancy Theory

The Expectancy theory, developed by Victor H. Vroom, is a highly regarded motivation theory. The main argument being advanced by the theory is that people choose a particular behaviour among others, because they believe that such behaviour will attract desirable results which they highly value while other forms of behaviour will attract undesirable results. Hellriegel and Slocum (1996) see Vroom's Expectancy model as resting on three basic assumptions:

a. Forces within individuals and in their job situations combine to motivate and determine behaviour. As Maslow stated, people seek to satisfy different needs. Forces in the job situation influence how they go about doing so.
b. People make conscious decisions about their own behaviour. For example, an individual decides whether to accept a job with an organisation, come to work or call in sick, put in over time, and strive for a promotion and so on.
c. Selecting a course of action depends on the expectation that a certain behaviour will lead to one or more desired outcomes instead of undesired outcomes. In essence, individuals tend to behave in ways that they believe will help them achieve their objectives. (such as promotion or job security) and avoid

behaving in ways that will lead to undesirable consequences (such as demotion or criticism).

The theory, which is also known as the VIE theory, is based on three variables: Valence, Instrumentality and Expectancy.

Valence is value of a reward; instrumentality is that perceived link between the reward and the work behaviour; expectancy is belief that effort will bring about the first-order outcomes.

More elaborately, the expectancy theory states that to be motivated, workers must place high value on an outcome (Valence). This is a second order outcome. They must also believe that their efforts will lead to a desirable result or first order outcome (Expectancy). Then there must be a perceived relationship between successful attainment of the first order outcome and the realisation of the second order outcome (Instrumentality).

Based on the above, motivation depends on the probability that an action will lead to a desirable outcome, *expectancy* and that the value of the outcome is highly desirable to the individual, *valence,* and that the achievement of the first-order outcome will lead to the attainment of a second-level outcome *instrumentality.*

Fig.7 Expectancy Theory: The Motivational Link

MOTIVATION – a function of the perceived relationship between

(1) and (2)

Effort Expended → Effective level of performance → Rewards (desired outcomes) relation To performance

(3)

Availability of rewards (desired outcomes)

Source: Mullins, L J. (2002) Management and Organizational Behaviour. P.437

The implication of Vroom's theory to managers is that they should try to link rewards to performance. Those who succeed in their assigned tasks should be rewarded. It is also advised that the relationship between the rewards and performance should be clear to all workers while the rewards must be things which most of the workers cherish, or the workers could even be given a choice of rewards so as to take care of individual differences.

Equity Theory

The equity model, as developed by J. Stacy Adams, is concerned with workers' perception of fairness and equilibrium. When a worker compares his inputs in the job and the outcomes (reward) with that of a referent (who does basically the same work), he may feel that:

1. There is equity in the reward system
2. He may feel under-rewarded
3. He may feel over-rewarded

Interestingly, whichever way he feels, has some implications for his subsequent behaviour. If he feels there is equity, then he will not change his behaviour. But if he feels that there are inequities in the reward system, he will work to reduce the inequity through:

a. Trying to increase his inputs if he feels he is over-rewarded.

b. If he feels he is under-rewarded, he will try to get an increase in his salary.

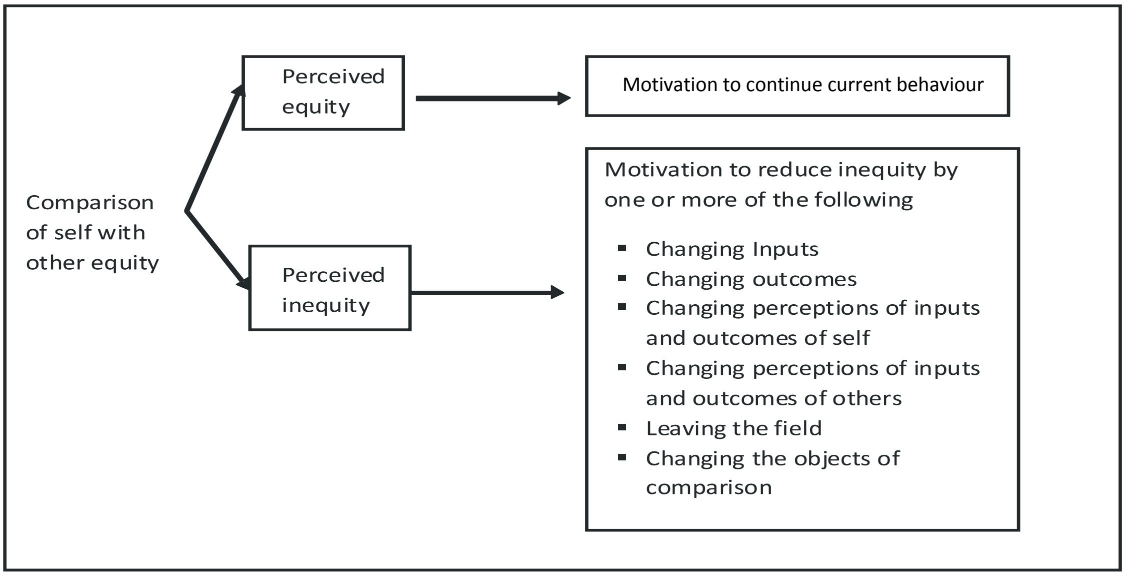
c. If the increase is not forthcoming, he may try to decrease his inputs.

d. He may resort to illegal ways of increasing his outputs through theft or cheating.

e. He can change his referent, that is, by choosing another person with whom to compare himself.

f. He can distort reality by trying to justify the inequities as justified. This normally happens in cases of people that are over-rewarded. They may leave the job if all attempts to change the inequity fails.

Fig. 8 Consequences of Perceived Equity and Inequity



Source: Steers, R. (1991) Organizational Behaviour p. 153

It should also be noted that whichever way the workers feel, has some implications for organisational productivity. Management should therefore try to see that organizational rewards are, to a very large extent, apparently equitable, though it must be pointed out that the comparisons are highly subjective and dependent on workers perception of their input-output ratios. The subjectivity is quite understandable because the person making the comparison is also involved, and may have that tendency to rate his input very high vis-à-vis that of the referent.

In conclusion, the importance of the theory to managers is that what really matters is not what people earn relative to others, but the sense of fairness in the reward system.

Reinforcement Theories

Reinforcement theories differ from the content and process theories because of their focus on the relationship between behaviour and its consequences, quite unlike the other two that focus on the internal needs of man. Reinforcement theories are based on the notion that behaviour is a function of its consequences. The theory which owes much to B.F. Skinner, a psychologist, is explained with operant conditioning. Operant conditioning is a concept that explains the fact that behaviour is contingent upon reinforcement. Forms of behaviour that attract positive consequences are most likely going to be repeated while those that attract negative consequences are likely not going to be repeated.

Workers are rational beings, so when they engage in particular behaviour, they watch the outcome of that behaviour to see the type of consequences which it attracts. If it attracts positive rewards, then the behaviour is likely to be repeated. Thus, by rewarding that behaviour positively, it has been strengthened. This is known as positive reinforcement. When behaviour is stopped in order to avoid the unpleasant consequences which it attracted, it is said that negative reinforcement has occurred.

Punishment entails the application of a negative consequence on behaviour. This negative or unpleasant consequence on a particular behaviour will most likely reduce the chances of the behaviour being repeated in future. This is the essence of punishment. When a particular behaviour remains unrewarded for a long time, that behaviour is likely going to be weakened. This is known as extinction.

The concepts of positive reinforcements, negative reinforcements, punishment and extinction are very important in the understanding of reinforcement theory.

Self Assessment Test

In your own words, explain the term ‘motivation’. Justify the use of non-financial incentives as tools for employee motivation in public sector organizations.

4.0 Conclusion

Motivation is that which makes an individual act in a certain way. As could be seen from the discourse on the concept in this unit, motivation has a strong link to employee service delivery and is a major determinant of productivity issues. Organizations therefore strive to provide motivational packages best suited to their situations in order to ensure quality service delivery.

5.0. Summary

In this unit, we have tried to explain the concept of motivation as well as its relevant theories. Employee motivation is a force that propels productivity. It is one of the important personnel administration functions and, which demands that management should, in all times, understand the situation at hand, including the needs of employees and then select appropriate motivational tools best fitted to the situation(s).

6.0. Tutor marked Assignment

Discuss the implications of the theories of motivation to the management of human resources.

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Unit 10: Promotion, Demotion and Transfer

Contents

1.0 Introduction

This unit intends to examine three important concepts that are under the purview of personnel administration and which are crucial to employee service delivery as well as organizational performance. How these issues are handled is the subject of this unit.

2.0 Objectives

At the end of this unit, students should be able to:

1. Explain the meaning of promotion
2. Know the circumstances in which demotion is applied
3. Understand the need for staff transfer

3.0 Main Contents

3.1. Promotion

A promotion involves moving an employee to another level of job within the company which has greater importance and usually, higher pay, higher status and carries improved benefits and more privileges. Its purpose is to improve both the utilization and motivation of employees. (see Eze, 2013).

There are two main ways in which an organization may promote its employees. These are:

Management Decision

Here an employee is selected for promotion on the basis of information already known to the management. This method is quick and inexpensive and obviously very suitable for a small organization or for jobs which the field of possible candidates is small and well known. In large organizations, it may cause discontent because the decision is arrived at in secret, with possible candidates not having the opportunity to state their qualifications on the post. In all cases, this method depends for success, on the complete and up-to-date employee records which can be used to identify all possible candidates for any job.

Internal advertisement

Employees are told by notices or circulars that a post is vacant and they are then invited to apply. Some or all of the candidates are interviewed and one finally selected. This method is comparatively expensive and time consuming, but is particularly suitable for a large organisation, in which management cannot be expected to have personal knowledge of possible candidates. It does not rely on accurate employee records, and being open, rather than secret, appears fairer to the candidates than the management decision method. In the public sector, promotions are made almost entirely through internal advertisements.

Promotion is an avenue for career progression, and in most cases, especially in public sector organizations, it is competitive and attracts undue conflicts. To eliminate these conflicts, Armstrong (2006) suggests that organizations should have promotion policies and procedures which are well known to both management and employees. These procedures should take full account of equal opportunity for all concerned.

The aim of the promotion procedures is to help management obtain the best talents available within the organization to fill more senior positions and secondly, to provide employees with the opportunity to advance their careers within the organization in accordance with the opportunities available and their own abilities. Included in such policies or procedure are statements that guarantee that promotional vacancies should be advertised internally, and be notified to the human resource department. Departmental managers should not be allowed to deliberately stall promotions within a reasonable time, unless affected individuals have been in the department for less than one year or such departments have recently suffered heavy losses through promotions or transfers and promotion opportunity should be open to all irrespective of race, sex or marital status (see Armstrong, 2006).

Normally, employees derive satisfaction from an organization's policy of promotion from within but badly handled promotions can cause dissatisfaction. The important points to note are:

a. The criteria for promotion must be fair-usually a combination of ability, relevant experience and length of service.
b. The method must be fair.
c. Selection for promotion must be based on appraisals by present and past managers.
d. The wage or salary offered to the promoted employee must be what the job deserves rather than what the management thinks he will accept.
e. Unsuccessful candidates must be treated with respect

3.2. Demotion

A demotion involves moving an employee to a job within an organization, which is lower in importance. It is, usually, though not always, accompanied by a reduction in pay. An employee may be demoted for these reasons:

a. His job may disappear or become less important through a re-organisation in the organisation.
b. He may no longer be thought capable of carrying out his present responsibilities efficiently.

Unless the employee has himself asked for it, demotion will probably have adverse effects as follows:

a. There will be less satisfaction of esteem and self-actualization needs. The employee may show negative reactions or frustration.
b. He may become a centre of discontent in the organization.
c. Other employees may lose confidence in the organization.

3.3 Transfer

A transfer is a move to a job within the organization which has approximately equal importance, status and pay. To manage human resources in a constructive way, it is sometimes necessary to transfer employees to other jobs, sometimes because of changed work requirements, and sometimes, because an employee is unhappy or dissatisfied in his present job. In some organizations, it is the custom for the least satisfied employee to be transferred from one department to another with the result that a transfer is regarded as discreditable, particularly if it occurs at short notice and without explanation. An unhappy employee may, therefore, prefer to leave the company rather than seek a transfer. A transfer serves in developing promising employees by giving them experience in several departments.

Transfers can increase job satisfaction and improve utilization where a transfer is regarded as a re-selection; the need for a transfer is explained; unsatisfactory employees are not dealt with by transferring them to other departments; requests by employees for transfers are fully investigated, no employee is transferred to another district against his will; an employee transferred to another district is given financial assistance from the organization to cover removal cost, re-furnishing, etc.

Self Assessment Test
Explain the ways through which organizations promote its employees.

4.0. Conclusion

We have looked at three important concepts in personnel administration, promotion, transfers and demotion. A promotion is a move of an employee to a job within the company which has greater importance and usually, higher pay, higher status and carries improved benefits and more privileges while a transfer is a move to a job within the organization which has approximately equal importance, status and pay. A demotion, on the other hand, is a move to a job within an organization which is lower in importance. It is usually, though not always, accompanied by a reduction in pay. These are strategic issues that need to be handled cautiously in order not to raise strings of discontent that can affect work processes.

5.0. Summary

This unit is focused on promotion, transfers and demotion. These are important issues that have implications on human resource management. The nature of these concepts is treated in this unit.

6.0. Tutor Marked Assignment

With concrete examples, justify the relevance of a promotion policy

7.0 References and Further Readings

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Unit 11: Staff Discipline and Control

Contents

1.0 Introduction

This unit is on staff discipline and control in organizations. The chapter will examine the concepts of staff discipline and control. The unit concludes by examining the causes of indiscipline in organizations as well as the strategies for enhancing staff discipline and control. The views of Onah(2003) and Anikeze (2007) will be reflected here.

2.0. Objectives

At the end of this unit, the students should be able to:

1. Understand the meaning of staff discipline and control

2. Explain the causes of indiscipline in organizations
3. Discuss the strategies for enhancing staff discipline and control

3.0 Main Contents

3.1 The Meaning of Staff Discipline

In the views of Obikoya (1996), discipline is the state of an employee's self-control and orderly conduct present within an organization. Disciplinary action occurs when standards are maintained by invoking penalty against an employee who fails to meet such standards. Discipline should be approached from the view point of correction and training, because through that, it could more effective. Writing on this, William and Schultz (1957) define discipline as the force that prompts an individual or group to observe rules, regulations and procedures that are deemed necessary to the attainment of objectives.

On the other hand, staff discipline, according to Onah (2003), deals with the level to which the employees of an organization are able to conform, and submit themselves to the rules and regulations governing their conduct in the workplace. This also includes conduct outside the immediate workplace but which has implications that border on the status of the employee as a member of the organization. These rules may cover general terms of employment, hours of work, communication channels, performance standards, organizational expectations and general employee conduct. These rules and regulations are made by an organization as an extension of its broad policies and goals, and are meant to guarantee the cooperation of its employees in the pursuit of organisational goals. Staff discipline, therefore, measures how much these employees are willing without coercion, to submit themselves to these rules and allow their actions and conduct as employees to be guided by them.

3.2 The Meaning of Staff Control

Akpala (1990) sees staff control as the regulation of work activities in accordance with predetermined plans in order to ensure accomplishment of an organization's objectives. To Kootz, O'Donnell and Weilirich (1980) control is conceptualized in terms of measurement and correction of performance activities in order to ensure that the enterprise objectives and the plans devised to attain them are being accomplished. According to Fayol(1949) it consists of verifying whether everything occurs in conformity with the plan adopted, the instructions issued and the principles established. It is meant to point out weaknesses and errors in order to rectify them and prevent reoccurrence. Goetz (1949) believes that the purpose of control is to "compel events to conform to plan.

Onah (2003) posits that while staff discipline is employee-centred, staff control is organization-centred. This is because it defines the power and authority of the organization to direct, order or restrain the activities and conduct of its employees with a view to ensuring their conformity with organizational plans and objectives. Staff control focuses on the ability of the organization to determine and effect its intentions using its human resources. Conversely, whenever an organization is unable to bring its employees to fulfil its plans in the pursuit of organizational goals, staff control is lost or diminished. In other words, control encapsulates organizational efforts to ensure that employee behaviour is in line with organizational plans and standards. After behaviour standards and plans have been set, control represents the organization's effort to ensure employee compliance with those standards.

3.3 Causes of Indiscipline

The factors responsible for staff indiscipline, according to Onah (2003), include are classified into three. These are: Environmental factors, individual factors and organizational factors.

Environmental Factors

Majority of the factors responsible for indiscipline are traceable to the environment and the instinct to survive. The immediate environment of the employee is his organization. The organizational environment substantially determines how employees respond to rules and regulations.

Political Environment

The nature of the political climate seriously affects the practice of human resource management in general and staff discipline in particular in some organizations. Organizational rules become only relevant to the extent that they are agreeable to the intentions of their godfathers or sponsors, particularly in public organizations.

Economic Environment

The pressure to survive as a result of poverty in the operating environment manifest in different dimensions whose end-point is indiscipline. Some employees resort to doing other businesses outside their regular employment using their official time. Others pilfer enterprise property and funds. Others demand gratification to render their normal services and may become reluctant to serve if such gratification is not forthcoming. All these hinge on indiscipline resulting from poverty.

Furthermore, because of the failure of an enterprise's pay structure to meet a substantial part of the employees' basic needs, they feel reluctant to give their best to the organization in the area of service. They may come to work late, go on extended break, loiter during office hours, close before normal time, and generally put in little effort in their work.

Social Factors

The nature of social relationships in an environment also influences personnel conduct in the organization. Discipline has better chances in environments with impersonal social relationship than in one with close social ties. In the latter, extra-official relationships substantially influence personnel attitude to rules and regulations in the sense that personal attachment infringes on the freedom of impersonal rules to take its normal course.

Individual Factors

Individual Differences

Douglas McGregor's (1960) postulation of theories X and Y on employees' attitude to work highlights the fact that while some employees exhibit inherent dislike for work, escape from it whenever possible, and must be coerced to work, others naturally embrace work. This brings to the fore individual differences in work attitude and lends weight to the fact that even where environmental conditions are favourable, some employees still exhibit innate characteristics that border on indiscipline. This may come from their background, peer group influence, personal weaknesses, individual limitations and personality traits peculiar to them as distinct individuals. Exhibition of discipline or indiscipline here becomes a function of individual traits.

Organization Factors

Apart from the contributions of environmental and individual employee factors to the problem of discipline, certain organizational factors that border on the style of human resources management also constitute prominent contributors to employees' discipline. Some of them are discussed below.

Recruitment Style

As noted under the political environment above, the manner in which employees are recruited into an organization goes a long way towards determining how they behave. It is a common knowledge that public enterprises are fast turning into reward grounds for party loyalists. Once a party takes over the seat of government, the boards of these enterprises are quickly dissolved and new ones appointed to reward party patrons. This is bound to upset human resources management and create an environment conducive for indiscipline and disregard for formal channels of management in the concerned enterprises.

Staff Performance Appraisal

One of the major sources of indiscipline in public enterprises is the lack of an adequate system of staff performance appraisal that attracts commensurate organizational action. In situations where performance appraisals are conducted haphazardly or as a formality, the practice denies these enterprises the necessary data needed to monitor control and reward or punish employee behaviour. Consequently, employees are left to conduct themselves in a manner convenient for them without any real danger of punishment or prospects for reward for bad and good behaviour respectively. Therefore, the absence of a good performance appraisal system creates conditions conducive for indiscipline to thrive in public enterprises.

The Reward System

Part of the problem of discipline in public enterprises arises from the reward system. The reward policy of most organizations is far from being individual-oriented. It is collective in nature, making no room for those whose performance is higher to move ahead of those with low performance standards.

Ineffectiveness of Disciplinary Process

Contingent upon the nature of the public service, the process of disciplining erring employees takes a long time and, in the process, loses steam and renders the action impotent. Much as the need to ensure fairness and justice is paramount, the process of staff discipline in the public service poses no real threat to erring employees and this breeds indiscipline.

3.4 Strategies for Enhancing Staff Discipline and Control

Disciplinary issues must be considered from different perspectives, in view of the fact that individuals differ. This will help to accommodate the various aspects of individual differences and the situations in which they manifest.

Productivity Plan

One of the discipline-related factors in organizations is often the lack of productivity plans against which performance will be measured. In the absence of any productivity plan, employees are left to determine their performance level, and because they are not under any pressure to meet targets, other matters that often lead them to being undisciplined attract them.

Performance Review and Appraisal

A proper appraisal system should generally review employees' performance, conduct, and all aspects of their employment that need to be appraised. It affords employees the opportunity to see themselves from the point of view of the organization. Attitudes, conduct and performance behaviour that need improvement will be highlighted. This feedback process affords the organization a good opportunity to, once again, refresh employees' memory on the organization's standards and discuss possible constraints on the part of the employees. In the absence of proper appraisals, employees may go on for years without being aware of areas in their performance that require change, including disciplinary matters.

Administration of Reward and Punishment

This simply implies that behaviour is controlled by its consequences and that the nature of such consequences affects the probability that the person will repeat the behaviour. The implication of this is that when an organization effectively controls the consequences of employees' behaviour, it will have substantial control over such behaviour. Applying this concept to the issue of discipline in public enterprises, employee behaviour can be conditioned by the application of reward or punishment by the organization. In this way, employees are sufficiently made aware of the consequences of breaking the rules and the organization's determination to follow such a breach with punishment. On the other hand, the organization should also demonstrate its determination to reward desired employee behaviour whenever it is found.

Establishing and Applying Standards

As Koontz, O'Donnell and Weilirich (1980;721) put it, "control must be based on plans and the clearer, more complete, and more integrated plans are, the more effective controls can be. There is no way of determining whether organizational units are accomplishing what is desired and expected unless they first know what is expected”. The purpose of control is to measure activities and take action to ensure that plans are being accomplished. Thus, the process of control involves (a) establishing standards (b) measuring performance against those standards and (c) correcting deviations from standards.

One of the most important steps to take in enhancing discipline and staff control in public enterprises is to; first establish the standards of behaviour for employees, clearly and comprehensively.

Addressing Environmental Factors

Environmental factors (social, economic and political) that impact on staff discipline should also be addressed. Interference by various governments and political parties in the affairs of public enterprises, especially as it affects human resources management, need to be restrained to allow the bureaucratic process to take its normal course on human resources management. Managements should be allowed sufficient autonomy in running their enterprises, particularly as it affects recruitment, discipline and reward of employees.

Furthermore, since public enterprises are expected to compete with their private sector counterparts, the remuneration of their employees should be sufficiently competitive to encourage commensurate performance output and reduce incidences of fraud, pilfering and diversion from their primary duties.

Training and Re-orientation

Intensive training, enlightenment and general re-orientation should be instituted for employees. On the other hand, an organization should in turn give its employees a real sense of belonging, not just by lip service but by substantially giving them opportunities to effectively participate in decision-making and profit sharing as well as good and competitive conditions of service.

Organizational Factors

In addition to issues bordering on organizational factors raised earlier, it is important to re-emphasize the need for a proper recruitment process to ensure that those employed are those who are ready to comply with the rules governing their employment, as defined by the organization. This is handled through a rigorous recruitment process devoid of unwarranted political interferences and pressures.

4.1. Conclusion

To ensure compliance to organizational goals and safeguard against deviations on planned activities of the organization, staff control is a veritable instrument that will ensure that the disruptive tendencies of staff indiscipline are in check. Management should therefore strive to put up measures that will discourage indiscipline and foster an effective control system

5.0. Summary

This unit examined the meaning of staff discipline and control. Staff discipline is the level to which the employees of an organization are able to conform, and submit themselves to the rules and regulations governing their conduct in the workplace. This also includes conduct outside the immediate workplace but which has implications that border on the status of the employee as a member of the organization. Staff control, on the other hand, is the regulation of work activities in accordance with predetermined plans in order to ensure accomplishment of organization's objectives. Also examined are the causes of indiscipline in the work place and the strategies for enhancing staff discipline and control in organizations

6.0 Tutor marked Assignment

Illustrate with relevant examples, the strategies for enhancing staff discipline in organizations

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MODULE 3 Industrial Relations in Public Organizations

Unit 12 The Nature of Industrial Relations

Contents

2.0 Introduction

The subject of this unit is the nature of industrial relations. The unit creates an understanding on the meaning of industrial relations and some concepts relating to the subject matter. The unit concludes by x-raying the reasons for government intervention in labour matters.

2.0 Objectives

At the end of this unit, students will be able to:

1. Define industrial relations from the liberal and Marxist perspectives
2. Clearly discuss the difference between industrial relations, personnel management and labour - management relations
3. Explain the reasons for government intervention in labour matters

3.0 Main Contents

3.1 The Meaning of Industrial Relations

Industrial relations is often used to describe the relations of labour and management seen as a collective entities in their endeavours to determine the terms and conditions on which labour is hired and what management seeks to do with labour having hired it. Thus, industrial relations according to Uchendu (2003), is concerned with work relationship in an establishment, particularly in a large business organization. It expresses an interactive process between labour and management, with the government mediating where need be.

Generally, in every organization, there are two groups; the employer (management) and the employee (labour). These groups came into the work place with different interests, which can only be achieved with the continued existence of the organization. More so, it must be noted that the attainment of both the organizational mission and individual interest largely depends on the type of relationship existing between the employer and the employees. Where harmonious industrial relations exist, organizations can easily be controlled, and conversely where there is no harmony, control becomes difficult (Uchendu 2003).

The central issue of industrial relations therefore, is how to attain and maintain maximum or optimum level of productive efficiency and how to share the economic return in such a way that organizations, individuals and societal goals are achieved (Obi, Obikeze and Abonyi, 2005). According to Anugwom (2007), industrial relations is the network of social relationship between the employees and their unions, employers and their associations and government and their various agencies in their attempt to regulate terms and conditions of employment and perform other functions that directly or indirectly concern the initiation and sustenance of peaceful and purposeful labour management relations which involve applying the machinery for dealing with complaints, grievances and disputes in organizations. Armstrong (1980)sees industrial relations as the intertwining activities of the workers, management and government for better working conditions.

Industrial Relations can be conceptualized from two broad perspectives, namely; the liberal perspective, and the radical perspective. The combination of these two perspectives offers one a clear understanding of the concept.

The liberal (pluralist) perspective recognizes three actors in industrial relations. These actors comprise labour (trade union), employer (management) and the state (government). These actors are assumed to be interacting in a co-operative way towards the realization of the objectives of the entire organization as well as those of the various actors. Each of these actors has its own ideology (interest). The notion of a liberal (pluralist) industrial relations system simply requires that these ideologies be sufficiently compatible and consistent to permit a common set of ideas which recognizes an acceptable role for each other (an appropriate set of shared understanding).

The liberal perspective also assumes that conflict among or between these actors is not based on fundamental (irreconcilable) differences but rather on reconcilable issues, which may require dialogue, concession and compromise for its resolution. Furthermore, it recognizes the need for an institutionalized mechanism for the resolution of industrial conflict. This implies that strike is helplessly tolerated as a means of resolving any disagreement among or between the actors. This perspective assigns non-revolutionary role to trade unions.
The following definitions provide the key to an understanding of industrial relations from the liberal perspective.

a. Industrial relations refers to the perspective roles of management, labour and the government in the process which relates workers to employers, workers to workers and workers to work (Levin, 1958).
b. It is the process by which human beings and their organizations interact at the work place to establish the terms and conditions of employment (Mills, 1986).

c. It is a system made up of labour, employers and government, as well as the environment and ideology all interacting together to establish a web of rules governing the workplace (Dunlop, 1958).

d. It refers to the study of the institution of job regulation. It includes the study of trade unions, management, employers association and the public bodies concerned with the regulation of employment (Allan Flanders and Hugh Clegg).

Drawing from these definitions, Dunlop (1958), concludes that industrial relations refer to a system made of actors and factors (or contexts) which interacts to establish rules (contract) to govern the work place. Rule making therefore is an important feature of the pluralist definition of industrial relations. And this is achieved through collective bargaining system.

The radical (Marxist) perspective (for our purpose here) simply posits that the society is divided into two major classes namely the bourgeoisie (the have's or the wealthy class) and the proletariat (the have not's or the working class).
Marxist theory of industrial relations defines the subject matter in a way that recognizes conflict as a main feature of what takes place in the workplace. Consequently, it does not see order, peace stability and consensus, as essential

characteristics of industrial relations. It sees industrial relations in terms of the struggle for power between labour and employers of labour.

A typical definition of this school of thought is the one provided by Hyman (1975). To him, industrial relation is the study of the processes of control over work relations. Central to these processes of control is the struggle for control of power or simply fundamental or irreconcilable conflict.

From these discussions, the two perspectives provide important information on what the subject matter of industrial relations cover. The rule or contract making which the pluralist school identifies is an important characteristic of the subject matter. The rules that are made help considerably to maintain order, peace and stability in the workplace.
On the other hand, the class conflict, which the Marxists school emphasizes, reminds us that the work place is not devoid of conflicts. There is usually an on-going and hidden conflict between workers who are always asking for more pay and improved conditions of service on one hand, and the employers who are more interested in making profit and retaining such for further investment. However, the literature in industrial relations is dominated by ideas from the pluralist perspective.

3.2 Industrial Relations, Labour - Management Relations and Personnel Management

According to Yoder (1976), labour-management relations connote a relationship between workers (not as individuals but in their collective entity) and employers. It is subsumed under industrial relations.

Industrial relations simply mean the regulation of employment relations in any employment situation by the employer/management or their organization, the workers organization and a third party usually the government acting as the umpire. The two concepts have a common factor, which is the collective function of workers in their interaction with the employer for the determination and administration of labour contracts (joint consultation and grievance handling). The concept of labour-management relations is narrower in scope than industrial relations because it concerns the internal arrangement between employers and unions in a bi-partite relationship within an industry or across industries or within an enterprise in order to regulate the relations between labour and management in the workplace.

Personnel management on the other hand simply means the management of people in work situations. It is distinguished from labour - management relations and industrial relations by the fact that it regards and handles the worker as an individual in the interaction between him and the employer; and the concern is mainly with employee efficiency or productivity or the control or reduction in labour cost (See Akpala 1982).

3.3 The Scope and Relevance of Industrial Relations

It is believed that industrial relations originated out of the co-operation that existed amongst men, women and children who were meant to work under very poor conditions. It must be noted that in the classical economy workers were treated like commodities subjected to the natural laws of demand and supply. With the invention of machines, managers succeeded in mechanizing production in industries through the application of such principles as ‘interchangeable parts’ and the transfer of skill from human to machine. The remarkable success convinced management that such principle could be applied to labour (machine and labour could be managed the same way). Just as the machine could be purchased as cheap as possible and discarded as soon as it ceases to operate economically, labour should be treated in like manner.

These workers during this period, were exposed to very dangerous work environment (like mines) where they spent long hours and received only a little as their payment. These workers organized themselves into trade unions in order to secure better conditions of service. Thus, industrial relation was coined out of the historical circumstances of the British industrial revolution of the 18th and 19th century (Yesufu 1984).

Initially these unions were not accepted but later they gained legal recognition through the provision of law. Even till today, the union bore and still bear that stigma of an alien and disreputable force, acceptable only in its role of negotiating for general wage rates and working hours but to doubtful respectability when it comes to challenging management authority within the plant (Ubeku 1983). They were always seen as a group of people that cause trouble in the organization so that even after trade union formation and operation in firms were formally legalized (1938 ordinance), private enterprises were still sceptical about accepting them.

Industrial relations having originating out of British industrial revolution, created the awareness in workers of their important position in organizations, and with the formation of trade unions, workers were drawn together in greater numbers and at the same time put at a greater distance from their employers.
It is increasingly concerned with how employees shall be full identified with the purposes of the enterprise and how he, by effective participation both in the work effort and in the relevant decision making, can find greater self fulfilment in the work situation.

In terms of specific content, industrial relation according to Onwuchekwa(1994),is concerned with labour problems in all ramifications:

- Employment problems and employment security.
- Conditions of work; hours of work, shift, holidays.
- Remuneration level, frequency, methods of wage payment and wage fixing.
- Labour and employee grievances and dispute
- Levels of production and efficiency
- Safety, health and welfare at work

- Social security, sickness and old age benefit, maternity leave, employment, injury compensation.
- Employee development: training, upgrading and promotion.

The relevance of industrial relations can only be appreciated when the magnitude of disorder that can result from a trade dispute is imagined. This is because, the absence of a good industrial relations environment negatively affect the interests of both management and employees, decreases productivity, exposes the organization to dysfunctional conflicts and rancour, thus militating against the achievement of the broad objectives of the organization.

3. 4 Reasons for Government Intervention in Labour Matters

Yesufu (1984) categorized the reasons for government intervention in labour matters into four broad headings. They are economic; historical and international imperatives; the state's dominance as an employer, and political and social factors. These factors as articulated by Obikeze, Obi and Abonyi, (2005) as presented below.

Economic

The government is a major player and stakeholder in the economic sector, particularly in developing economies and so actively participates and intervenes in labour matters due to its effect on national productivity, industrialization and national development.

Historical and International Imperatives

Government intervenes in labour matters because of its position in implementing some international labour convention like the international labour organization (ILO) rules. Implementing these international conventions automatically demands government intervention.

Dominant Employer of Labour

The government is still the largest employer of labour in Nigeria. Its position therefore, confers on it the leading position on all labour issues, since it seems to set the standard for labour relations.

Political and Social

Substantial parts of the population are workers. Anything that affects them adversely, will definitely affect the country adversely. Therefore, the government out of political and social considerations intervenes in labour matters, in order to save the nation from debilitating effects of strikes and industrial disputes.

Self Assessment Tests

Explain the difference between personnel administration and industrial relations.

4.0. Conclusion

From our discussions in this unit and the previous units, the fact is clear that for an organization to properly harness the resources needed to actualize its goals, the concepts of personnel administration and industrial relations must be adequately given due attention. Both are considered very relevant to the survival of both private organizations and public organizations.

5.0. Summary

This unit has been able to create an overview of industrial relations. It has been able to explain the nature of the difference(s) between personnel management, labour - management relations and industrial relations as well as the scope and relevance of industrial relation. The three concepts as noted are related but not the same.

6.0. Tutor marked Assignment

Conceptualize the term industrial relations

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Unit 13 Actors in Industrial Relations

Contents

2.0 Introduction

There are three principal actors (participants) in industrial relations, namely: the trade unions (representing workers interests), the management (representing the interest of the employers) and the government (representing the interest of the state). The nature and role of these actors will be discussed in this unit.

2.0 Objectives

At the end of this unit, students should be able to:

1. Define trade union and explain its role in industrial relations.
2. Explain the guiding philosophy of management in industrial relations
3. Justify the relevance of the government as an actor in industrial relations

3.0 Main Contents

3.1 Trade Unions

A trade union is seen as a group of workers whose major aim is to seek for improvement in the material conditions of its members. It is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their working lives (Webb & Webb, 1920). Usually, the main reason for the formulation of trade union is to work towards the furtherance of workers interest as far as regulating the terms and conditions of service are concerned. According to Yesufu(1984), the objectives of trade unions are:

1. to equalize the strength between workers and employers in matters of collective bargaining.
2. to secure better terms and conditions of service or employment from employers or the state. This includes working hours, shift, holidays, general conditions of work, payment etc.
3. to make demands and promote the demands by agitation, strikes or otherwise in order to ensure that the agreed terms of employment are not eroded..
4. to attempt to create the permanent or continuous existence of the trade unions. In other words, trade unions should not exist today and dies off tomorrow. Because of the nature of its tasks, it should be a lifelong body.

According to Unamaka and Ewurum (1995) there are certain needs, (drives) that make workers join union. These are:

1. **Bargaining Power**
   A worker's bargaining power lies in his ability to resign his job, if he is dissatisfied with his wage rate and other conditions of employment. Resignation or quitting the job imposes great emotional and financial strain on the worker. Workers have, therefore, found that their ability to bargain as individuals is very limited, and they can become effective bargainers through membership of unions to exert concerted action.

2. **Self Expression**
   The desire for self-expression is a fundamental human drive for most individuals. People desire to communicate their feelings, complaints, and ideas to their neighbours. The union provides a tool or device through which workers can express their thoughts and feelings to management.

3. **To Minimize Favouritism and Discrimination**
   Many of the decisions made in organizations about the pay, status, and position of workers are highly subjective. Workers insist that an objective yardstick, such as seniority be used to minimize favouritism and discrimination. Unions stress equality of treatment. One of their maxims is "one job, one rate". This means that all workers doing the same type of work should receive the same wage rate.

4. **Social Factors**

Every one seeks group acceptance and a feeling of belonging. To reduce humiliation and intimidation, workers join unions.

Other reasons include: Economic - **t**he right to living wage and job security - freedom from arbitrary action by management.

3.1.2 Functions of Trade Union

The functions of trade unions are derived from the union's objectives. The following are some of these functions as outlined by Anugwom (2007).

Economic Function

Trade Unions seek to improve on the terms and conditions of service of its members and in the course of doing that they:

a. Monitor closely the salary (pay) of its members, ensuring that such pays are equitable and fair.
b. Ensure that there is security as far as the income of workers is concerned especially when there is economic recession, internal re-organization and mechanization or automation.
c. Secure the income or workers by making sure that these incomes are not necessarily castrated in the form of dues or fines.
d. Ensure that workers are not indiscriminately retrenched or suspended.
e. Advocate for growth and advancement on recruitment from outside and providing opportunity for training and development.
f. Encourage workers to put in maximum effort towards increasing productivity in order to better their lot.

Social Function

Trade Unions seek to enhance social relationship and status among workers through informal assistance to members who are in need; solidarity or sympathy visits to members; attendance to members' social activities or functions. This helps to reduce and ease-off the stress in the work place. The social functions performed are generally determined by the value system of the society, stage of economic development, degree of sophistication of workers and the capacity of the union leadership. In some cases, these social functions are not adequately performed, as some unions are preoccupied with a lot of other activities.

Educational Functions

This is aimed at exposing union members to a broader knowledge of what the union is all about. It involves an enlightenment activities to enable members know their rights; get better education for higher duties, raise the level of awareness of members and enable them know the conditions of the national economy, current happenings, reactions and action of unions especially during strikes, the state of industrial relations and their rights and claims against the employer.

The education function is carried out through seminars, workshops, newsletters, conference etc.

Advisory and Consultancy Service

When there is an individual grievance between a trade union member and the employer, it is the duty of the house union leader to advise the member especially when the member is wrong. Where there is also a case of victimization that can be proved against the employer, officers at either the state council or national level usually advise the member on what to do and ensure that the member is restored.

Political Function

This aims at enhancing the power of workers in their negotiations with management. It includes asking for democratization in the workplace in such a way that workers through their union have a say in decision making process; making recommendations to the government in respect of policies that affect workers and struggling against unjust governments and unjust economic system.

It must be noted that the pluralist perspective wants trade unions to limit their functions strictly on economic interests of members in such a way that there will be no power struggle between management and the unions. It requires union to be (a) what is called business unionism (bread and butter) which should be moderate in outlook and operation, and (b) non-revolutionary in philosophy and actions by adopting legally prescribed procedures for resolving disagreement between management and workers. The pluralist school can only tolerate the political activities of union when; (a) such are consistent with the dominant interest of the state (b) when they do not threaten or challenge the legitimacy of the existing social order and (c) when they do not adopt militant and radical means when presenting matters to management or government.

On the other hand, the Marxist Perspective supports an active political role of unions beyond the economic objectives but then contends that unions may find out that without political actions, the economic interests would not be realized. It therefore welcomes the idea that unions should be politically conscious and active by supporting the struggle to reform or even overthrow an unjust government. Beyond reforming or overthrowing an unjust government, it calls for action to transform the entire society.

However, unions do not measure up to their task from experience as a result of threats from governments.

3.1.3 **The Problems of Trade Unions**

Trade Unions in Nigeria are faced with so many problems. Some of these problems are inherent in the unions while others emanates from the environment. These problems are discussed below:

1. **Leadership:** People with questionable integrity are often elected as leaders. Such leaders lack the vision necessary to sustain union activities and achieve objectives. Most times such leaders compromise union interest for their personal interest. Some are corrupt and over ambitious.
2. **Apathy:** Poor attendance to meeting creates the problem of sometimes-wrong decisions being taken. Members see union meetings as waste of time and the

very few who are constant takes all decisions and such decisions taken by few people become very restrictive.

However, the cause of the apathetic attitude ranges from stage-managed meetings, personal attacks on members etc.

3. **Misappropriate of Funds:** Union leaders have always been accused of misuse and abuse of union funds. Before the introduction of the check-off system, embezzlement was common. But still, after the exercise such cases of embezzlement still exist. Hence it becomes obvious that only honest leaders with unquestionable integrity can manage union funds. Sometimes these honest ones are not keen on becoming union leaders and when the union has no option, it elects into office any one that is willing.
4. **Inadequate Funding:** Trade unions spend a lot of money during collective bargaining exercises especially at the national level. As a result, anytime there is such exercise, union pockets become empty. Sometimes members are taxed in order to support financially disadvantages members or branches. A lot of these issues cause the depletion of the little money collected through the check-off system.
5. **Education:** Trade union education is still a problem in the sense that up till now union leaders are not well educated. They move to their present position through ranks and experience. Hence they find it very difficult to perform. The unions on the other hand have a similar problem. Both the leaders and the members should know their rights as citizens of the state and at the same time their duties and responsibilities to the state as responsible men and women.
6. **Non-affiliation with Foreign Unions:** The government has banned any type of direct affiliation with any foreign unions. The foreign unions are seen to be meddling with the politics of the Nigerian Trade unions. If these affiliations were allowed, it would have been possible for local/national union to obtain direct financial help from them.
7. **Tribalism, Ethnicity and Nepotism:** These have been indentified as one of the problems of trade unions. There have been cases of unions constituting of one tribe or ethnic group. Sometimes, employers tend to perpetuate these divisions to their advantage since unions with such problems could be manipulated. These issues are responsible for the proliferation of unions and the selection of incompetent leaders.
8. **Government Intervention:** This is viewed from two perspectives. Union members think it is a problem because government's continued intervention prevents them from carrying out their activities.

   On the other hand, from the view point of government as a tripartite body to any industrial relation issue, government as a body will not allow any dispute to prolong more than necessary for the interest of the nation as a whole. If they fail to intervene, labour actions may stifle the national economy(see Anugwom, 2007).

3.2 Management as an Actor in Industrial Relations

As we observed earlier, management is one of the tripartite actors in industrial relations. The management through the Employers Association represents the interest of employers as trade unions represent workers, while the government represents the interest of the state.

The major interest of employers which management promotes and protects is profit maximization. It is generally believed and said that employers or investors are in business to make money. However, Mills (1986) observed that the objectives of management are usually more complicated than this generally held view. According to him business people pay attention to profits, but their motivations are more complex than profit maximization. Other general objectives (sometimes related to profit maximization, but sometimes diverging from it) include the survival of the firm for the long term, development of the capacities of the firm's management and its employees and community service. Not all business representatives express these various objectives in the same way, nor do all firms give equal weight to each.

According to Salamon (1994) the guiding philosophy of management in relation to trade unions and workers are:

a. **The Unitary Philosophy:** Management adopting this philosophy believes that the organization is a coherent and integrated team unified by a common purpose. The assumption is that as an integrated group of people, the organization should have a common ideology (values, interests and objectives) shared by all members of the organization. Secondly, management's prerogative (i.e. the right to manage and take decisions) is regarded as legitimate, rational and accepted and any opposition to it (from trade union) is seen as irrational. Conflict is therefore regarded as an irrational activity and its approach to resolving it when it inevitably arises is through the use of authoritarian style. The use of coercion is regarded as legitimate. Thirdly, trade unions are regarded as an intrusion into the organization. The trade unions are seen as competing with management for the control of loyalty of workers and as such are subversive in character since they are disrupting the peace in the organization.

This philosophy is likened to the scientific management school of Fedrick Taylor, which has a mechanistic and authoritarian approach to handling workers.

b. **The Pluralist Philosophy:** Management having this philosophy believes that the organization is made up of different groups with many interests, which may be conflicting or competing. It therefore, assumes that the organization is in a permanent state of dynamic tension due to the conflict of interests among the groups (management and trade unions) and such tension requires to be managed properly through a variety of institutional arrangements and procedures.

Secondly, conflict is seen as both rational (legitimate) and inevitable. But such conflict is not seen as a fundamental one as Marxist perspective defines it. The conflict arises because of the different roles of management and workers, which are seen in the different goals they pursue, namely profit maximization on one hand for management and enhancement of material benefits on the other for workers. The resolution of the conflict is through accepted procedures and not of course by revolutionary or militant approach. Thirdly, the pluralistic philosophy welcomes a positive role of trade unions. It accepts that trade unions are legitimate entities and not an intrusion.

The pluralistic philosophy dominates in the field of industrial relations today. In today's organizations, the legitimacy of trade unions is accepted. The degree of acceptance may however differ in practice because while some are more liberal in their relations with trade unions, others are very protective of their managerial prerogatives. The way management practices this pluralist philosophy may determine how cordial or, labour management relations are conducted in the work place. If it adopts a democratic leadership style or bases its actions on the human relations philosophy, then there will be less conflict.

3.3 The Government as an actor in Industrial Relations

The government has a dual role as an actor in industrial relations. First, it serves as a neutral regulator in labour - management relations. For example, the government is expected to perform the role of a father when labour and management are in conflict. Secondly, the government is an employer of labour and as such becomes an interested party when there is conflict between her and workers under the public sector. In this role, the government is expected to operate within the framework of the laws of the land. Such laws may have been made by previous governments or by the government. The legal framework of industrial relations is important in checking the excesses of all the actors in industrial relations.

Whatever is the status of the government (i.e. whether as a neutral regulator or as an interested party), it is expected to promote national interests. It is expected also to promote industrial peace. This entails that the government should create the conditions necessary for all the actors to accept the need for industrial peace and to work towards promoting such.

From Nigeria's experience in industrial relations, two major philosophies or principles have guided the government in industrial relations.

According to Fashoyin (1992), the first principle or philosophy is the voluntarism philosophy. The premise of this according to him was to discourage the use of the third party, and with the belief that only those who are directly interacting in day-to-day relations are in the best position to find answers to their problems. This view derives its strength from the laissez faire doctrine of self-government. Under the principle, government sought to encourage employers and workers to settle industrial issues through collective bargaining while intervention was a last resort in the public interest and as an impartial umpire.

The second philosophy is based on interventionism. The interventionist philosophy is rooted in the belief that the field of industrial relations is very important to the economic development of the country. Thus, government should not stay aloof and watch labour and management do what they like in industrial relations. This philosophy assigns crucial role to the government in the area of formulating labour policies and laws, adjudication, mediation, monitoring and enforcement. It is through such interventionist philosophy that the Productivity, Prices and Incomes Board Act of 1977, among others were established.

3.3.1 Functions of Government in Industrial Relations

Legislative and Regulatory Function

The government is responsible for the formulation of labour policies and laws. This function is carried out through the enactment and enforcement of labour and industrial laws, which ensures minimum, basic and acceptable standards of employment, conditions of work, welfare and security and the conduct of industrial relations. The government constantly monitors and assesses the effectiveness of law, recommending repeals, modifications and changes in methods of enforcement (Yesufu 1984). It equally considers ILO conventions and standards as they apply to the Nigerian situation and derive some legislation through ratifications.

Adjudicatory and Mediatory function
The government sees to the provision of machineries for intervention and settlement in industrial disputes through the appointment of conciliators, arbitrators and the establishment of the National industrial court (assists in the resolution of labour management conflict through the machinery of conciliation and arbitration) in cases where there is an infringement of labour legislations.

Education and Training
The government organizes short-term courses and sponsors seminars and conferences on industrial relations matters. The establishment of the National institute of labour studies is in pursuance of the education and training function.

Investigative and advisory function
The Federal Ministry of Employment, Labour and Productivity ensure conformity with labour and industrial relations legislations. They investigate violations and abuses of labour laws, policies and grievances and advice employers on how to effect improved working conditions and better labour-management relations.

Leadership
As the highest employer of labour, it leads in the provision of economic and social services towards the economic development and improved standard of living. Its leadership role is seen in the extent to which it formulates and enforces progressive economic, labour and industrial relations policies, and by the level of remuneration and conditions of employment it maintains for workers directly under it.
The government through the Ministry of Employment, Labour and Productivity, carriers out these functions identified above.

Self Assessment Test
The guiding philosophy of management with respect to trade unions and workers could be discussed from two perspectives: the unitary and liberal perspectives. Discuss the implications of the two perspectives to labour-management relations in Nigeria.

4.0. Conclusion
The industrial relations system is made up of actors who have differing role to play for the sustenance of the system. The nature of the relationship which exist at any point in time is determined by the prevailing philosophy of these actors at that point in time

5.0. Summary

In this unit we have attempted to examine the three actors in industrial relation system- trade union, management and the government. We have also seen that whatever happens between and among these actors could be betster understood by x-raying the guiding philosophy of each in the system. Specifically, such philosophy is normally drawn from either of the two perspectives - the liberal and Marxist perspectives.

6.0. Tutor marked Assignment

Illustrate with concrete examples, the guiding philosophy of management and the government in industrial relations

7.0. References and further reading

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Unit 14 Trade Disputes and Grievances

Contents

1.0 Introduction

Our understanding of industrial relations from the preceding units revealed a basic fact about what obtains in the work place. There is no organization that is devoid of conflicts. What every organization does is to keep such conflict to the barest minimal that will not affect the performance of organizational activities. In this unit, we shall examine the nature of industrial grievances, the types of industrial content/grievances, causes of industrial discontent/grievances as well as the ways of expressing industrial discontent/grievances. We shall be reflecting some of the views of Uchendu (2003) and Anugwom (2007).

2.0 Objectives

At the end of this unit, the students should be able to:

1. Explain the meaning of industrial grievances or discontent
2. Discuss the types of industrial discontent
3. Outline and discuss the causes of industrial discontent
4. Illustrate with relevant examples, the ways of expressing industrial grievances and discontents

3.0 Main Contents

3.1 Industrial Discontent/Grievances

Industrial discontent or grievance according to Mehrotra (1965), is defined as any dispute or difference between employers and employees, or between employers and workmen or between workmen and workmen, which is connected with employment or non-employment of the terms of employment and physical conditions of work of any person.

It is described as a dispute at work involving an individual or a complaint by an employee, a union or an employer that a provision of a contract has been violated (Rayback 1996: Akpala 1982). According to Yesufu (1984), the underlying causes of industrial discontent are rooted in the fact that the equilibrium of work relations is constantly disturbed as a result of the ever-changing environment.

Industrial discontent takes the latent, the passive or the active form. In whatever form it presents itself, it disturbs the smooth flow of work. When latent or passive discontent becomes active, it is termed grievance. The grievance can be either individual or collective. Collective grievance if stretched further beyond a certain level within the organization will become a trade dispute. Thus, a trade dispute can be seen as a disagreement between a trade union, and an employer or a group of trade unions and employers association or group of employers because of the failure of one party to meet the demands of the other. Any form of discontent not properly handled can result to a collective grievance, which is more serious in magnitude.

3.1 Types of Industrial Discontent/Grievances:

Industrial discontent or grievances can be classified as individual and collective. Individual grievance is caused by problems related to the denial or breach of an employee's right. E.g. promotion issues, annual increment or non-implementation of individual's condition of employment. Any time there is such a problem, care should be taken and an interview conducted by the immediate boss of the employee concerned so as to find out the root of the problem. The person conducting the interview must be patient with the aggrieved employee in order to really find out what exactly gave rise to the grievance. All individual grievances are meant to be settled internally within the organization. Where for one reason or the other, success is not achieved in settling it internally; it can lead to collective grievance.

Collective grievance on the other hand results from disagreement between the union and management over refusal or non-implementation of union demands or even individual grievance, which has not been properly handled internally. All collective grievances are handled outside the organization since they concern the unions as a whole.

3.3 Causes of Industrial Discontent or Grievance

Economic Causes

This reflects in the union's demand for the proper adjustment of wages or salaries, allowances, and benefits to be in line with the rising cost of living. When cost of living continues to rise without the adjustment of salaries and allowances, the standard of living of workers is dangerously affected

Moral Cause

This may be due to the failure of the employer to provide welfare services, such as free lunch and transport to workers while at work or other related issues.

Psychological Cause

Some employees are mal-adjusted. They are never satisfied, irrespective of the employer's efforts to please them.

Violation of Legislation or Rule

This is one of the major causes of industrial discontent. When labour laws are deliberately or ignorantly violated, industrial discontent becomes eminent.

Victimization

Cases of victimization can no more be said to be very common, though they are still present in some organizations. Once there is an alleged case(s) of victimization, industrial discontent crops up.

Unfair Treatment

Any act of injustice on workers or a worker can result to an industrial discontent. Once the concerned employee(s) sees an action infringed on him as unjust, it can result to an industrial discontent

Poor Application of Provisions of Collective Bargaining

At the end of every collective bargaining, agreements are reached which becomes binding on both parties. If by omission or commission these agreements were not strictly adhered to by either of the two parties, conflict can ensue

Non-Observance of Conditions of Work

Conditions of work differ from organization to organization and from establishments to establishments. If for any reasons management decides to make contrary demands on workers, vice-versa, an industrial discontent crops up.

Situations not governed by Rule

If there are situations not governed by rule, labour and management within an organization should discuss them and arrive at an agreement. Where such attempt is not made, it can lead to industrial dispute because the two parties may disagree on a common stand.

3.4 Ways of Expressing Industrial Grievance/ Disputes.

In any industrial dispute, labour can express their grievances through:

The Weapons of Labour

1. Go Slow: This is a deliberate attempt made by labour to cut down their pace at work in order to reduce output or production.
2. Sit in: This is a situation where workers demonstrate by occupying the work place and refusing to leave until their requests are considered and the grievance(s) settled, or until they are ejected.
3. Strikes: This is a deliberate partial or total stoppage of work by workers to bring production to a complete halt. Strikes are resorted to when all avenues for peaceful resolution have been exhausted. It is a common way of demonstrating industrial disputes. The Nigerian Trade Disputes Emergency Provision Act, 1968 gives a more comprehensive definition of a strike. According to the Act, "a strike means the cessation of work by a body of persons employed, acting in combination, or a concerted refusal or a refusal under a common understanding of any number of persons employed, to continue to work for an employer in consequence of a dispute, done as a means of compelling their employer or any person or body of persons employed, or to aid other workers in compelling their employer or any person or body of persons employed to accept or not to accept terms of employment and physical conditions of work. The act defines cessation of work to include deliberate working at less than the usual speed or with less than the usual efficiency. Under the act, this is refusal to work, but usually this is called go-show. Strikes appear to be the most obvious manifestation of the structured opposition to employers and it rests on a straight forward dichotomy between those who have power in the factories and other establishments and those who do not have (wages earners). (See Fashohin, 1992).
4. Sabotage: This is a wilful destruction of machinery, materials etc during an industrial dispute. This weapon is illegal.
5. Ban on over time: Workers can ban overtime during peak periods when the organization needs it most in order to reduce output and the profit of the organization. It also works against workers because the workers do equally not earn the extra payment.

The Weapons of Management

1. Lock Out: This occurs when workers are restricted or blocked from entering the workplace.
2. Salary Stoppage: This is used against workers to inflict hardship on them in order to draw the workers who are on strike back to work. This is the most effective weapon of management against labour.
3. Threats of Dismissal: When an industrial action is prolonged, management can threaten to dismiss workers. Workers are rarely actually dismissed since it is never easy to build up a work force.
4. Denial of Benefits: Some benefits, which are not part of the conditions of work, can be denied to workers during an industrial action.

Self Assessment Test

Drawing from the Nigerian experience, discuss the effectiveness of strike and threat of dismissal as ways of expressing industrial grievance

4.0. Conclusion

From the above discourse, we can see that the causes of industrial discontent are rooted in the differing demands of employers and employees as individuals or collectively as a group. To drive home their points, each party has some ways of expressing their grievances and seeking for redress. The procedure for settling such grievances will be treated in the next unit.

5.0. Summary

In this unit, we have succeeded in explaining the meaning of industrial discontent, the types of industrial discontent, the causes of such discontents which normally flows from misapplication of terms of contract and the ways parties express their grievances. It must however be noted that some of the ways of expressing industrial discontent by parties are not legitimate.

6.0. Tutor marked Assignment

Discuss with appropriate examples the causes of industrial discontent

7.0. References and further reading

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Unit 15 Grievance Settlement Procedure

Contents

1.0 Introduction

In the last unit, we examined the definitions and nature of industrial discontent as well as the ways of expressing industrial discontent by parties to the conflict. In this unit, we shall examine the grievance settlement procedure. We shall be reflecting some of the views of Uchendu (2003) and Anugwom (2007).

2.0 Objectives

At the end of this unit, students will be able to:

1. Explain the grievance settlement procedure
2. Describe the steps in the grievance settlement procedure

3.0 Main Content

3.1 The Grievance Settlement Procedure

There are two ways of settling industrial grievance or discontent. These are: the voluntary and the statutory method. The voluntary method is also known as the internal machinery because the parties concerned, try to settle the matter on their own. At the point where they are unable to settle on their own, the external machinery or statutory procedures are applied. Efforts are however made to settle internally because it is easier, cheaper and better for the organization. At the statutory level, it becomes more complicated and the individuals concerned may not have much input because the central union (NLC) represents the worker(s) while the employers' federation (NECA) represents the employer(s).

The voluntary (Internal) Procedure

This method is applied within the enterprise for settling individual grievances and it is aimed at ensuring that the parties settle through a collective agreement. Every organization is required to provide the machinery that will allow for such settlement. For instance, if a worker has a problem with his immediate boss, the two will make an attempt to settle. If the attempt to settle fails, the sectional head will come in to help settle the issue. If such attempt fails, the personnel manager is involved. The issue had remained private, but once he is involved, the union secretary also comes in (it is no more a private matter). At this point if no success is achieved, the parties involved, appoint a mediator and that is within seven days the problem started. Once the mediator is appointed, it becomes a collective grievance. The mediator must be a person both parties agree to involve. He must be a retired labour officer from the ministry of labour or a well-known personnel officer in any organization. Where all the efforts made to settle the issue fails, the statutory procedure is applied.

The Statutory (External) Procedure

There are four machineries for settling industrial grievances under the statutory procedure. These are:

i. Conciliation
ii. Industrial Arbitration panel
iii. National Industrial court.
iv. Inquiry and investigation

Before any of the statutory method is applied, it must be ensured that all avenues for settling within the organization have been exhausted. When individual grievances are not handled cautiously, they can escalate to collective grievances, which then apply to the statutory procedure. Once the statutory method is applied, the case is no more between the worker and his immediate employer but between the central union (NLC) and the employer's federation (NECA)

The statutory method can only be instituted by the minister of labour when he has received a notice, showing that parties have made all effort to settle internally, but failed. The letter will also show the areas of disagreement. The statutory procedure towards dispute settlement is contained in the Trade Dispute decree 1976. All the steps in the statutory procedure must not apply before settlement is reached.

Conciliation

The conciliator must be a person who is an experienced and a trained specialist in industrial relation matters and who can handle the situation. The minister of labour appoints such a person within thirty five days that the dispute started. These thirty-five days is made up of the seven days within which the mediator was appointed, the fourteen days he was given to effect settlement and another fourteen days within which the appointment of the conciliator was made. He is charged with discovering the causes to a dispute and bringing about settlement. He is the chairman of the panel and must be ready to listen patiently, impartially, maintain a neutral attitude and must guard himself especially in his comments and criticism in order not to make matters worse. To prepare conciliators who can be appointed any time, training manuals are sent to officers of labour especially in the ministry to train them for the job.

A conciliator is expected to achieve settlement within fourteen days. If the settlement is reached with the given time, the conciliator sends a report to the minister. The report must state the terms of settlement duly signed by the parties involved. Thus, the term become binding on them from the date it was signed. Conversely, if no settlement is reached within fourteen days, a report is sent to the minister who will within another fourteen days refer the case to arbitration panel. In most cases the conciliator after studying the case may discover that he cannot settle the case. In such situation he can also write to the minister within the same fourteen days.

The Industrial Arbitration Panel (IAP)

The grievance/dispute is referred to the IAP within sixty-three (63) days it started. The IAP established in 1969 settles dispute that cannot be handled through mediation and conciliation. Industrial Arbitration panel is made up of the chairman, deputy chairman and ten (10) other members. Among the ten other members, two should be selected from the worker’s association and two from the employer’s association. This panel is given forty-two (42) days within which to effect settlement. If settlement is achieved within the 42 days, the term of settlement is not published until after 21 days, within which time either of the parties is supposed to raise an objection. But if no objection is raised, the terms of settlement is published in a gazette and the agreement becomes binding on both parties. Depending on the nature of the dispute, the minister of labour has the right to extend the number of days for settlement. If however, an objection is raised within the 21 days, the minister of labour will refer the dispute to the National industrial court.

The National Industrial Court

This court appointed within 126 days the dispute started, is the highest industrial relations court established for the settlement of industrial dispute. Its decision is final and must be accepted by the parties concerned. It is made up of the president and four other members referred to as ordinary members. In addition to these ones, the president of the court is empowered by law to draw up four other assessors, two to be appointed by and on behalf of the trade union organization and two by and on behalf of the employer’s association.

The two assessors each from NLC and NECA are used when their opinion or input will help towards the resolution of the dispute. The president of the court should be a high court judge or a lawyer with at least 10 years’ experience. Altogether, there are nine (9) members officiating in the industrial court. The court has exclusive jurisdiction in the following cases:

a. To make awards for the purpose of settling trade disputes.

b. To determine questions as to the interpretation of
   i. Any collective agreement.
   ii. Any award made by an arbitration tribunal or by the court itself.
   iii. The terms of settlement of any trade dispute as recorded in any memo of agreement following conciliation.

It also has general jurisdiction on cases where workers are of the essential service and also on cases where the use of IAP will not be appropriate as a settlement medium. Such cases when received by IAP are referred to the NIC within seven days. The practice and procedure of the court are governed by the National Industrial Court Rules 1979 and the supplementary provisions in part IV of the Trade Dispute Decree of 1976. It has settled a lot of cases since inception.

Inquiry and Investigation

This is not necessarily the last in the list of the statutory method of settling industrial disputes. It is rather a process in the statutory procedure, which can be applied at any stage when there is need to do that. It can therefore, be used where conciliation and arbitration are considered unsuitable and where public interest is involved (such cases that are sensitive). When the nature of a case is sensitive and can become so emotional that it can easily be blown out of proportion, the dispute is sent to inquiry and investigation from the onset in order to prevent any such problems.

4.0. Conclusion

Conflict is inevitable in any employment relationship and if left unchecked can affect labour, management and the society at large. In the event of such industrial grievances, there are established procedures that can help solve the problem. Parties to the conflict are at liberty in either settling internally or using the statutory procedure.

5.0. Summary

In this unit, the two methods of settling industrial disputes were examined. Normally, the grievance settlement procedure starts with the internal or voluntary procedure and when matters are not resolved using the internal procedure, the statutory procedure is applied.

6.0. Tutor marked Assignment

Explain the statutory method of settling industrial grievance

7.0. References and further reading

Fashoyin, T. (1992). Industrial relations in Nigeria. Longman

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Unit 16 Industrial Democracy

Contents

1.0 Introduction

This is the last unit of the study. It is devoted to a very crucial factor in industrial relations. Specifically, the unit will examine the concept of industrial democracy. The mechanisms for achieving industrial democracy as well as the methods of rule making in industrial relations will be discussed.

2.0 Objectives

At the end of this unit, students should be able to:

1. Explain the concept of industrial democracy
2. Discuss the mechanisms for achieving industrial democracy
3. Explain the methods of rule making in industrial relations

3.0 Main Contents

3.1 Industrial democracy refers to a process whereby workers are given the opportunity to take part in decision-making activity in the organization. In a sense it refers to an attempt to give or allow workers greater participation in management. That is, a way of giving workers industrial citizenship in such a way that they feel they are part of the organization. The need for industrial democracy arises from the feelings of the workers that non-participation in organization decision making was contributory to their marginalization, exploitation and deprivation in the work place. The efforts of trade union made it possible for employers to accept the idea that workers be allowed to take part in decision making in organizations.(see Anugwom, 2007).

3.2 Mechanism for Achieving Industrial Democracy

Joint Consultation Mechanism

This according to Clegg (1979) is a half house between joint regulation and employer or managerial regulation. It involve managers discussing issues with the representative of workers, setting out their problems and proposals and listening to what the representatives have to say, but then retaining the final responsibility for making decision on the issue. This mechanism is just consultative and so does not give workers enough room and power for influencing issues.

Collective Bargaining Mechanism

According to Uchendu (1998), Collective bargaining is a mechanism whereby union and management are brought together in an interactive process and each is given an opportunity to contribute to the determination of matters which are mutually important to the parties and for the survival of the enterprise.

It gives both management and workers the opportunity to discuss issues and take joint decisions. This is a higher level of workers participation than the join consultative mechanism.

Work Council Mechanism

This is a committee made up of management and workers representatives that have certain functions in the governance of a workplace. It gives chance for cooperation between workers and management on matter affecting the organization. This mechanism exists in Germany as a unique characteristic of its industrial relations system. It is a higher level of industrial democracy than collective bargaining. It bestows on the parties some powers such as:

a. The right to be informed on certain issues
b. The right to be consulted on some other issues.
c. The right to investigate matters on its own initiative.

Co-determination Mechanism

It involves the appointment of workers representative to the board of directors of companies. It is also a unique feature of industrial relation system in Germany. Here, worker's representatives are appointed into supervisory boards and also management boards that make or take the day- to- day decision in the organization. This is one of the highest levels in the practice of industrial relations.

3.3 Methods of Rule Making in Industrial Relations:

It will be recalled that one of the common definition of industrial relations from the pluralist perspective is that it is concerned with rules governing employment together with the ways to which the rules are made and changed, interpreted and administered. This definition, underscores the importance of rules in the work place. Rules may take the form of contract or agreement between labour and management. There are two major types of rules namely:

a. Substantive rules and (b) procedural rules:

Substantive rule is concerned with the terms and conditions of employment i.e issues of direct and major importance in labour management relations. It covers issues relating to

   a. Wages and salaries, including incentive schemes.
   b. Hours of work, over time with its rate of pay, shift work with its rate of pay.
   c. Annual leave and allowance and
   d. Sick leave and pay

It also covers issues like Job security, improvement of physical conditions of work, promotion, discipline, transfers etc.

Procedural rule is primarily concerned with the principles which regulate the relationship between management and union. They are those rules that settle the ways in which the substantive rules are made, applied, challenged, changed and interpreted. They include membership in negotiation, quorum, duration of agreement, effective date, etc.

Rules generally can be made jointly by labour and management. It can also be made together with the government as well as unilaterally by any of these three. The most commonly recognized method is through the joint process. Whichever way is used, the following are among the different ways of rule making as identified by Clegg (1979)

a. Collective Bargaining Method: This involves a joint process in which two or all the three actors take part in making the rules. It is perhaps the most generally accepted method of rule making.
b. Statutory Method: This refers to rules made by the relevant state government agencies in industrial relations. It could be through labour policies, industrial arbitration panel, etc. Statutory rules may be through a joint process or by unilateral process.
c. Employer Regulation Method: This is a situation where rules are made unilaterally by the employer. Such rules are handed down through circulars and guidelines. They usually emanate from issues regarded as managerial functions or matters of managerial prerogative.
d. Trade Union Regulation Method: These are rules made by trade unions to regulate the conduct and jobs of their members but which they can persuade management to accept and implement.
e. Rules through Customs and Practice: A regularized and accepted way of doing things may over a long time acquire the force of rule.

Self Assessment Test

What is industrial democracy?

Are the mechanisms for achieving industrial democracy effective in the Nigeria's industrial relation system?

4.0. Conclusion

Industrial democracy is a way of giving workers industrial citizenship in such a way that they feel they are part of the organization. The need for industrial democracy arises from the feelings of the workers that non-participation in organization decision making was contributory to their marginalization, exploitation and deprivation in the work place. Organizations therefore establish mechanisms that ensure that workers enjoy a sense of belonging in the work place.

5.0. Summary

This unit x-rayed the nature of industrial democracy, the mechanisms for achieving industrial democracy as well as the method of rule making in industrial relations. The mechanism for achieving industrial democracy include: joint consultation, collective bargaining (which gives both management and workers the opportunity to discuss issues and take joint decisions), work council mechanism and co-determination mechanism. In Nigeria collective bargaining is considered the ultimate in labour-management relations.

6.0. Tutor marked Assignment

Discuss the methods of rule making in industrial relations

7.0. References and further reading

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