COURSE GUIDE

PSM 815
INDUSTRIAL RELATIONS IN NIGERIA

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Published by
National Open University of Nigeria

Printed 2013

ISBN: 978-058-398-X

Printed by:

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INTRODUCTION

PSM 815 Industrial Relations in Nigeria is a first semester course of two-credit units. It is available for all students offering Industrial Relations in the School of Management Sciences, National Open University of Nigeria (NOUN).

This course will expose you to many of the concepts and theories in Industrial Relations as they affect business organisations in Nigeria. It will enable you to apply these concepts and theories to the task and roles that you perform as an entrepreneur, business manager or employer in the corporate business setting.

The course consists of 15 units. The units include definition, purpose and scope of industrial relations, development of industrial relations as a discipline and activity, approaches of industrial relations, labour – management relations, the role of trade unions, emergence of industrial union, emergence of central labour organisations in industrial relations, role of employers' association in industrial relations, role of state in industrial relations, industrial conflicts, trade disputes, resolution of trade disputes, collective bargaining and agreements, productivity bargaining and agreement.

The course guide tells you briefly what the course is about, what course materials you will be using and how you can work your way through these materials. It suggests some general guidelines for the amount of time you are likely to spend on each unit of the course in order to complete it successfully.
It also gives you some guidance on your tutor-marked assignments, which will be made available in the assignment files. There are regular tutorial classes that are linked to the course. You are advised to attend the sessions.

WHAT YOU WILL LEARN IN THIS COURSE

PSM 815 Industrial Relation in Nigeria introduces you to various techniques, guides, principles, practices, etc. relating to industrial relations in business organisations.

COURSE AIM

The aim of the course can be summarised as follows:
It aims to give you an understanding of the meaning of industrial relations, approaches and issues, what they are and how they can be applied in everyday business activities. It also aims to help you develop skills in the industrial relations. You can also apply the principles to

your job as business managers, top management of corporate organisations in both private and public enterprises.

COURSE OBJECTIVES

To achieve the set aims, the course has overall objectives. Each unit also has specific objectives. The unit's objectives are always included at the beginning of a unit; you should read them before you start working through the unit. You may want to refer to them during your study of the unit to check on your progress.

You should always look at the unit objectives after completing a unit. In doing so, you will be sure that you have followed the instructions in the unit.

Below are the wider objectives of the course as a whole. By meeting these objectives, you should have achieved the aims of the course as a whole. On successful completion of the course, you should be able to:

- explain the meaning, purpose and scope of industrial relations
- trace the origin and development of industrial relations as a discipline
- trace the development of industrial relations as an activity
- describe the approaches of industrial relations
- state the principles of labour-management relations
- state the role of trade union in industrial relations
- trace the development of industrial unions
- trace the emergence of central labour organisations in industrial relations
- explain the role of employers' association in industrial relations
- explain the role of the state in industrial relations
- explain the concept of industrial conflicts
- discuss the causes of industrial conflict
- describe how to resolve industrial conflicts
- state the process of collective bargaining and agreement
- state the process of productivity bargaining and agreement.

WORKING THROUGH THIS COURSE

To complete this course, you are required to read the study units, textbooks and other materials provided by the National Open University of Nigeria. Each unit contains self-assessment exercises, and at a point in the course, you are required to submit the tutor-marked assignments for assessment purposes. There is a final examination at the end of the course. The course should take you about 17 weeks to complete.

Below you will find listed all the components of the course, what you have to do, and how you should allocate your time to each unit in order to complete the course successfully on time.

Below are the components of the course:

STUDY UNITS

The study units in this course are as follows:

Module 1

Unit 1	Meaning, Purpose and Scope of Industrial Relations
Unit 2	Origin and Development of Industrial Relations as a Discipline
Unit 3	Development of Industrial Relations as an Activity in Nigeria
Unit 4	Approaches of Industrial Relations
Unit 5	Labour-Management Relations

Module 2

Unit 1	The Role of Trade Union in Industrial Relations
Unit 2	Emergence of Industrial Unions
Unit3	Emergence of Central Labour Organisations
Unit 4	The Role of Employers' Association in Industrial Relations
Unit 5	The Role of the State in Industrial Relations

Module 3

Unit 1	Industrial Conflicts
Unit 2	Causes of Industrial or Trade Disputes
Unit 3	Resolution of Industrial Conflicts
Unit 4	Collective Bargaining and Agreement
Unit 5	Productivity Bargaining and Agreement

The first two units in module 1 explain the important terms, concepts and development related issues in respect of Industrial Relations. The next three units give insight on historical trends, approaches and labour-management relations in context of industrial relations practice.
The next module explains the roles of major actors in industrial relations.

This is followed by the last module which describes industrial conflicts and their resolution procedure and other issues related to collective bargaining and agreements.

ASSIGNMENT FILES

There are fifteen assignments in this course. The fifteen assignments cover all the topics contained in the course material. They are to guide you to have proper understanding of the course.

PRESENTATION SCHEDULE

The presentation schedule included in your course materials gives you the important dates for the completion of tutor-marked assignments and attending tutorials. Remember, you are required to submit all your assignments by the due date. You should guard against falling behind in your work.

ASSESSMENT

There are three aspects to the assessment of the course. The first is self-assessment exercises; the second is the tutor-marked assignments; and the third is a written examination.

In tackling the assignments, you are advised to be sincere in attempting the exercises; you are expected to apply information, knowledge and techniques gathered during the course. The assignments must be submitted to your tutor for formal assessment in accordance with the deadlines stated in the Presentation Schedule and the Assignment File. The work you submit to your tutor for assessment will count for 30% of your total course mark.

At the end of the course, you will need to sit for a written examination of about three hours. This examination will count for 70% of your total course mark.

TUTOR-MARKED ASSIGNMENTS (TMAs)

The Tutor-Marked Assignments (TMAs) at the end of each unit are designed to test your understanding and application of the concepts learned. Besides the preparatory TMAs in the course material to test what has been learnt, it is important that you understand that at the end of the course, you must have done your examinable TMAs as they fall due, which are marked electronically. They account for 30% of the total score for the course.

Assignment questions for the units in this course are contained in the Assignment File. You will be able to complete your assignment from the information and materials contained in your reading, references and

study units. However, it is desirable in all degree level education to demonstrate that you have read and researched more widely than the required minimum. Using other references will give you a broader viewpoint and provide a deeper understanding of the subject.

When you have completed each assignment, send it to your tutor. Make sure that each assignment reaches your tutor on or before the deadline given in the Presentation Schedule and Assignment File. If for any reason, you cannot complete your work on time, contact your tutor before the assignment is due to discuss the possibility of an extension. Extensions will not be granted unless in exceptional circumstances.

FINAL EXAMINATION AND GRADING

The final examination PSM 815 will be of three hours and have a value of 70% of the total course grade. The examination will consist of question, which reflect the types of self-testing, practice exercise and tutor-marked problems you have previously encountered. All areas of the course will be assessed.

Spend the time between finishing the last unit and sitting for the examination to revise the entire course work. You might find it useful to review the self-assessment exercises and tutor-marked assignments before the examination. The final examination covers information from all parts of the course.

COURSE OVERVIEW

This table below brings together the units, the number of weeks you should take to complete them and the assignments that follow them.

Unit	**Title of Work**	**Weeks Activity**	**Assessment (end of unit)**
	Course Guide		
	Module 1		
1	Meaning, Purpose and Scope of Industrial Relations	1	Assignment 1
2	Origin of Industrial Relations as a Discipline	1	
3	Development of Industrial Relations as an Activity	1	Assignment 2
4	Approaches of Industrial Relations	1	Assignment 3
5	Labour-Management Relations	1	

Module 2			
1	The Role of Trade Union in Industrial Relations	1	Assignment 4
2	Emergence of Industrial Unions	1	
3	Emergence of Central Labour Organisation in Industrial Relations	1	
4	The Role of Employers' Association in Industrial Relations	1	Assignment5
5	The Role of the State in Industrial Relations	1	Assignment 6
Module 3			
1	Industrial Conflicts	1	
2	Industrial or Trade Disputes	1	Assignment 7
3	Resolution of Industrial Conflicts	1	Assignment 8
4	Collective Bargaining and Agreement	1	Assignment 9
5	Productivity Bargaining and Agreement	1	
	Total	15	9

HOW TO GET THE MOST FROM THIS COURSE

In distance learning, the study units replace the lecturer. This is one of the great advantages of distance learning. You can read and work through specially designed study materials at your own pace, and at a time and place that suits you best. Think of it as reading the lecture that a lecturer might set you some reading to do, the study unit will tell you when to read your other materials. Just as a lecturer might give you an in-class exercise, the study units provide exercises for you to do at appropriate points.

Each of the study units follows a common format. The first item is an introduction to the subject matter of the unit, and how a particular unit is integrated with the other units and the course as a whole.

Next is a set of learning objectives. These objectives let you know what you should be able to do by the time you have completed the unit. You should use these objectives to guide your study. When you have finished the unit, you must go back and cheek whether you have achieved the objectives. If you make a habit of doing this, you will significantly improve your chances of passing the course.

The main body of the unit guides you through the required reading from other sources. This will usually be cited from a section of some other sources.

Self-assessment exercises are interspersed throughout the end of units. Working through these tests will help you to achieve the objectives of the unit and prepare you for the assignments and the examination. You should do each self-test as you come to it in the study unit. There will also be numerous examples given in the study units, work through these when you come to them too.

The following is a practical strategy for working through the course. Telephone your tutor if you run into any difficulty with the course. Remember that your tutor's job is to help you. When you need help, do not hesitate to call and ask your tutor to provide it.

(1) Read this course guide thoroughly.

(2) Organise a study schedule. Refer to the course overview for more details. Note the time you are expected to spend on each unit and how the assignments relate to the units. Important information e.g. details of your tutorials, and the date of the first day of the semester will be made available. You need to gather all this information in one place, such as your diary or a wall calendar. Whatever method you choose to use, you should decide on and write in your own dates for working on each unit.

(3) Once you have created you own study schedule, do everything you can to stick to it. The major reason that students fail is that they get behind with their coursework. If you get into difficulties with your schedule, please let your tutor know before it is too late for help.

(4) Turn to unit 1 and read the introduction and the objectives for the unit.

(5) Assemble the study materials. Information about what you need for a unit is given in the ‘Overview’ at the beginning of each unit. You will always need both the study unit you are working on and one of your references, on your desk at the same time.

(6) Work through the unit. The content of the unit itself has been arranged to provide a sequence for you to follow. As you work through the units, you will be instructed to read sections from your other sources. Use the unit to guide your reading.

(7) Well before the relevant due date, check your Assignment File and make sure you attend to the next required assignment. Keep in mind that you will learn a lot by doing the assignments carefully. They have been

designed to help you meet the objectives of the course and, therefore, will help you pass the exam. Submit all assignments not later than the due date.

(8) Review of the objectives for each study unit confirms that you have achieved them. If you feel unsure about any of the objectives, review the study material or consult your tutor.

(9) When you are confident that you have achieved a unit's objectives, you can then start on the next unit. Proceed unit by unit through the course and try to face your study so that you keep yourself on schedule.

(10) When you have submitted an assignment to your tutor for marking, do not wait for its return before starting on the next unit. Keep to your schedule. When the assignment is returned, pay particular attention to your tutor's comments on the assignment. Consult your tutor as soon as possible if you have any questions or problems.

(11) After completing the last unit, review the course and prepare yourself for the final examination. Check that you have achieved the unit objectives (listed at the beginning of each unit) and the course objectives (listed in the Course Guide).

FACILITATORS/TUTORS AND TUTORIALS

There are 17 hours of tutorials provided in support of this course. You will be notified of the dates, times and location of these tutorials, together with the names and phone numbers of your tutor, as soon as you are allocated a tutorial group.

Your tutor will mark and comment on your assignments, keep a close watch on your progress and on any difficulties you might encounter and provide assistance to you during the course. You must mail your tutor-marked assignments to your tutor well before the due date. They will be marked by your tutor and returned to you as soon as possible. Do not hesitate to contact your tutor by telephone, e-mail, or discussion board if you need help. The following might be circumstances in which you would find help necessary.

Contact your tutor if:

- you do not understand any part of the study units or the assigned readings
- you have difficulty with the self-assessment exercises
- you have a question or problem with an assignment with your tutor's comment on an assignment or with the grading of an assignment.

You should try your best to attend the tutorials. This is the only chance to have face-to-face contact with your tutor and to ask questions which are answered instantly. You can raise any problem encountered in the course of your study. To gain the maximum benefit from course tutorials, prepare a question list before attending them. You will learn a lot from participating in discussions actively.

As earlier stated above, this course *PSM 815 Industrial Relations in Nigeria* relates to industrial relations in business organisations in Nigeria.

It makes in-depth analysis of the industrial relations in Nigeria private and public sectors for understanding of the practices and principles governing business organisations.

We hope you enjoy your study with the National Open University of Nigeria. We wish you success in this course.

MAIN COURSE

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MODULE 1

UNIT 1 MEANING, PURPOSE AND SCOPE OF INDUSTRIAL RELATIONS

CONTENTS

1.0 INTRODUCTION

In work environment, a person must relate with one another. In production line, this becomes inevitable in the context of relationship established between parties in the production process. In other words, the relationship between employers and employees has to be friendly and harmonious for production to take place. This is referred to as “industrial relations” in its simplest form.

2.0 OBJECTIVES

At the end of unit, you should be able to:

- define industrial relations
- state the scope of industrial relations
- explain the purposes of industrial relations.

3.0 MAIN CONTENT

3.1 Meaning of Industrial Relations

Industrial relations has been variously defined by many authors. Yesufu (1984) defines industrial relations as the whole web of human interactions at work which is predicated upon and arises out of the employment contracts. Onu (1989) defines it as a general term used in a classic sense to describe the relationship between an organisation of workers and an employer or a group of employers. To Fajana (2006:1), industrial relations can be defined broadly as a discipline concerned with the systematic study of all aspects of the employment relationship. The view is advanced that it deals with everything that affects the relationship between workers and employers, perhaps from the time the employee joins the work organisation until he leaves his job.
The common denominator of these definitions is that industrial relations is concerned with the relationship between trade unions (of workers) and employers (individual or group) in the industry (paid employment) and government intervention (either directly or through its agencies) in that relationship.

3.2 Scope of Industrial Relations

Nevertheless, the effectiveness of this interventionist policy depends on the extent to which the internal machinery available to the parties has been able to resolve the dispute.

The scope of industrial relations is so vast that the field is inevitably inter-disciplinary. There are contributions from other disciplines such as Psychology, Economics, Sociology, Political Science, History, Law, Engineering, and other fields. Perhaps, the inter-disciplinary scope of industrial relations made the Industrial Relations Research Association (IIRA) to adopt as its objectives (cited in Fajana, 2006:4):

The encouragement of inter-disciplinary research in all fields of labour - social, political, economic, legal and psychological; employer and employee organisations, labour relations, personnel administration, social security and labour legislation.

In addition, there is a wealth of new theories, methods, approaches, tests and practices in the field that can be traced to a combination of social and management sciences.

At the enterprise level, industrial relations covers:

- Relations and interactions between employers or managements and employees either as individuals or as group.
- Relations and interactions between supervisor(s) and the worker(s).
- Relations and interactions between the worker and his trade union or federation of unions.
- Relations and interactions between the trade unions management and the state as presented by the ministry of labour and other agencies.
- Labour issues on employment, conditions of work, compensation, security, safety, health, welfare and employees' development.

Industrial relations is based on a tripartite relationship between employers, trade unions (workers) and the government. Government assists to provide enabling environment for the practice of industrial relations. Furthermore, there is now a new set of inter-relationships between the actors. Beside the conventional employer - employee, union and employer (organisation) or tripartite actors – employers, labour and state, there are now 12 actors, namely: individual employers, employer organisations, people looking for work, employees, union managers, unions, consumer, producers, citizens, executive, legislators and judiciary. These multi-partite actors are now recognised as taking part in the balancing of competing interests in the labour market (Hanami, 2000). Thus, the study of industrial relations as a discipline is now worldwide.

3.3 Purpose of Industrial Relations

Industrial relations purposes include:

- Dealing with a complex issue of power relationships and sharing in the work place.
- Providing industrial peace between management and labour to boost productivity.
- Observing industrial democracy in dealing with how rules are made and executive powers shared in decision-making in the organisation.
- Applying the work rules judiciously that have been collectively agreed.
- Sharing equitably economic returns on investment among the stakeholders.
- Enforcement of government legislations and labour policies equitably in order to maintain industrial peace.
- Ensuring that industrial relations practice conforms with rules, regulations and natural justice.
- Ensuring that there is consultation and collective bargaining on labour matters that will promote equity, fairness, and justice.

Specifically, industrial relations embraces the relations and interactions between employers, workers union and governments. The aim of such relationships is to promote understanding and trust through dialogue in order to facilitate industrial peace that would boost organisational productivity.

4.0 CONCLUSION

In this unit, we have examined the meaning, scope and purposes of industrial relations. The scope of problems studied in industrial relations is so vast that the field is interdisciplinary. Besides, industrial relations is now studied as a discipline all over the world.

5.0 SUMMARY

Industrial relations is defined broadly as a discipline concerned with the systematic study of all aspects of the employment relationship. Consequently, the scope of industrial relations practice may even extend beyond the enterprise. The aim of such practice is to promote understanding and trust through dialogue in order to facilitate industrial peace that would boost organisational productivity.

6.0 TUTOR-MARKED ASSIGNMENT

Explain the meaning, purposes and scope of industrial relations.

7.0 REFERENCES/FURTHER READING

Fajana, S. (2006). *Industrial Relations in Nigeria* (3rd ed.). Lagos: Labofin and Company.

Onu, P. (1989). "Industrial Relations and the Political Process in Africa." In: *Nigerian Journal of Industrial Relations*, Vol. 3, Dec.

Yesufu, T.M. (1984). *The Dynamics of Industrial Relations: the Nigerian Experience*. Lagos: University of Lagos Press Ltd.

UNIT 2 DEVELOPMENT OF INDUSTRIAL RELATIONS AS A DISCIPLINE

CONTENTS

1.0 INTRODUCTION

Industrial relations as a discipline for academic study can be traced to early economists and political scientists and pioneering work of Webbs. For many years, following the work of Webbs, academics in the United Kingdom followed the media in seeing the subject as the study of trade unions. Nevertheless, considering the recent development of these and the work of Webbs, industrial relations must be regarded as a relatively new field of study though not a new area of activity. In this unit, we shall examine the development of industrial relations as a field of study in Nigeria.

2.0 OBJECTIVES

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

- trace the origin of industrial relations as a discipline
- state factors that influenced its study.

3.0 MAIN CONTENT

3.1 Development of Industrial Relations as a Field of Study

Industrial relations as a discipline can be traced to earlier work of economists and political scientists. However, the pioneering work of Sidney and Beatrice Webb cannot be overlooked. After a series of rigorous study of the experience of many countries, they published two books of particular importance. The first examines the development of

trade unionism in Britain; while the latter looks at the functions of trade unions. For many years, academics following the work of Webb in United Kingdom saw industrial relations as the study of trade unions. As a result, much work was done in the form of detailed description of trade unions or union-management relations (Palmer, 1983: 2). Moreover, many authors concentrated their efforts on describing the situation as they saw it. Largely, they produced guidebooks to current practice rather than theories and explanations (Jackson, 1971:1). Similarly, the Social Science Association had published a report on Trade Societies and Strikes in 1860 (Bain and Clegg, 1974).

3.2 The Influence of Human Relations

The Human Relations School was made up of many social scientists concerned with organisational problems. They were led by Elton Mayo. Mayo asserts in his Hawthorne Experiment that man is a "social man" and hence the necessity to study and understand the social and behaviour aspects of management.

Mayo's Hawthorne Experiment came up with certain verifiable findings:

- The importance of social groups as social system in every organisation.
- Production standards were established by the group; and the group norms ensured that no one deviated from the established quota.
- The amount of work carried by a worker is determined not by his physical capability but by his social capacity.
- That non-economic rewards are most important in the motivation and satisfaction of works, who react to their work situations as groups and not as individuals.
- A leader is not necessarily the person appropriated to be in charge: informal leaders can develop and they influence production.
- An effective supervisor is that who regards his job as dealing with human beings – "employee – centred" instead of "task-centred."
- Good and effective communication and participation in decision – making are some of the most significant rewards which can be offered to obtain the commitment of the employee in any organisation.

Thus, the Human Relations School emphasis was on leadership, democratic supervision, and satisfaction of personal goals and creativity of employees. The school believes that scientific management principles

may be important only for job satisfaction purposes. They are not good enough to induce the workers to be productive.

Other scholars contributed to the Human Relations Schools. Scholars like Douglas, McGregor, Lewin, Likert, Herbert Simon, Argyris and Selznick and so on. These scholars made significant contributions to be Industrial Relations on areas of motivation, leadership, productivity and management of people and environment.

3.3 Development of Industrial Relations as a Field of Study in Universities

In most developing countries, academic study of industrial relations was done within the general management and social science studies. It was not until 1982 that Africa had its first full-fledged department of industrial relations at the University of Lagos, offering both first and higher degree programmes (Fajana, 2006 : 8).

3.4 Development of Industrial Relations as a Profession

The institute of Personnel Management of Nigeria (Chartered) is a non-profit making organisation. The Institute's Cradle is the Yaba College of Technology, Department of Management Studies. The College helped to run short courses for beginners thought facilities for training were non-existent.

Unless a company is prepared to send the individual abroad, the individual will just have to learn on the job, a situation which was completely unsatisfactory.

The inspiration for establishing the Institute arose from the existence and activities of the UK's Institute of Personnel Management. It started as the Personnel Management Association in November 1968. It was formally launched on November 1, 1973.

However, it was not until 1992 that the federal government gave it legal recognition by Decree No. 58 of 1992.

The objectives for which the institute was established are as follows:

- To promote and develop the science and practice of personnel management in all its reunifications.
- To foster and maintain investigations and research into the best means and methods of applying the science of personnel management.

- To encourage, extend, increase, disseminate and promote knowledge and exchange of information and ideas in regard to all questions relating thereto or connected therewith.
- To provide an organisation for the promotion and encouragement of the art and practice of personnel management including provision for training and examination of candidates to qualify for membership of the institute.

Membership is open to all functionaries and specialists in personnel management, indeed to all managers of human resources by whatever organisational nomenclature they may have designated. The lowest grade of membership is the student membership grade, while the highest grade is the fellowship grade. In order to qualify as a graduate member, a student has to pass the professional examination of the institute which is in four stages. People who have other qualifications which are recognised by the institute are also admitted as members of the Institute of Personnel Management.

SELF-ASSESSMENT EXERCISE

Describe the origin of the establishment of industrial relations as a field of study in Nigeria.

4.0 CONCLUSION

In this unit, we have examined the origin and development of industrial relations as a field of study in the world, Africa, and Nigeria. Thus, industrial relations as an academic discipline has come to stay and is now a field of study in many institutions of higher learning in the world, Africa, and Nigeria.

5.0 SUMMARY

The study of industrial relations as a discipline is now worldwide. Though, its origin can be traced to earlier economists, political scientists, and pioneering work of Webb. Other influences have enhanced its development as a field of study, particularly in Nigeria. The influences of human relations school, establishment of department of industrial relations in University of Lagos, and establishment of the professional institute have combined to make industrial relations a field of study.

6.0 TUTOR-MARKED ASSIGNMENT

Describe the development of industrial relations as a discipline in Nigeria.

7.0 REFERENCES/FURTHER READING

Bain, G. & Clegg, H. (1974). "Strategy for Industrial Relations, Research in Great Britain." *British Journal of Industrial Relations*, Vol. VIII No. 1.

Fajana, S. (2006). *Industrial Relations in Nigeria*. Lagos: Labofin and Company.

Palmer, G. (1983). *British Industrial Relations*. London: George Allen and Unwin.

Jackson, M. P. (1975). *Industrial Relations*. Kent: Croom Helm, Beckenham.

UNIT 3 DEVELOPMENT OF INDUSTRIAL RELATIONS AS AN ACTIVITY IN NIGERIA

CONTENTS

1.0 INTRODUCTION

It is assumed that in every industrial and industrialising country, there are three main industrial relations actors or parties: employers (managers), labour (trade unions) and the state. Recently, emerging conceptions, however, see the Industrial Relations system as multi-partite rather than tripartite. In this unit, we shall examine the development of industrial relations as an activity and role of various actors.

2.0 OBJECTIVES

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

- explain the emergence of industrial relations (Pre-1960)
- discuss the emergence of industrial relations (Post-1960)
- state the emergence of state intervention in industrial relations
- trace the emergence of other actors in industrial relations.

3.0 MAIN CONTENT

3.1 Emergence of Industrial Relations (Pre-1960 Period)

Industrial relations and personnel activities are relatively new compared to other professions such as marketing or accounting. This can be explained because of late experience of industrialisation in the economy. In early times and to some extent in rural areas, labour services were rendered on family agricultural farms for the father as the head of the economic unit. No wage was paid.

With industrialisation and commercialisation that started in the 1940s, came wage employment. This was first introduced in the colonial public services in the early part of this century in Nigeria. This became predominant during the laying of the railway track from Lagos to the hinterland. The incidence of wage payment marked the beginning of industrial relations and personnel management in Nigeria.

In small organisations, especially commercial and industrial settings of the 1940s, the personal was restricted to hiring firing, pacifying of unionists and celebration of personnel functions were performed by typists, clerks, chief clerks, trade unionists. However, formal systematic training was not organised to equip these individuals for their roles.

In some other cases, personnel activities were performed by the chief executive and his personal assistants.

3.2 Development of Industrial Relations (Post-1960 Period)

As organisations grew larger in the 1960's more sophisticated organisational structure and management processes were needed to manage them. Managing people became more complex and the need for specialised personnel departments and trained specialist was realised in most organisations. Today, the role of the personnel departments include designing jobs to increase the motivational contents, administering training, recruitment, selection, placement, compensation, counselling, labour relations, etc.

The development of industrial relations and personnel functions in work organisations is a reaction of employers to the growing discontent of labour union and the activities of the state. A major factor that influenced the adoption of personnel management as a function to be managed by specialists was the industrial activities of COLA trade unions, with highly potential political orientation. Before the legal recognition of trade unions in 1938, personnel and industrial relations management were restricted to staffing and record keeping. People with

general training were performing personnel functions. But with the emergence and the influence of stronger trade unions in both the public and private sectors and the increase in the size of organisations, there arose a need to put specialists in personnel functions. This need arose so as to organise, direct, and control industrial conflicts which occurred in the interaction of business with workers.

Until the 1960's, most of the personnel positions were filled by expatriates, who the unions thought to be oppressors of the workers.

Later, employers had to embark on the Nigerianisation of this function. The process of Nigerianisation absorbed trade union leaders into the position of personnel managers. The employers perceived the role of personnel managers as pacifiers of unionists.

However, with independence the situation changed with the recruitment of young graduates. Emphasis now is on how to make industrial relations actors behave responsibly, so as to generate meaningful development for their economies.

Today, employers through the employers association – NECA's Committee on Industrial Relations, Education and Training influence different aspects of the personnel and industrial relation function.

3.2.1 Influence of Trade Unions

The activities of trade unions influenced the rapid development of personnel function. The foremost trade union in Nigeria was the Civil Service Union established in 1912. Other unions also came into being. Hence, trade union movement came into being. The rise in cost of living during the First World War made unions the vanguard for canvassing for improved conditions of service for its member workers. The General Strike of 1945 led by Pa Michael Imoudu was the turning point for Nigerian trade union movements on the improvement of cost of living allowance (COLA).

Since most employers at this period were expatriates, conflict with union officials on conditions of service became uncontrollable. Hence, personnel function was "Nigerianised", especially between 1950 and 1960. The office of Personnel Assistant or Labour and Staff Manager became a strategy to negotiate with local labour leaders on conditions of service and the views of management. Hence, the personnel function was historically regarded as union pacifier.

3.2.2 The Influence of Ministry of Labour

The influence of the Ministry of Labour in the development of personnel management was great. The ministry guided many employers of labour on labour matters and trade disputes. The Ministry of Labour intervenes in certain circumstances on trade disputes. The constant advice given to employers over labour matters led to the employment of indigenous personnel to management personnel functions. This was to enable the employers liaise with the Ministry of Labour on labour and union matters.

3.2.3 The Influence of NECA (Nigeria Employers' Consultative Association)

NECA has had a great influence on the development of personnel management in the country. The body was established by personnel practitioners in 1968. During that short period, it has through its Industrial Relations Committee, and Training and Education Committee influenced the different aspects of the function for the better.

Most personnel practitioners have become more informed by attending to committee meetings and having access to its "Memorandum of Advice and Guidance," prepared by a select group of NECA. The newsletter published monthly is also a source of information and education to personnel managers. Besides, since 1968, NECA has been running an advanced course on Industrial Relations annually, which has proved very popular with employers.

3.2.4 Influence of other Organisations

In Nigeria, apart from government which is the highest employer of labour, there are other employers of labour in the private sector, such as the:

- Multinational companies
- Indigenous entrepreneurs
- Other nationalities, for example, Indians, Japanese, Chinese, Lebanese and so on.

Prior to indigenisation decrees of 1972 and 1977, respectively, Nigeria economy was dominated by foreign investments. These investments were owned by multi-nationals, foreign employers, such as Indians, Japanese, Chinese, and Lebanese and so on.

It is pertinent to state that before the indigenisation decree of 1972, trade unions were not taken seriously. Any organisation could choose to recognise trade union demands or sometime disregard or dissolve them.

Labour policies were inclined towards “hire and fire” and pacifying of trade unionists.

There was no machinery or structure for collective bargaining and grievances were resolved by the expert knowledge of the staff or personnel manager.
However, as from 1973 when the trade union activities were recognised, the situation changed. Besides, the enactment of Trade Disputes Act of 1976 and Industrial Relations Act of 1978, many of these foreign employers were obliged to recognise the trade activities and interact with the trade union leaders through industrial relations machinery and structure established by government.

3.2.5 Post-Indigenisation Decrees of 1972 and 1977

After the enactment of indigenisation decree of 1972, investment into the economy shifted to manufacturing and petroleum. Many firms were incorporated by local employer in response to indigenisation decree of 1972, which concentrated on commerce and services.

However, the emphasis shifted to petroleum industry during the oil boom of 1973. After nationalisation, small groups of local entrepreneurs have no capital to do certain business open to them. The multi-national companies still entered into joint venture with these local entrepreneurs with changed names. It was therefore, uncommon to find the local small employers, relying on the multi-national companies for sub-contracts.

However, where the capital outlay for such venture was big, the government entered into joint venture with such multinational companies. For example, in 1979, British Petroleum’s share with Shell Petroleum Nigeria Corporation was nationalised. Since, it was difficult for local entrepreneur to purchase the share, government through its agency the Nigerian National Petroleum Corporation (NNPC) entered into a joint venture with 80:20 split.

Besides, in all other oil activities, the government entered into joint venture for the exploration, production, and export of crude oil in Nigeria. The Shell Petroleum Development Company Limited is the operator of joint ventures. Other oil companies such as: ExxonMobil, Texaco, Chevron, Pan Ocean, etc., also enjoy joint venture partnership. Even though local entrepreneurs are also operators in the Petroleum Industry, it will be seen that foreign investment in oil has a lot of input of foreign capital.

3.2.6 Industrial Relations Policies Implication

The identification of the foreign employers in various sectors of the economy is important in industrial relations as it enables the assessment of the differences in the abilities of employers to concede to wage demands or in the organisation and structuring of personnel policies.

3.2.7 Industrial Relations and Personnel Policies in Foreign Companies

From the enactment of the Trade Union Act of 1973 and enactment of Industrial Relations Act of 1976, the multinationals observe the labour laws and industrial relations policies put in place, especially in unionised companies. The same could also be said of other foreign employers, such as Indians, Lebanese, Japanese, Chinese, etc in unionised companies acquired by them in this period of privatisation and commercialisation.

However, where the companies are not unionised, the labour and industrial relations policies are at the whim and caprices of the employers. The labour and industrial relations policies are more or less paternalistic or at worst in the realm of "take it or leave it." Union activities are not tolerated. The wages and salaries are very low. The employers tend to make use of "casual labourers or daily paid workers." The employees' quality of work lives are relegated to over-riding profit-maximisation inclination of the employers.

3.2.8 Industrial Relations Policies in Local Enterprises

Some local entrepreneurs are not better in terms of good industrial relations and labour policies. While insignificant proportion observe the Trade Union Acts of 1978; majority pay lip-service to the provisions. The wages and salaries are low and the quality of work lives are relegated on the altar of optimal profit of maximisation of the organisation.

For the non-unionised local employers, the labour and industrial relations policies are paternalistic and union activities are prohibited. Wages demand and restructuring of personnel and industrial relations policies to the Trade Union Act of 1973 and Industrial Relations Act of 1978 are not observed. For the small/medium local entrepreneurs that depend on the fortunes of multinational companies on sub-contacting, there is no serious observation of industrial relations and labour policies. For example, the indigenous employers rendering services to petroleum industry, the labour and industrial relations policies are never observed.

The offer of good wages or salaries and better employer's relations is at the whims and caprices of the employers.

SELF-ASSESSMENT EXERCISE

Describe the development of industrial relations as an activity before Nigerian independence.

4.0 CONCLUSION

In this unit, we have examined the development of industrial relations as an activity in pre-independence period, post-independence period, and other factors that influenced its development.

5.0 SUMMARY

The development of industrial relations and personnel functions in work organisations is a reaction of employers to the growing discontent of labour union and the activities of the state. A major factor that influenced the adoption of personnel management as a function to be managed by specialists was the industrial activities of COLA trade unions, with highly potential political orientation. Before the legal recognition of trade unions in 1938, personnel and industrials relations management were restricted to staffing and record keeping. People with general training were performing personnel functions. But with the emergence and the influence of stronger trade unions in both the public and private sectors and the increase in the size of organisations, there arose a need to put specialists in personnel functions. This need arose so as to organise, direct, and control industrial conflicts which occurred in the interaction of business with workers.

6.0 TUTOR-MARKED ASSIGNMENT

Describe the development of industrial relations as an activity from independence to date.

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UNIT 4 APPROACHES OF INDUSTRIAL RELATIONS

CONTENTS

1.0 INTRODUCTION

The importance of theories in the study of industrial relations cannot be over-emphasised. In a broad sense, theories are needed first as aid to research in understanding events and problems in the practical world. Second, it is used as aid to prediction. However, it is difficult to systematise relevant theoretical concepts of industrial relations. There is absence of a definite source and therefore, each user devices his own theory and decides its meaning and content. In this unit, we shall examine different categories of theory advanced by scholars to explain industrial relations as a discipline.

2.0 OBJECTIVES

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

- explain systems theory
- explain action theory
- explain unitary theory
- discuss the Marxist theory
- state their practical application in industrial relations.

3.0 MAIN CONTENT

3.1 System Theory

Dunlop (1958) was credited with system approach. This approach was heavily influenced by the prior work of Parsons (1951), who had built

up his system perspective from the previous work of Pareto's Functionalism.

Essentially, Dunlop views the industrial relations system as a sub-system of the wider society or the total social system. The society is seen in terms of parts and functions, functional parts that exhibit varying degrees of functional independence and conversely functional autonomy. Although, the parts or sub-systems compete for resources, Parsons (1951) believes that it is expected that they will contribute towards maintaining the system as on-going entity. Dunlop saw the industrial relations system (IRS) as being in a similar status to the economic and political systems, with which it can overlap.

To Dunlop, every industrial relations system at any given time in its development is seen as involving certain actors, contexts and an ideology that holds the system together, and a body of rules created to govern the actors at the place of work and work community. The actors include: a hierarchy of managers and their representatives in supervision; in hierarchy of non-managerial workers and their spokespersons and specialised government agencies, concerned with workers, industry and their relationships (Fajana, 2006:29).

The actors must of necessity operate within a constrained environment. They are influenced and limited by the environment, features of which may be determined in the larger society. The significant description of the environment consists of the technology of the workplace and work community; the market or budgetary constraints; a complex of rules, and the locus and distribution of power in the larger society. These aspects of the environment affect the outcome of industrial relations in important ways. For instance, technology determines the type and span of managerial control as well as the number of workers to be employed. The market constraint could show its importance either in product or labour market. The product market constraints come in the form of ease with which products can be sold. The labour market constraint affects the bargaining power of the actors.

The industrial relations system attracted some critics. Some critics declare that the approach did not identify the origin of conflicts but merely assume that the system is homeostatic (self-regulating). Others criticised the ideological aspect as it may not be sufficiently compatible since management and employees are stratified into many groups or sub-groups with different strategies (Fajana, 2006:30).

3.2 Action Theory

Action theory emerged as an important concept in industrial relations. This is the shared perception of the normative regulation of industrial labour as being susceptible to behavioural influences and individual definitions of situations. Schienstock (1981: 174) identifies common factor in different lines of action theory. Like the system theory approach, the focus of action theory is the agreement in principle by the actors to interact in the resolution of the conflict in the form of bargaining. Usually, a distinction is made within the action theory framework , the decision situation of the actors and the interactional processes. The most important element of the decision analysis stems from wage theory of economics.

3.3 Unitary and Neo-Unitary Perspective

The unitary relation's view to industrial relations was first noticed on the part of some paternalistic American organisations, who in the early 1960s were noted to be good to their employees as individuals, even when they do not negotiate with their trade unions. The essence of the unitary approach to industrial relations is that every enterprise is an integrated and harmonious whole existing for a common purpose. Unitarism in essence implies the absence of factionalism within an enterprise or in a part of it. By this view, there is no conflict of interest between the owners of business (and the managers that represent them at the workplace), and those tolling daily with their sweats and skills. Both are joint partners to the common aims of efficient production, high profits and good pay in which everyone in the organisation has a stake. The managers and the managed are united in the belief that they are parts of the same team, which is expected to be provided with strong leadership from the top to keep it working and to ensure obligation to the tasks to be done. The theory, therefore, assumes the absence of conflict in an industrial relations system, or within it, between its internal and external customers or stakeholders.

3.4 Marxist Theory

As espoused in the Marxian literature, Marxists take a different approach from Dunlop's industrial relations system. To the Marxists, the social systems had been based on the economics of scarcity rather than on economics of abundance. Thus, privileges, power and prestige would always be unequally distributed in such societies and inequality would lead to inevitable class struggle. In other words, Marxists believe that conflict is inevitable in industrial relations.

In the Marxist theory, the ownership of means and forces of production can reach a stage in which they are controlled by one class at the expense of other classes. The exploited is excluded from the mainstream of society and is forced into a position of opposition in the established societal system.

This deprived class (majority) grows a consciousness of the need for a fundamental revolution that is largely directed at the state, since those who control property also control the state.

Marxists anticipated that future social changes would come about through revolutions that would abolish class rule and abolish classes themselves. Revolution is necessary not only because the ruling class cannot be overthrown in any other way, but also because only in a revolution can the class which overthrows it rid itself of the accumulated rubbish of the past and become capable of reconstructing society. The Marxist theory has become an important tool of analysis in industrial relations, especially in conflict resolution between trade unions (labour) and employers (organisations) over wages and conditions of work.

SELF-ASSESSMENT EXERCISE

Describe system theory and its relevance in industrial relations.

4.0 CONCLUSION

In this unit, we examined different theories of industrial relations. Specifically, we discussed system theory, action theory, unitary theory and Marxist theory and the relevance in industrial relations.

5.0 SUMMARY

The application of theories in industrial relations is increasingly being appreciated in practice. System theory has served as a framework of analysis in research, teaching and dominant in the social sciences in Nigeria. Similarly, action theory concepts are also being used in examining industrial action and the role of procedures or in power models of bargaining theory (Reynolds, 1978:432). Finally, trade unions have also used the Marxist theory as framework to bargain for increase in wages with employers. Thus, these theories have continued to enjoy widespread adoption among researchers in all settings.

6.0 TUTOR-MARKED ASSIGNMENT

In what way is Dunlop's system theory different from Marxists system theory?

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UNIT 5 LABOUR-MANAGEMENT RELATIONS

CONTENTS

1.0 INTRODUCTION

The pattern of labour-management relationship is influenced by the espoused operational industrial relations policy, which is in turn inclined by its importance relative to other adopted business policies. In some organisations, labour policy is relegated into insignificance in favour of profits and sales. Or such information may not be effectively communicated to the employees. In such cases, it is to be expected that disruption of business activities will result as employees react to the insensitivity of employers as well as distortion-infected grapevines. In this unit, we shall examine union rights and management in managing industrial relations.

2.0 OBJECTIVES

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

- explain management prerogatives in industrial relations
- discuss union rights in industrial relations
- explain other labour issues both management and labour need to cooperate.

3.0 MAIN CONTENT

3.1 Management Prerogatives

Management claim property rights while the union claims civil rights. These concepts enable the parties to work out their mutual rights and responsibilities. Employers often expect their workers to make themselves available for work conscientiously and to exhibit loyalty and commitment to the cause of the employer in their attitude and behaviour.

In return for these obligations of the employees, the employer must do the following:

- Provide work in a conducive environment.
- Pay wages and salaries as at when due and in legal tender.
- Involve the employees in decisions that affect their work relations with the employer.
- Treat and respect the rights of workers among other accommodating strategies.
- Further, management prerogatives permit them to take disciplinary actions when workers fail to meet their obligations. It also enables workers to withhold their services when employers are not fulfilling their own side of the industrial expectations.
- Having invested its capital (property) in the enterprise, the employer's rights embrace the freedom to carry out the management activities of planning, coordination, regulation and control of the fluid resources that are transformed into specific goods and services and their disposal into the external environment.
- It includes the right to hire and fire, the right to close down operations, the right to decide who possess the qualities and qualifications needed for the effective performance of specific employees roles, to discipline those who either fail to measure up to expectation, or to decide on redundant labour due to technological or economic reasons.
- Also, the employers reserve the right to decide who among the employees shall be advanced and at what pace and rate.

3.2 Union Rights

Union rights emerged out of the recognition that as human beings and workers should be given some protection by the state to prevent them from being exploited unduly by the owners of property.

Union rights, therefore, refer to actions for which labour takes responsibility severally or jointly with the management, for example: wage-related issues, grievance procedures and discipline.

Similar issues are privileges that require the firm to inform the union of what actions it wishes to take. Union privileges include issues, such as: recruitment, selection, training, rating, promotion, wage determination, Christmas bonus, etc. For these items, the union ought to be consulted. It thus, appears that the rights of one party would be the obligations of the other.

By and large, the distinction between human rights and management prerogatives has important implications for organisations in formulating an industrial relations strategy. Where many issues are considered, managerial prerogatives, workers and union are alienated and tend not to cooperate in industrial matters and vice versa.

3.3 Issues of Mutual Cooperation for Management and Union

3.3.1 Contract Administration

The basic objective of labour-management relations is to establish an agreement regarding the conditions under which employees will render their services to the employer. These relations are governed in part by statutory laws, and they are subject to economic, administrative and personal forces that the parties can bring to bear.

3.3.2 Collective Bargaining

Collective bargaining process results in labour contract that must subsequently be administered. The contract or collective agreement contains numerous provisions that outline work relationships. The words of the contract must be interpreted and applied to real situations in the workplace. Labour and management put the agreements into force. For example, in a process of layoff, they ensure that negotiated guidelines are followed.

3.3.3 Collective Agreement

Collective agreement apart from being developed must be made to work. Even though public policy might provide certain relations, it is the daily responsibility of the parties. They alone can develop agreements and subsequent procedures that implement such agreements.
Most of the overt aspects of labour relations occur during the negotiation phase. Yet, behind these spectacular events is the on-going activity in

which the parties prepare for negotiations and work out programmes to meet the problems that arise in carrying out their agreements. Therefore, the major problem for most managers is to develop acceptable adjustments and prevent stalemates in contract administration.

3.3.4 Grievance Procedure

In the pattern of contract administration emerging in most industrial societies, grievances are the sources of many of the most difficult interpretations. The grievance procedure may be as stipulated in a negotiated contract or may be left to be resolved ad hoc, that is, as and when and if they arise.

Grievance settlement may be a major means of interpreting agreements. Not only that, in some organisations that have no recognised unions and hence no collective bargaining, formal grievance procedures may be established deliberately to ensure fairness in employment relations. Such guidelines also help to reduce unfavourable employee attitudes towards the organisation and its supervisors. A principal reason for establishing grievance scheme for un-organised workers may be to keep off trade unionism. The management and union agreed to set machinery for handling labour grievances.

3.4 Human Resources Department and Employees Relations

The Human Resources Department tries to achieve improved job performance from workers by drawing up a "Recognition Agreement", after the recognition of the union as the workers representatives. The agreement states the procedures for resolution of conflicts, employees, consultation, communication and settlement of disputes.

- Taking steps to ensure that managers observe agreements and use agreed procedures.
- Organising work effectively by ensuring that responsibilities of workers are clearly defined. That is, that the managers understand their responsibility and that all group understand their objectives.
- Training all managers/supervisors and trade union leaders in industrial relations.
- Establishing employment policies that promote job performance and employees' satisfaction.
- Establishing effective machinery for consulting and communicating with employees on operational and day-to-day matters of common interests.
- Setting up grievance procedure that commands the confidence of all employees.

- Rewarding employees based on job performance and feeding them back on areas that need training and re-training to improve job performance.

SELF-ASSESSMENT EXERCISE

Describe what you understand by the term "management prerogatives" in industrial relations.

4.0 CONCLUSION

In this unit, we have examined the management prerogatives and union rights in industrial relations. Furthermore, areas of mutual cooperation between labour and management were also discussed.

5.0 SUMMARY

The purpose of establishing labour-management relations is to facilitate industrial peace in day-to-day administration. Nevertheless, the interpretation of intentions by each party differs. This is because the overall interests of the two parties are as much competing, as they are complementary. Most union demands (gains) represent costs to the employer. Therefore, the union is often considered as a cost-raising institution. Nevertheless, a labour-management relationship is complementary because both depend on each other for survival.

6.0 TUTOR-MARKED ASSESSMENT

Discuss the role of contract administration in labour-management relations.

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MODULE 2

UNIT 1 THE ROLE OF TRADE UNION (LABOUR) IN INDUSTRIAL RELATIONS

CONTENTS

1.0 INTRODUCTION

Industrial relations is based on a tripartite relationship, that is, between employers, trade unions (workers), and government. Relations between employer and employees centre on negotiation process, while the government provides the enabling environment for the purpose of economic growth and industrial peace. Government interventions in industrial relations have been in the form of legislation and administrative directives; it also provides supervisory board. The government, employers and employees (represented by the unions) are the major parties involved in industrial relations. In this unit, we shall examine the role of trade unions in industrial relations in Nigeria.

2.0 OBJECTIVES

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

- trace the history of trade unionism in Nigeria
- describe the meaning of trade union
- state the role of trade unions in industrial relations.

3.0 MAIN CONTENT

3.1 History of Trade Unionism in Nigeria

Serious efforts at trade unionism started in the country in August, 1912 with the inauguration of the Southern Nigerian Civil Service Union. When the geographical entity now known as Nigeria was created in 1914, the union changed its name to Nigerian Civil Service Union. One would assume that the union was tolerated under the UK law because the first ever Trade Union Ordinance was passed in 1938 and came into effect on 1st April, 1939. The Railway Workers Union was the first trade union to be registered under that ordinance.

The period between 1912 and 1939 did not witness much activities on the trade union front, but within the Nigerian Railway, many groups of workers gathered and organised themselves into trade unions. The most active of these were the technicians and the locomotive drivers who were more militant on many vital issues especially in accordance with the economic reality of the time. They also thought that the civil service union was too weak and slow and that strike, as a weapon, could be used to achieve their ends. During this period also, the Nigerian Union of Teachers (NUT) was inaugurated to resolve such burning issues as the harmonisation of conditions of service of teachers in government and mission schools and the regulation of the teaching functions by acting as watchdogs on the government education policies.

The period from 1939 to 1942 saw the coming into force of the real setting of industrial relations practice. With the merging of the various craft unions in the railway into the Railway Workers Union, there were persistent protests against the poor working conditions, the discrimination against the black workers vis-a-vis the white workers, as well as the disparity in the working conditions. This led to demand for a substantial pay increase to alleviate the sufferings of the Nigerian workers. As a result of the persistent protests, government set up the Bridge Committee which submitted its report in 1942. The year 1942 is important in the history of trade unionism in this country because many historic events took place then. Apart from the submission of the Bridge Report, the substantial increase recommended by the Committee was

paid. The Department of Labour was established; the Trade Dispute and Arbitration Ordinances, General Defence Regulations (which actually clamped down on strikes and lock-outs during the World War II) and Workmen's Compensation Ordinance were all enacted. In fact, the stage was set and the first steps towards effective industrial relations were taken in 1942.

The rapid development and growth of trade unionism between 1942 and 1977 were due to the enactment of the Trade Unions Ordinance which formally legalised trade unions and unionism. Furthermore, the economic hardship resulting from the effects of the World War II forced the unions to concentrate more on economic and welfare matters for the workers. This was the first effective step by the unions to regulate the terms and conditions of employment. The economic hardship led to the Federation of Trade Unions which formed the first Trade Union Congress (TUC) in 1943. The TUC then continued consultation with the Department of Labour, made demands for cost of living allowances and with the tremendous support it had from the unions and workers, successfully went on strike for 45 days in 1945 when government showed negative attitude towards its demands. Consequent upon the strike, government appointed the Tudor Davies Commission as a result of whose recommendations it granted substantial increase in pay and effected payment on zone basis. The zone system enabled workers in the urban areas to earn higher than those in suburban areas while those in rural areas earned the lowest. Another contributory factor to the growth was the effect of the General Defence Regulations under which many trade unionists were held in custody by the government. The unions consequently interpreted the ordinance to mean anti-unionism, and there were agitations. Lastly, the trade unions were aided by the nationalists who wanted to quickly liquidate the colonial overlords and so saw the trade unions as a tool towards this end. In fact, many of the then trade unionists ended up becoming big-time politicians.

The proliferation of trade unions in the country, coupled with their poor structure and internal wrangling, made government to restructure them. In fact, as at the time the restructuring was ordered, there were more than 1,000 trade unions in the country and when the report of the Administrator of Trade Unions was approved in 1977, only 71 industrial unions emerged for both junior and senior employees.

3.1.1 Pre-1977 Trade Union Organisations in Nigeria

Prior to the re-organisation of trade unions in 1977, trade union organisations were based on crafts, trades, type of employment, etc. as against the industrial unions that emerged from the reorganisation. The types of unions that existed as at that time may be grouped as follows:

3.1.2 The Craft or Occupational Unions

These comprised functionaries of a particular craft, occupation or related trade. They were horizontal in nature and their functions included the control of entry into the trade, the contents or syllabus for apprenticeship, and the laying down of prerequisites for membership. Since they belonged to an occupation and were mostly self-employed, collective bargaining was of little or no value to them as much as the determination of production quota and fixing of uniform prices for their products. Examples of such unions included the Watch Repairers Union of Egbaland, Abeokuta; Ijebu-Igbo Drummers' Association; Rivers State Butchers' Union; Nigerian Painters' Union; New Market Shed Carpenters' Union, Aba; and Northern Nigerian Drivers' Union. Such unions were however cancelled after the restructuring of trade unions.

3.1.3 Trade Unions

These comprised workers of a particular trade, e.g., Gbongan and District Brick Buyers Union and the Automobile Electrical Workers' Union of Western State of Nigeria. The difference between the crafts and trades unions is that while the crafts unions are mates, the trades unions are workers. These were also cancelled after the restructuring of the unions.

3.1.4 The House or In-Company Unions

These comprised workers employed by an employer. Such unions relied heavily on the number of workers employed by their employer for their membership and their names were tied to the names of their employers, they were therefore termed 'house' unions. These unions, together with others in paid employment, were those restructured to give birth to the post-1977 industrial unions. Such unions included NITECO African Workers' Union.

3.1.5 Industrial Unions

Industrial unions are those that cover all the employees in an industry or a collection of industries, and are usually strong due to their large membership. Industrial unions unify all workers irrespective of their trade, skill, position, grade, sex, creed or religion. Though there were a few of these before the restructuring, they also formed part of the restructured union. Examples of such unions are the Nigerian Union of Bank, Insurance and Allied workers, the Consolidated Petroleum, Chemical and General Workers Union of Nigeria, the Nigerian Union of Teachers, etc.

3.1.6 Industrial Federation

This consisted of all workers who belonged to the various unions that form it. Though the federations were usually loose and not as strong as the individual workers union that made them up, they were a formidable force during industrial crisis. An example of such a union was the Nigerian Union of Railwaymen which was made up of various autonomous unions.

3.2 Meaning of Trade Union

Trade union means any combination of workers or employers whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers, whether the combination in question would or would not, apart from this, be an unlawful combination by reason or any of its purpose being in restraint of trade, and whether its purposes do or do not include the provision of benefits to its members. The combination (of workers or employers) may have other purposes than regulating terms and conditions of employment and the fact that it has these other purposes shall not prevent it from being registered as a trade union under the Act. However, an agreement between an employer and a person employed by him as to the terms and conditions of the employment, or a master and servant for the purpose of teaching the apprentice a trade or profession, or partners as to their trade or business, or employers regarding their trade or business, or vendor and buyer imposing restriction in connection with the sales of the goodwill of a business shall not be said to constitute a trade union in accordance with the provisions of the Act.

3.3 Legal Status of Trade Unions

Under the common law, a trade union being an unincorporated body or association is regarded as a collection or group of persons who are individually responsible for the actions of the association. Under the Trade Unions Act however, a trade union is recognised as such once it is registered under the Act. Although trade unions could not be registered under the Companies and Allied Matters Act 1990, the legal personality it would have lacked for non-incorporation was restored under the Trade Unions Act. Consequently, a registered union is given the statutory personality by the Act, therefore, it can sue and be sued and be subject to the enforcement of a court order (S.41); enter into contractual relationship with other persons (S.22); own property which is to be vested in trustees; invest and apply its funds in any way it likes except for the furtherance of any political objective (S.15); and be subject to a trade union's immunity for legal actions for torts committed by its members in furtherance of any trade dispute (S.23).

3.4 Role of Trade Unions in Industrial Relations

The main function of a trade union is to 'regulate the terms and conditions of employment of workers.' The end result of trade unions is that the individual employee and employer hands over their freedom to regulate and bargain to their unions because the unions are in a position of strength to bargain for their collective membership.
Trade unions also regulate and encourage improved relationship between their members and the employers and between one member and another. This responsibility, unfortunately; is not well balanced in practice. Instead of the union leaders striving to encourage good relationship as 'partners in progress', their actions border on being 'adversaries in diversity'. However, the era of table banging being over and with the high standard and level-headedness of the leadership of the various unions in the country, better and more cordial relations will ensue.

Trade unions also have the responsibility to advance the education and training of their members. In this connection, unions are expected to organise seminars, workshops and other courses to educate their members on the cause of trade unionism and industrial relations and improve the relationship between their members and the employers. Towards this end, the Trade Union Institute (which government later took over) was established in Lagos and another one in Ilorin, Kwara State. Such institutions are expected to cater for the education and training of young and inexperienced trade unionists and refresh the old ones.

Finally, trade unions tend to secure increased control of industry by active participation of trade union leaders and officials in all facets of planning and running of industry at all levels, through political and industrial negotiations and activities. By this singular action, trade unions are eroding and eating deep into the fabrics of what used to be known as 'management prerogative'. Some unions have argued to have workers' representatives on the board of directors, being minority shareholders to whom the law had allocated ten percent of the share capital. Some have dabbled into pricing of company products by negotiating staff discounts for their members. Furthermore, through dialogues, trade unions have sought to influence company policies.

SELF-ASSESSMENT EXERCISE

Briefly describe the history of trade unionism in Nigeria.

4.0 CONCLUSION

In this unit, we have examined the history of trade unionism in Nigeria, the meaning, legal status, and role of trade union in industrial relations.

5.0 SUMMARY

Trade unions are the main power resource of working people. The power in this collectivity of workers can promote the resolution of a variety of problems faced by the workforce. The main function of a trade union is to 'regulate the terms and conditions of employment of workers'. The end result of trade unions is that the individual employee and employer hands over their freedom to regulate and bargain to their unions because the unions are in a position of strength to bargain for their collective membership.

6.0 TUTOR-MARKED ASSIGNMENT

What is a trade union and how does it differ from a social club operating at the workplace?

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UNIT 2 EMERGENCE OF INDUSTRIAL UNIONS

CONTENTS

1.0 INTRODUCTION

In 1978 there was the need to restructure the trade unions in Nigerian industries. There was reduction in trade unions from 1,000 in 1975 to 70 unions, made up of 42 industrial unions; Senior Staff Association 15; Employers Associations 9; and Professionals 4 (Fajana, 2006: 155). The major objective of the restructuring was to enable the unions provide the needed services to their members and be self-sufficient financially. In this unit, we shall examine the role of the industrial unions in industrial relations.

2.0 OBJECTIVES

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

- explain the meaning of industrial union
- discuss the structure of industrial union
- discuss the functions of each level of authority within the structure
- explain how intra-union disputes are settled.

3.0 MAIN CONTENT

3.1 Meaning of Industrial Union

Industrial unions are those that cover all the employees in an industry or a collection of industries, and are usually strong due to their large membership. Industrial unions unify all workers irrespective of their trade, skill, position, grade, sex, creed, or religion. Though there were a few of these before the restructuring, they also formed part of the restructured union. Examples of such unions are the Nigerian Union of Bank, Insurance, and Allied Workers; the Consolidated Petroleum, Chemical, and General Workers Union of Nigeria; the Nigerian Union of Teachers, etc.

3.2 Structure of Industrial Unions

The administration of the industrial union is controlled by its constitution, the supreme law of the union which forms the basis of the contract between the members to establish and operate the union. Any rule which contradicts derogates from or is inconsistent with the provision of the constitution and the Trade Unions Act shall, to the extent of its inconsistency, be regarded as null, void and of no effect. The government of the union is vested in national delegates' conference; the national executive council; the central working committee; the area or zone council, and the branch executive committee.

Each industrial union is expected to have the following national officers: the President (the political head of the union elected at the delegate's conference); the Vice President; the General Secretary (a paid employee of the union and the Chief Executive Officer of the union's secretariat); the Deputy General Secretary who assists the General Secretary; Assistant General Secretaries; who are paid officers and heads of the various departments of the Secretariat; the National Treasurer (who shall be elected at the delegates conference); the National Auditor (who shall audit the books as required by law); and three trustees.

3.3 The National Delegates Conference

The supreme authority of the union is vested in the delegates conference which is like the annual general meeting of a joint stock company. Unlike annual general meetings, however, not every union member attends the conference but delegates are appointed from each branch or unit to represent them. The number of delegates depends on the strength of the branch or unit.

3.4 The National Executive Council (NEC)

The NEC administers the affairs of the union in between delegates' conferences and is guided by the constitution of the union. It is the duty of the NEC to guard and further the interests of the members of the union, carry out policy decisions of the delegates conference, ensure proper and strict observance of the rules of the union by the members, both individually and collectively, safeguard the funds of the union, set up such departments or committees as it may deem necessary for the smooth and orderly conduct of the affairs of the union, issue directives for proper governance and administration of the union affairs, and perform such other jobs as may promote the objects of the union. The meetings of the NEC are far apart (ranging from four to twelve months apart). The NEC is dissolved at the delegates' conference at which elections would take place.

3.2.1 The Central Working Committee (CWC)

The CWC runs the affairs of the union on a day-to-day basis in between the meetings of the NEC. It holds its meetings monthly or as occasions demand. It also reports its activities to the NEC and handles appointments, finance, disciplinary and other daily administrative matters. In some of the unions, especially the senior staff associations, the NEC confirms the actions of the CWC.

3.5 Area or Zone Councils

Area or zone councils are created in each state or a collection of states or such a geographical area as may be determined by the NEC or the Conference. Each area or zone council has an executive committee which meets regularly to provide on-the-spot supervision of the area or zone office of the union. Each area, or zone council co-ordinates the activities of the branches or domestic units within its area of authority. It serves as an effective link between units or branches and the central body, ensures that the policy of the union is widely known, understood and implemented and generally strengthens the union in its area of authority, i.e. the council's jurisdiction.

3.6 Branch Executive and Domestic Unit

The branch and domestic unit consists of the members of an industrial union found in a firm or enterprise covered by the union. The company as a whole is taken as a branch while the various branches of the company are regarded as units of the union. Each branch has an executive committee and each unit within the branch has its own executive committee. These committees oversee the affairs of the union

in their establishments the proper organisation of the union at the grassroots, they represent their members at appropriate committees, councils and at the conference, they follow and implement the directives of the higher organs of the union in the conduct of its affairs for the good of the union.

3.7 The Shop Steward

The shop steward is to be found at every unit of the enterprise. He should have thorough knowledge and understanding of union-management agreements and working conditions in the trade and his duties comprise ensuring cordial union-management relations and protecting the interests of members at shop level; examining and settling on-the-spot disputes; and ensuring that all confirmed employees register with the union, safety measures are observed and that members' grievances are looked into.

3.8 Intra-Union Disputes

Disputes within the unions may emanate from disagreements among leaders and officials. Usually caused by struggle for power or sharing the spoils of office, such struggles have led to litigations in High Courts and have even led to a general strike. One might have thought that the employer should not worry about intra-union conflicts but when the experience of the National Union of Petroleum and Natural Gas Workers (NUPENG) of 1986 comes to mind, then the employers should worry. The crisis in the petroleum industry started when contrary to the NUPENG constitutional provision that a delegates' conference be summoned to elect new officers at the expiration of their two years term, the second national executive failed to convene a conference when their term expired in August, 1982.

When members of NUPENG could not persuade their leaders to summon a conference, they approached the registrar of trade unions for intervention. The registrar then ordered the leaders of NUPENG to hold the conference not later than 31st July, 1983. On 23rd July, 1983, NUPENG leaders convinced as delegate's conference which was held in Warri and at which a new National President was elected. The old executive challenged the election of the new President in a High Court but lost. This High Court decision was also confirmed by the Federal Court of Appeal. The supporters of the defeated executive tried to undermine the victorious new President and then convened another delegate's conference in December, 1984 before the expiration of the two-year term of the newly elected executive, contrary to the provision of the union's constitution. The newly elected executive went to court and the court restrained the supporters of the defeated executive from

holding any such conference. Yet they went ahead and elected their own men. This latest election was challenged in a high court by the reigning President but he lost. He appealed to the Federal Court of Appeal where the verdict of the high court was rescinded and quashed.

Having lost on all grounds, the supporters of the defeated executive, instead of taking their case to the Supreme Court, opted to instigate oil tanker drivers to embark on an industrial action. As a result, there was shortage of petroleum products, industrial activities were paralysed and the federal government was embarrassed. The government had to step in and threatened to invoke the provisions of Trade Disputes (Essential Services) Act No. 23 of 1976 for the tanker drivers to return to work. One might be tempted to argue that the government's intervention was unnecessary and violation of the democratic rights of the workers but when one realises that as at 1987, Nigeria realised over ninety per cent of its national income from petroleum products, and that most of the industrial plants run on petroleum products, no responsible government will fold its arms and allow minor intra-union feuds to paralyse the national economy.

One question that agitates the minds of personnel specialists is how soon the intra-union disputes can be settled without the employer suffering as a result, especially in an industry that does provide an essential service to the nation? It is being anticipated that if the management of each enterprise employing the workers involved in intra-union disputes can 'work' on their own workers and make them realise their own loss should the employer suffer unnecessarily as a result of the conflict within the union, they might see reason and resolve the crisis swiftly. Another school of thought believes that since the crisis had led to a split (although the Trade Unions Act recognises a splinter group) the check-off should be withheld and when the union is starved of funds they may reach a quick compromise. To this suggestion however, the opposing group argued that to withhold the check-off is to infringe the law which stipulates that check-off should be paid to the union. They explained further that since a faction still bears the original name recognised by the registrar of trade unions, the check-off must be paid to that faction. To this, the protagonist of 'with-hold the check-off' option argued that once this money is paid to that faction, the employer would seem to have put his weight behind the faction. However, the opposing school of thought argued that with better financial management on the part of union officials, the faction who still had access to the funds of the union can hold on for as long as they can manage with the funds in the account.

At times such disputes lead to a split in the union and we have the splinter or minority groups each side claiming to represent the interest of the workers. The first problem is the determination of the group that

genuinely represents the interest of the workers. Before the reorganisation of the unions, the practice was that a trade union whose membership represented sixty per cent of the workers should be recognised. The employer usually found this out by making the workers complete a form that they do or do not belong to this or that faction of the union. This type of problem faces employers who have to deal especially with craft or house unions.

After the restructuring of the unions into national unions, the Automobile, Boatyard, Transport Equipment and Allied Workers Union of Nigeria faced such a splinter group when the Deputy General Secretary was suspended indefinitely in 1988. This suspension was ratified by the central working committee. Rule 8 of the constitution of the union vested the power to discipline an officer in the national executive committee. In a swift reaction, the Deputy General Secretary organised a NEC meeting of his faction and in a communiqué that was issued thereafter, the General Secretary was said to have been retired while the President was relieved of his post. Unfortunately, a national negotiation was going on when the intra-union dispute erupted. In the imbroglio that followed, the NJIC meeting was suspended between August, 1989 and March, 1990. During this period, many employers suffered loss of good staff who left for other industries that offered better compensation packages as a result of the negotiations they have concluded. Workers alike were denied benefits they would have enjoyed had negoti3tions been concluded on time.

When in 1992 the spate of intra-union crisis within NUBIFIE rocked the banking industry and almost disrupted the financial sector, several court injunctions were taken against members, employers and the Minister of Employment, Labour and Productivity. The crisis brought negotiations with employers to a standstill and industrial relations practice was in confusion. In order to bring sanity to the financial sector, government promulgated Decree No. 47 of 12th November, 1992 excluding civil courts from adjudicating over trade disputes and inter or intra-union disputes. The same law upgraded the status of the National Industrial Court to that of a superior court-of-records and confirmed it as the final arbiter on matters concerning trade disputes and inter and intra-union disputes except questions of fundamental rights as contained in Chapter IV of the Constitution of the Federal Republic of Nigeria on which an appeal can be granted.

The other problem that should make intra-union disputes be of concern to the employer relates to the disposal of the check-off deducted from the wages of workers. To what faction of the union should the employer pay the check-off? The employer should closely study both the Trade Unions Act and the Labour Act before any action is taken on the proper

course. Section 7(d) of the Labour Act states that "pay any sum so deducted to the union" and the Trade Union Act is silent on the splinter group in the industrial union. The only feasible action is for the employer to deduct the check-off, keep it and ensure that the rift is settled so that the relationship between the employer and the union is not affected. Since the union will not take kindly to non-payment of check-offs, the union officials always pressurise employers to pay the check-off to their factions but the more they run out of cash the quicker the problem leading to the dispute is resolved and consequently the split will be mended and the union becomes one again. However, intra-union disputes can now lead to a trade dispute upon which the AP and the NIC can adjudicate. Both bodies (the AP and the NIC) now have the power to appoint a public trustee (sole administrator) for the management of the affairs and finances of a trade union involved in intra-union disputes.

SELF-ASSESSMENT EXERCISE

Describe the structure of industrial unions created in 1978.

4.0 CONCLUSION

In this unit, we examined the meaning, structure and functions of the industrial unions. The unit has also shown how intra-unions disputes are resolved.

5.0 SUMMARY

Industrial unions are those that cover all the employees in an industry or a collection of industries, and are usually strong due to their large membership. The administration of the industrial union is controlled by its constitution, the supreme law of the union which forms the basis of the contract between the members to establish and operate the union. The industrial unions are affiliated to the Nigerian Labour Congress. Under the present structure, each national or industrial union has its exclusive jurisdiction or territory, in which it claims the right to organise workers and to control labour relations. An industrial union’s jurisdiction is the area in which it draws its membership, and no other union can compete with it for the workers in the particular industry.

The branch unions remain the point of contact between the worker and the industrial unions. Branch unions play leading role in grievance settlement, interpreting and administering the collective agreement in the place of work.

6.0 TUTOR-MARKED ASSIGNMENT

Describe the structure and functions of industrial unions created in 1978.

7.0 REFERENCES/FURTHER READING

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UNIT 3 CENTRAL LABOUR ORGANISATIONS

CONTENTS

1.0 INTRODUCTION

Another era in trade unionism started in 1976 when government enacted the Trade Unions (Central Labour Organisation) Act (No. 44 of 1976) which cancelled the registration of the four existing central labour organisations and appointed an Administrator of Trade Unions who was to restructure the trade unions, act and perform the functions which a central labour organisation would have ordinarily performed. The Administrator reduced the trade unions from 1000 in 1975 to 70 unions, made up of 42 industrial unions; Senior Staff Association 15; Employers Associations 9; and Professionals 4 (Fajana, 2006: 155). In this unit, we shall examine the history and development of Central Labour Organisation in Nigeria.

2.0 OBJECTIVES

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

- explain the history of Central Labour Organisation in Nigeria
- explain its development and ideological orientations of categories of central labour organisation
- outline government intervention to save the image of the country
- outline the restructure and emergence of two Central Labour Organisations.

3.0 MAIN CONTENT

3.1 Historical Background

The development of a central labour organisation started in July, 1943 when the first Trade Union Congress (TUC) was inaugurated. The support the TUC got from the unions accounted for the success of the 1945 general strike. Unfortunately however, owing to ideological and political differences and inclinations, the TUC faced a crisis which led to its split in 1949. This also led to the formation of another central labour organisation which was named the Nigerian National Federation of Labour (NNFL). The NNFL became a second central labour organisation and not only was it affiliated to a political party, the National Council of Nigerian Citizens (NCNC), it also made the assumption of public control of all major industries and the eventual creation of a socialist government one of its objectives. Thus, by the end of 1949, there were two ideologically opposed central labour organisations in the country.

Labour also suffered another set-back in 1949 when 21 coal miners were shot dead at Iva Valley, Enugu on 18th November and their union was thrown into disarray until sometime in 1950. While arrangements were on to form another miners' union, the TUC and the NNFL agreed to amalgamate and on 26th May, 1950 the first Nigeria Labour Congress (NLC) was inaugurated. The NLC was affiliated to the World Federation of Trade Unions (WFTU) which was communist oriented. At home, the NLC affiliated to a political party but this and the lack of interest and stability frustrated it and in August, 1953 another central labour organisation was born and christened the All-Nigeria Trade Union Federation (ANTUF) to succeed the NLC. The ANTUF existed for only four years before it faced a split and in April, 1957, the National Council of Trade Unions of Nigeria (NCTUN) was inaugurated.

The birth of the second Trade Union Congress (TUC) was witnessed at the Dayspring Hotel, Enugu on 7th March, 1959 when the ANTUF and the NCTUN amalgamated. The second TUC was led by late Alhaji H. P. Adebola but faced a split after only one year of existence, before its first annual conference. Between March and April, 1960 two factions of the TUC held different conferences in Kano and Lagos. The result was that one faction maintained the original posture of the TUC and was led by H. P. Adebola while the other, under the leadership of another veteran labour leader, Michael Imoudu, was named the Nigerian Trade Union Congress (NTUC). In May, 1962, the federal government, under the late Alhaji Abubakar Tafawa Balewa, sponsored a nationwide conference of registered trade unions in Nigeria for the purpose of uniting the labour movement. The conference was held at Ibadan between 2nd and 5th

May and consequently, the United Labour Congress (ULC) emerged. Unfortunately however, the efforts of the federal government was frustrated the same day because while the unions were busy passing resolutions to effect the emergence of the new central organisation, a rival central organisation named the Independent United Labour Congress (IULC) was being launched in the same city, Ibadan. Between 1962 and 1964, two other central labour organisations sprang up bringing to four the number of central labour organisations in the county. They were the United Labour Congress (ULC), the Labour Unity Front (LUF), the Nigerian Workers' Council (NWC), and the Nigerian Trade Union Congress (NTUC). Frustrated by this attempt, the government adopted a 'wait and see' attitude leaving these organisations to sort out things on their own. This situation remained until 1974.

3.2 The Apena Declaration of Unity

The impasse was broken in 1974 when a frontline labour leader, Mr. J. A. Oduleye, the national treasurer of the United Labour Congress (ULC) died. Incidentally, the junior brother of the deceased, Mr. S. O. Oduleye, was the general secretary of the Labour Unity Front (LUF). At the Apena cemetery where the late Oduleye was to be buried, labour leaders from the four central labour organisations were present, the ULC to bury their national treasurer, the LUF to mourn with their general secretary on the death of his brother; and the NWC and the NTUC to show fraternity and labour solidarity. It was an opportune time for the labour leaders to reflect on the past, especially when they came from different camps and with different ideologies and orientation but struggling for the same purpose and for the same set of people - the Nigerian workers. Under such a sober atmosphere, the labour leaders seemed to see the futility in their disunity and Mr.Okon Eshiett, the director of the Trade Union Institute, as it was then known, wrote a draft unity declaration. This instrument was signed by the labour leaders of the four central labour organisations present and was tagged the "Apena Cemetery Declaration". On the basis of this declaration, the four central labour organisations agreed to amalgamate and consequently set up a steering committee with membership from the four organisations. This committee worked between 1974 and 1975 as a result of which the second Nigerian Labour Congress was launched at the Lagos City Hall on Friday, 19th December 1975. Present at the launching of the second NLC were representatives of international trade union organisations from the USA, Eastern and Western Europe and from the Organisation of African Trade Union Unity (OATUU). However, government was sceptical of the unity and refused to recognise the new NLC but had the mind of using the force of law to unite the labour movements (Onasanya, 2005).

3.3 Probe of Union Leaders

Two weeks to the launching of the second NLC, government introduced labour policy of "limited government intervention" and "guided democracy". On the day of inauguration, government announced that it would probe the leadership of the four central labour organisations. Government actually probed them in 1976 and banned eleven of them from trade union circle.

3.4 Government Restructures of the Trade Unions

Another era in trade unionism started in 1976 when government enacted the Trade Unions (Central Labour Organisation) Act (No. 44 of 1976) which cancelled the registration of the four existing central labour organisations and appointed an Administrator of Trade Unions who was to restructure the trade unions, act and perform the functions which a central labour organisation would have ordinarily performed.

Among the specific functions given to the administrator were, performing on behalf of trade unions, the same duties as are normally performed by a central labour organisation including representing the general interests of the trade unions on any advisory body set up by the federal military government; promoting the education of members of trade unions in the field of labour relations and connected fields; collecting and disseminating to members of trade unions' information and advice on economic and social matters; and giving advice, encouragement and financial assistance to trade unions in need thereof taking all steps necessary to effect a single central labour organisation to which shall be affiliated, all trade unions in Nigeria; taking all steps as the Administrator may consider necessary to encourage and effect the formation, whether by amalgamation or federation of existing trade unions or otherwise, of strong and effective trade unions and management and protection of the funds and properties of the four central labour organisations, that is, the Labour Unity Front, the Nigerian Trade Union Congress, the Nigerian Workers' Council and the United Labour Congress of Nigeria."

In addition to the above, the Administrator was given the responsibility to draw up a constitution for the election of officers and all matters relating to the structure and administration of a central labour organisation; rules relating to elections, number of conference delegates, voting rights, balloting and conduct elections in accordance with the rules so drawn up.

Although there were protests from the NLC officials, government remained undaunted and the restructuring of the trade unions was

completed. At the end of the exercise, government gave it the backing of the law by enacting the Trade Unions (Amendment) Act No. 22 of 1978. This Act substantially amended the Trade Unions Act No. 31 of 1973. Section 5 of the old Act was amended to give effect to the restructured unions.

The effect of this is that all the various house unions (over 1,000) were restructured on industrial basis and the resulting industrial unions were automatically registered. The unions were, so to say, forced to unite to form what we now know as the industrial unions. Forty-one of such Workers Industrial Unions survived till 1996. However, between 1992 and 1996, the NLC embarked upon another restructuring exercise of the industrial unions. Unlike the 1977 exercises, which restructured the unions on industrial basis, the aims of the 1996 exercise were to harmonise those of them with similar or identical objectives, make them more viable and more virile. Twenty-two of the former unions were spared while nineteen were merged to form seven unions. The list of the new twenty-nine workers industrial unions registered by government as a result of the restructuring exercise is shown as Part A of Appendix 13. So far no indication has emerged that the corresponding Senior Staff and Employers Associations were prepared to merge and Decree 4 of 1996 which legalised the 29 Industrial Unions had not mandated them to merge.

3.5 Registration of Federation of Trade Unions

In order to democratise the trade union movement, Section 34 of the Trade Unions Act was amended to provide for the registration of more than one federation of trade unions i.e. central labour organisation, by the Registrar of Trade Unions. A federation of trade unions may be registered by the Registrar if:

- its main objective is to represent the interest of employees
- it is made up of 12 or more trade unions none of which shall have been a member of another registered federation of trade unions
- it has been established by resolution of the national delegates conference of the trade unions that constitutes its members
- it has adopted a name that does not resemble the name of another federation of trade unions
- it has adopted a constitution and or rules in accordance with the First Schedule of this Act; it has its head office in the Federal Republic of Nigeria
- it has submitted to the registrar an application in the prescribed form signed by at least two authorised members of at least 12 registered trade unions wishing to become its members.

If within 90 days of receipt of the application, the Registrar is satisfied that all requirements with respect to the registration of Federation of Trade Unions have been met, he may register the federation and issue a certificate of registration as evidence thereof. These requirements do not affect any trade union or federation that had been or deemed to have been registered under the Act as they shall continue to exist subject to the requirements introduced by the year 2005 amendments and enjoy the rights attached to their registration unless and until they are dissolved, amalgamated, judicially forfeited or their certificate of registration cancelled.

3.6 Functions of the Federation of Trade Unions

The Act that established the FTU also provided that the federation shall have the powers subject to its rules to represent the general interests of its members on any national advisory body set up by the government of the federation. For example, Labour Advisory Council, to collect and disseminate to its members, information and advice on economic and social matters; to give advice, encouragement or financial assistance to any of its members in need thereof; to promote the education of members of trade unions the field of labour relations and connected fields; and to render any assistance provided for under the articles of affiliation.

In addition to the above, the NLC constitution provides that the main aim of the Congress is to do anything within its constitutional limits or such limits as may be laid down by any law in force to protect and promote the rights, privileges and interests of all and or any of its affiliated organisations and individual members of such organisations through attainment of promoting, defending and maintaining the rights and interest of labour; assisting in the complete organisation of all workers eligible for membership of the organisations affiliated to the Congress, irrespective of creed, state of origin, sex and or political inclination; taking such action as is necessary to settle disputes between the members of such organisations and their employers; between such organisation themselves; between such organisations and their employees; affiliating to, or subscribing to, or assisting any other workers organisations in Africa whose aims and objectives are similar to those of the Congress, seeking understanding and co-operation with other labour organisations of the world; generally improving the economic and or social conditions of workers in Nigeria in accordance with the provisions of the constitution, printing and publishing literature designed to enhance the achievement of the aims and objectives of the Congress; and advancing the cause of workers education.

3.7 Junior Employees and Affiliation to FTU

Government restricted affiliation to the then only FTU (the NLC) to only the junior workers unions through two statutes - Trade Unions (Amendments) Act No. 22 of 1978 which amended Section 33 of the Principal Act. The Trade Unions (Miscellaneous Provisions) Act No. 17 of 1986 in Section 2, sub-sections 3 to 5 further amended Section 33 of the principal Act by providing that trade unions specified in Part B of the schedule to the Act (i.e. Senior Staff Associations) shall not affiliate to the Congress and that it shall be an offence for any trade union not specified in Section A (i.e. Senior Staff and Employers Associations) to affiliate to the Congress. Penalty in form of fine, jail sentence or both is imposed for the breach of the law. In Section 2(6), the Act also provides that any senior staff, association which affiliates with the NLC may have its name struck out by the Minister of Labour from the list of registered unions.

3.8 Central Organisation and Senior Staff Associations

After the government had restructured the Trade Unions, the Senior Staff Associations' bid to affiliate to the only Federation of Trade Unions, the NLC, was unsuccessful. They also tried to register a central labour organisation and that also failed. In their bid to get registered, they wrote a memorandum of protest to the federal government protesting against the provisions of Section 33.1 of the Trade Unions (Amendment) Act No. 22 of 1978. In the protest, they said"... as responsible citizens, the leaders of the Senior Staff Associations sought legitimate recognition and registration. Although this official registration has not been achieved, the Senior Staff Associations have genuinely been law abiding. Hence, in the main, the Senior Staff Associations have complied with the provisions of non-affiliation.

In the petition to the government, the unions cited a portion of the report of the Administrator of Trade Unions, Mr. Michael Abiodun, and wrote, "In his recommendation, Mr. Abiodun highlighted the need to separate senior staff from the generality of workers. Consequently, workers (both junior and senior) were allowed to form their own separate national unions and Mr. Abiodun also saw the need for a federation of senior staff association existing side-by-side with the Nigerian Labour Congress (NLC) when he suggested that Senior Staff Associations can form their own federation in due course if considered necessary and not to be affiliated to the central labour organisation."

Based on this recommendation, which government had rejected, all Senior Staff Associations formed themselves into a federation named Federation of Senior Staff Associations of Nigeria (FESSAN). On 15th

April, 1986, FESSAN met with the Permanent Secretary of the Ministry of Employment, Labour and Productivity and threatened to seek a court injunction against government.

However, FESSAN and the Ministry agreed that the former should drop its identity to give way for the registration of the Senior Staff Consultative Association of Nigeria (SESCAN) under the Land (Perpetual Succession) Act (Cap 98) of the Laws of Nigeria. It was further agreed that the government should fully integrate SESCAN as a consultative body, representing the Senior Staff Associations in the country.

As a result of the above agreement, SESCAN was registered as a consultative association under the Land (Perpetual Succession) Act in December 1986. In addition, SESCAN was allowed a representative on the Labour Advisory Council and the National Directorate of Employment. With the registration of SESCAN, the cloud of uncertainty and its position as a central labour organisation is clear. It is only a consultative association that can neither practise trade unionism nor engage in direct negations with employers - the exact position of the Nigerian Employers' Consultative Association (NECA) which is the central organisation of the employers' associations. Apart from being consulted by government, SESCAN can also advise its member associations on industrial relation matters. However on May 4, 2001 SESCAN transformed to the Trade Union Congress (TUC).

SELF-ASSESSMENT EXERCISE

Explain the incidence that led to Apena Declaration of Unity of 1974.

4.0 CONCLUSION

In this unit, we have examined the historical background and development of Central Labour Organisations in Nigeria. The unit also discussed the implications of the ideological leaning and funding of the Central labour organisations and the government intervention in restructuring the Central Labour Organisation to two - Nigerian Labour Congress and Trade Union Congress. The junior workers affiliate to the Nigerian Labour Congress, while senior staff associations affiliate to Trade Union Congress.

5.0 SUMMARY

The restructure of Central Labour Organisations brought a new sense of direction and transformation on labour movement in Nigeria. This intervention by government made it possible for the Central Labour

Organisations to be self-sufficient, especially with their reliance on foreign trade unions for assistance. The new policy made it possible to check ideological conflicts in the central labour organisation, especially government's proscription of International Federation of Trade Union (ICFTU) and World Federation of Trade Union (WFTU). In this policy, Nigerian workers could only affiliate to Organisation of African Trade Union Unity (OATUU). This policy brought about a transformation in Nigerian Labour Movement.

6.0 TUTOR-MARKED ASSIGNMENT

Describe the historical development of Central Labour Organisation in Nigeria.

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UNIT 4 EMPLOYERS' ASSOCIATIONS

CONTENTS

1.0 INTRODUCTION

The employer is that person or persons who have contributed their properties in a business venture with the intention of making some profits in return. In modern industry, the employer is very likely to be faceless, obviously separated from the workforce. In a public company or state parastatal, the management of the workforce is usually delegated to a hierarchy of managers through a board of directors. Employers categories in Nigeria include the locally and foreign owned corporations, state governments and their corporations and enterprises of various sizes and nationality. In this unit, we shall examine the development and functions of employers association in industrial relations.

2.0 OBJECTIVES

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

- explain the origin and growth of employers' association
- describe the structures and functions of employers' association
- trace the emergence of Nigerian Employers' Consultative Association and its functions and activities in industrial relations.

3.0 MAIN CONTENT

3.1 Origin and Growth of Employers' Associations

Employers' organisation and associations developed out of the desire of employers to protect their collective interests. Such interests often relate to the management of human resources which may include personnel administration, staff training or industrial rc1ations, among others. Unlike the trade unions, employers' associations are a relatively new phenomenon in the development of industrial relations in Nigeria. Although history records that by 1954 there were eight employers' associations in Nigeria, there is no record that any of the associations was responsible for industrial relations; rather, they were primarily "interested in regulating trade practices and providing friendly services.'" In fact, the first attempt at forming an employers' association to deal with the management of human resources and relations with the trade unions was the inauguration of the Nigeria Employers' Consultative Association (NECA) in 1957.

In 1978, the restructuring exercise created 9 employers' association. There were, however, other employers' associations which sought to protect the interests of such employers in areas of commerce and commercial activities. Such associations include the Chambers of Commerce. Where the interest is related to production and manufacturing in general, associations that emerged include Manufacturers' Associations. The last comer in the group is the Industrial Employers' Associations which is connected with the practice of industrial relations. As at 1984, there were no less than 22 registered employers' association operating in Nigeria.

3.2 Structure and Functions of Employers' Association

Most employers' associations are governed by organs such as their secretariats, and specialised committees whose forms, character and tenure would depend on the peculiar circumstance of the time and the extent to which the association's focus has been altered by the environment.

The Nigerian employers' association also perform the following generalised roles:

- serving the interest of members by regulating the labour market
- protecting employers against the demands (or opposing the pressures) of powerful trade unions
- engaging in multi-employer collective bargaining either because accommodation rather than opposition of trade unions is the only feasible option
- providing management information and advice to assist member companies
- protecting the interest of employers against suppliers of raw materials, non-employee professional bodies, etc. (a production function).

Employers associations deal mainly with industrial relations matters; that is, negotiating labour matter on behalf of their members. Some also deal with secondary issues such as production, commercial and social matters. The forum of employers' associations enables members to present a strong representative voice for lobbying to get favourable labour policies.

3.2.1 Industrial Employers' Association

When the trade unions were restructured in 1978 and industrial unions and associations emerged, NECA advised its member-companies to form themselves into industrial associations to counterbalance the strength of the new industrial unions. This was actually necessary because it was feared that it would amount to a mismatch bordering on a suicide bid for an industrial union to face a single employer for negotiation purposes because, hitherto, the individual employer had been negotiating with the house union. If NECA did not take such an urgent step, the employers would have been worse off because the cooperation that existed among the various house unions that metamorphosed into the industrial unions did not exist among the employers for reasons which may not be unconnected with keeping their secrets.

3.2.2 Structure of Industrial Employers' Association

The Nigerian Employers' Consultative Association is structured in such a way that all member companies will be able to have an input into their decision-making process. In order to function properly and achieve the objectives, industrial employers' associations have two standing committees. The first is the Committee of Personnel Experts (COPE)

which comprises all personnel managers in the industry. The committee deals with industrial relations and general personnel management matters; handles negotiation processes and procedures with the industrial union after obtaining the required mandates from the committee of chief executives to which it reports; prepares the grounds for collective bargaining; and generally advises the committee of chief executives on general personnel and industrial relations matters.

The committee of chief executives (COCE), on the other hand, decides on policy matters; generally sets the negotiation mandates for the committee of personnel experts and obtains inundates from the General Meetings, comprising all members to which it reports. The committee is made up of all or a few elected numbers of chief executives. Industrial employers' associations have their secretariats where an Executive Secretary is employed as the Chief Executive Officer responsible to the committee of chief executives. The secretariat provides a data bank for information and the executive secretary is usually an expert who can offer on-the-spot advice to members. The secretariat also provides secretarial services to all committee meetings and the National Joint Industrial Council (NJIC).

3.3 Central Employers' Organisations

Like the unions' central labour organisation, employers also have their central organisations to deal with their collective interests. Currently, three of such central organisations exist - the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) which is the central organisation for employers with identical interest in trade and commercial activities and matters directly related to them; the Manufacturers' Association of Nigeria (MAN), the central organisation which deals mainly with production and matters relating to manufacturing in general; and the Nigeria Employers' Consultative Association (NECA) which is the central organisation of employers dealing mainly in personnel management and industrial relations.

These central organisations have different purposes, and their functions and those of the industrial employers' association are inter-related and complement one another. For example, if there is no production there cannot be sales and when there are no sales, salaries cannot be paid. Also, if customers do not order for products, there will be no work for the factory hands.

3.4 Nigeria Employers' Consultative Association (NECA)

NECA is a central employers' organisation which is concerned with the management of human resources, and is the only organisation directly

responsible for ensuring industrial peace through proper handling of human problems in the industry and commerce. It deals with industrial relations and all matters that affect the human being at work. It is an undisputable fact that wherever the development of personnel management and industrial relations is mentioned in this country, NECA will always be remembered as the fore-runner and 'father' of industrial relations.

NECA is a non-profit making, consultative association of employers inaugurated on 16th January, 1957 and registered under the Companies Act as a registered company limited by guarantee not having share capital but without the use of the word 'limited' at the end of its name. It is not a trade union, should neither act as one nor should it interfere with the individual autonomy and independence of its members in the conduct of their affairs. It is a federation of employers as well as a parliament of employers and a constitutional monarch whose function is "to advise, encourage and warn" members.

3.5.1 Structure of NECA

The association operates under the principle that while the general membership lays down the policy, decision-making is actually done by a representative body called the governing council.

NECA also has two standing committees which are appointed by the Governing Council - the industrial relations committee and the training and education committee. Members of these two committees are specialists in those fields nominated by member companies of NECA from their employees. In addition, NECA has a management committee which is under the President of the association. Consequently, the organisational structure of the Association would look like this:

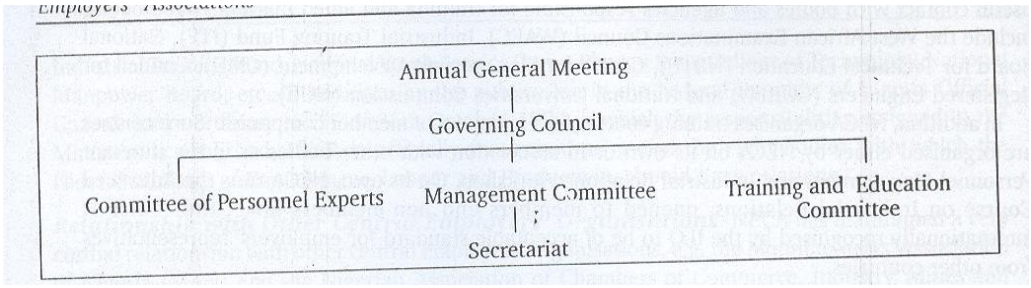

Fig. 1: Organisational Structure of NECA

NECA also maintains an up-to-date secretariat under its Director General. The Secretariat is responsible to the Governing Council through the Management Committee.

3.4.2 Functions of NECA

NECA assists its members in the:

- maintenance and promotion of good relations between them and their employees.
- encourages the payment of equitable rates of wages and salaries.
- assists members as appropriate with advice on the settlement of disputes either between members or between members and employees.
- promotes or encourages technical and other forms of education and research for the development of efficient employees in all or any branches of industry and commerce in Nigeria.
- promotes, influences, modifies and seeks the repeal of legislations and other measures affecting or likely to affect employers.
- it also communicates with public authorities and related bodies or organisations on all matters affecting the interests of members and other employers of labour.
- cooperates with other associations or chambers in such matters.
- represents the views of members both nationally and internationally on all matters falling within the objects or competence of the association and participates in boards, councils and other public bodies dealing with such related issues.
- provides information, advice and guidance to members, and undertakes education, training and other specialised services and makes representations to government and appropriate agencies of government on matters within the objects of the Association or affecting or likely to affect the interests of members.

3.6 Other Activities of NECA

NECA provides its members with the above services by undertaking the following activities:

3.6.1 Data Bank for Information and Research

The secretariat collects, analyses, and disseminates information on matters within its competence to its members. Much of the information given by NECA to its members are connected with collective bargaining and industrial relations in general. Information is collected from member companies, industrial associations, research products, decisions of the IAP NIC and other sources, provided the information is not injurious to the cause of the Association or any member company, the security of the

nation or amounts to contempt of any civil court. Information dissemination is through circular letters, NECA News (a newsletter of the Association) or a response to specific enquiry by any member or industrial association affiliated to NECA.

3.5.2 Consultation, Advice and Guidance

NECA gives advice or guidance to its members on specific matters which may relate to collective bargaining, trade disputes, legal matters, grievances, application of the provisions of the labour law, interpretation of legislations, contracts and government directives and awards of the IAP and NIC. However, in view of more and regular involvement of government in economic policies and industrial relations, the Association has developed a system of issuing numbered "memoranda of advice and guidance" on matters which the governing council feels are important and complex. Such matters must in one way or the other be related to the management of human resources in commerce and industry.

3.5.3 Education and Training

Carried out through the training and education committee, its second standing committee, NECA trains and develops employees at all levels in member-companies while increasing the training consciousness of members. To this end the committee maintains very useful contact with bodies and agencies responsible for training and allied matters. Such bodies include the West African Examinations Council (WAEC), Industrial Training Fund (ITF), National Board for Technical Education (NBTE), Centre for Management Development (CMD), Council for Registered Engineers (COREN) and National Universities Commission (NUC).

In addition, NECA organises training courses for employees of member companies. Such courses are organised either by NECA on its own or in association with other bodies as in the itinerant Personnel Management and Industrial Relations Workshop. On its own, NECA runs the Advanced Course on Industrial Relations, opened to members and non-members alike, the course is internationally recognised by the ILO to be of acceptable standard for employers' representatives from other countries.

3.5.4 Personnel Management and Industrial Relations

NECA seeks to foster the development of sound personnel policies and enlightened personnel management which are necessary ingredients required to reduce industrial conflicts to ensure that workers have the

motivation required for the efficient operation of the undertaking and to provide the employer with an established framework of thought so as to react intelligently and consistently to new problems.

NECA also provides necessary documentation and guidelines for employers in formulating their personnel policies. In this regard, emphasis is laid on such areas as communication, recruitment, training, collective bargaining, joint consultation, conditions of employment, wages and salaries structure and administration. NECA also advises and sometimes assists its members in the selection of their personnel specialists to ensure that the person holding the post has adequate training and experience to hold such a sensitive position. This function is very important since the Association realises that the incumbent will be involved in collective bargaining and negotiations with the trade unions - a source of prospective conflict between the employer and the employees. To this end, the association's policy is to strictly use collective bargaining system and it assists the employers in the training of their negotiators. The association therefore constantly reminds its members of the legal position of collective bargaining which is to influence the method of decision making rather than the decisions - and also to make the principles of cooperation between employer and employees continue to play an important role in industrial relations with a view to preventing strikes and any form of industrial action. Consequently, collective bargaining is gaining more ground and prominence in the functions of personnel management and industrial relations.

Finally, NECA, in its attempt to forestall the economic and social disruption that results from strikes, work stoppages and any form of industrial action, has accepted responsibility for the development of the industrial employers' association. NECA therefore encourages and gives practical assistance to employers to form an industrial employers' association where there is none; provide support services for those employers' associations that have no full-time executive secretaries; and provide physical facilities that would enable as many industrial employers' associations as possible to operate from offices in the-same building as NECA or as near as possible to foster the spirit of oneness and facilitate consultations.

3.5.5 Relationship with Government

NECA's views on labour matters are quite appreciated and respected by the government. Through NECA, the private sector has co-operated fully with the government especially on legislations that affect the economic and social life of the country. NECA plays an important role in seeking amendment to existing or proposed legislations which could

have a harmful effect on its members or to improve the practical execution of the government's intentions.

In view of this cordial relationship, the association is represented on twenty-six Boards and Committees set up by the federal and state governments, the universities and other institutions of higher learning and voluntary organisations. Such bodies include the National Labour Advisory Council, Nigeria Social Insurance Trust Fund Management Board, Productivity Prices and Income Board, National Board for Technical Education, Nigerian Council for Management Development, Industrial Training Fund, National Youth Service Corps, Plateau State College of Technology, National Manpower Board, etc. In addition, by the publication in the Federal Republic of Nigeria Official Gazette Extra-ordinary No.55 of 26th October, 1979 in which the responsibilities assigned to the Ministers is published, NECA is officially recognised as one of the eight bodies with which the Federal Ministry of Employment, Labour and Productivity should have relations.

3.5.6 Relationship with other Central Employers' Organisations

NECA has maintained a very cordial relationship with other central employers' organisations, e.g. the Manufacturers' Association of Nigeria (MAN) and the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA). The three bodies have formed themselves into the 'organised private sector' and have been meeting with government on matters of interest to management-labour relations, production and the economy in general.

3.5.7 Relationship with the Nigeria Labour Congress (NLC)

Since the creation of NLC in 1978, NECA has been able to establish working relations with that body to discuss matters of common interests. The relationship is of mutual benefit because it is aimed at bringing both capital and labour closer with the aim of removing areas of conflict thereby improving relations.

3.5.8 International Relations with other Organisations

NECA believes that labour matters have no frontiers and that the industrial relations experience of one country can be useful to another provided such experience is considered in the light of the conditions prevailing in the other country and used to create something new and original to serve a particular need. Thus, NECA belongs to the International Organisation of Employers (IOE) which is a co-ordinating

body for private enterprise employers participating in meetings, conferences and other activities of the ILO. As a member of IOE, NECA receives advance and detailed information on ILO meetings, international developments in wages, labour and industrial relations, training and hours of work, which NECA passes to its members.

NECA's international relations has brought to its members, results of discussions, meetings and conferences aimed at bringing together, the three forces at work in the dynamics of modem industrial relations to combine in a courageous and fertile collaboration by means of constant dialogue for the study and solution of ever renewed and recurring problems.

3.5.9 Links with Institutions of Higher Learning

NECA's relations and interactions with universities and other institutions of higher learning has helped the industries in assessing their manpower needs, supply of better qualified manpower, industrial training and manpower development, access to a variety of post-experience training facilities, research results and the use of the physical facilities of these institutions and the expertise of their staff.

However, as a federation of employers, NECA's role among its members is purely consultative, since it does not enforce its advice on its members, although the constitutional or standing rules of the association must be obeyed.

SELF-ASSESSMENT EXERCISE

What are the functions of employers' associations in workplace and national systems of industrial relations?

4.0 CONCLUSION

We have examined employers' associations, their structure and functions and services that are similar to those of trade unions of workers - economic, social, educational, managerial, that led to the formation of industrial employers' association, manufacturers' association and Nigerian Employers' Consultative Association. Though, NECA's role among its members is consultative, as it does not enforce its advice on members, it is playing a credible role in industrial relations system in Nigeria.

5.0 SUMMARY

Employers have their central organisations to deal with their collective interests. Currently, three of such central organisations exist - the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) which is the central organisation for employers with identical interest in trade and commercial activities and matters directly related to them; the Manufacturers' Association of Nigeria (MAN), the central organisation which deals mainly with production and matters relating to manufacturing in general; and the Nigeria Employers' Consultative Association (NECA) which is the central organisation of employers dealing mainly in personnel management and industrial relations.

These central organisations have different purposes, and their functions and those of the Industrial Employers' Association are inter-related and complement one another.

For example, NECA has so far played an important and enviable role in the development and conduct of industrial relations, the development of employers' associations and the use of collective bargaining in Nigeria. The association has nurtured industrial relations system in the country to the extent that it has been able to define the relative duties and responsibilities of workers, through their trade unions, employers and the government, and also to define and set up power and authority relationships. The system has been able to control and keep within tolerable limits, the responses of workers, trade unions and management to the dislocation, frustration and insecurities inherent in our industrialisation process. It has established rules, practices and regulations, both substantive and procedural, which are pre-requisite to each establishment and industry. Although trade unions and employers claim at all times to be 'partners in progress', in practice, the dealings among the three parties to industrial relations - government, unions and employer - seem to be more of 'adversaries in diversity' than 'partners in progress'. It is anticipated that with NECA's advice and guidance, the parties would be able to see the common challenges facing them all, address themselves to those challenges, and cooperate in their own best interest and in the larger interest of the country's economy. It is anticipated that in the years ahead, the parties will emphasise and pursue their common goals rather than individual and separate interests. The future should witness an era of co-operation rather than conflict.

The continued encouragement of employers to form industrial employers' associations, accept and practice the principle of collective bargaining and undertake realistic and objective negotiations with their employees' unions will also help to improve, consolidate and develop

further the gains the association has made so far in this regard. The principle of collective bargaining and decision-making by representative government associated with industrial employers' association will actually influence and change the unorthodox, confrontational and anti-union attitude of some employers and lead to better union/management relations.

6.0 TUTOR-MARKED ASSIGNMENT

Compare and contrast the functions of the Nigerian Labour Congress and that of Nigerian Employers' Consultative Association.

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UNIT 5 THE ROLE OF STATE IN INDUSTRIAL RELATIONS

CONTENTS

1.0 INTRODUCTION

The State is the third force in the industrial relations system. In pre-industrial societies of the now developed countries, the state was in most parts, a branch of the economic system as merchants. As a distinct industrial class emerged, the state's role shifted to legal regulation of hours and conditions of work. Subsequently, as governments assumed overall responsibility for the economy, the role of the state had expanded to include coordination of the activities of employers and trade unions (employees). In this unit, we shall examine the history of the role of the state, its intervention approach in the activities of employers and trade unions (employees).

2.0 OBJECTIVES

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

- examine the history of the role of the state in industrial relations
- explain the intervention nature of the state in managing the activities of the employers and employees in order to maintain industrial harmony and democracy
- explain the role of a state in advisory capacity .

3.0 MAIN CONTENT

3.1 The Components of a State

It is not easy to define the state clearly. But the state can be described as the total of all its institutions or agencies. The following have been recognised as a description of the state:

- Legislature (parliament or its equivalent)
- The executive (government ministers)
- Central administration (the civil service – bureaucrats)
- The judiciary, the police and army, local and state governments
- Specialised agencies like industrial tribunals, wages and productivity boards, conciliation, arbitration, industrial court, factory inspectors, and the prices, productivity and incomes board.

In sum, the state is an institutional system of political domination in socialist as well as capitalist economies. The state's industrial relations role is most pronounced in planned socialist economies. In capitalist settings, it is only in so far as its structural connections with the bourgeoisie secure the conditions for capitalist accumulation that the state can be labelled capitalist.

3.2 History of the State in Industrial Relations

3.2.1 The Period Before Independence (1960)

Before independence, government interest in industrial relations matter was minimal. Few workers were in wage employment. Moreover, the colonial administration pursued a policy of "creating the right environment" for colonial enterprises to flourish. Furthermore, the public sector workers largely shied away from militant forms of unionism. Government's first significant legislative role in industrial relations is to be seen in the 1938 Trade Union Ordinance which enabled the formation and recognition of trade unions.

In the 1940s, the number of unions had increased considerably. Government's involvement in industrial relations became more requisite so as to prevent labour exploitation, which trade unions largely sought after, and to maintain industrial peace. The unions had by the 1940s attained a higher level of maturity, determinedly asking for some form of indexation to cushion the effects of inflation which was brought about the world wars, among other reasons. In 1941, there was the Trade Disputes (Arbitration and Inquiry) Ordinance which was enacted to facilitate the intervention of government on labour disputes, if and when

the internal joint machinery for disputes settlement has failed. The law prescribes procedures which the Labour Minister might use in the event of failure of voluntary settlement. The methods were conciliation, Inquiry and arbitration. The Labour Code Ordinance (1945) sought to protect workers against abuses of management and employers.

3.2.2 The Period from Independence (1960) to 1979

Changes in labour policy since the 1960s can be seen as basically interventionist in approach. For example, in 1968, the Trade Disputes (Amendment) Decree was enacted. The law prescribed compulsory arbitration. An amendment in 1969 created a permanent Industrial Arbitration Panel (IAP), although the award of the panel had to be certified by the Minister of Labour to become final. The Trade Disputes Decree No. 7 modified this procedure, 1976 which established the National Industrial Court (NIC). Thus, the IAP awards can be appealed to the NIC. However, the Minister could refer a dispute directly to it. The award of the ANIC is final and binding. Real intervention of government occurred therefore since 1968.

Moreover, the Labour Act, of 1974 was enacted and stipulates that a letter or contract of employment must be given to the employee. In addition, the contract must contain among other things, details as regards the nature of the employment, dates and rates and increases in pay and holidays. The law guides against unfair dismissals, and other unfair labour practices on the part of both sides to industry. Issues pertaining to redundancy, child labour and engagement of women are also regulated by the decree.

State also enacted a law in 1976. Under the law, the Minister is empowered to enforce any provisions of a bilateral collective agreement on the parties. This provision in the law may be used to confer legitimacy and legality to the particular portion of the collective agreement. It is noteworthy that without this provision, a collective agreement in Nigeria is not automatically a legal contract but a gentleman's agreement like in Britain. The state has made union recognition compulsory for any registered union.

Moreover, a Trade Disputes Essential Services Decree, 1977 was enacted. Under this law, the Minister reserves the right to refer a dispute to the National Industrial Court (NIC). This is considered necessary especially if the economic activities rendered are deemed as essential to the economy.

In 1979 constitution, legislation on labour matters was reserved for the exclusive list; state assemblies were precluded from passing labour laws.

In this year, the labour ministry was renamed Federal Ministry of Employment, Labour and Productivity. Section 37 of the Constitution of Nigeria provides for freedom of assembly, political partying and trade unionism. Other labour legislations continued up to now as interventionist approach.

Nevertheless, the effectiveness of this interventionist policy depends on the extent to which the internal machinery available to the parties has been able to resolve the dispute.

3.3 The Role of a State in Industrial Relations

The government of a state is the third party that completes the tripod of industrial relations. The role of the state in industrial relations is to influence both the workers unions and employers' associations to promote industrial peace and productivity. Specifically, government has three main roles in industrial relations:

- The direct regulation of terms and conditions of employment
- Regulation of the manner in which organised labour and management relate to each other
- As an employer.

The Ministry of Employment, Labour and Productivity is the arm of government through which the regulating activities of government are carried out. The government serves as a data bank to both the employers and the unions, gives advice to both sides and issues guidelines on disputes and how to settle them. It is the responsibility of the ministry to supervise both the Industrial Arbitration Panel (IAP) and the National Industrial Court and also to apprehend trade disputes before any of the parties behaves foolishly. It also appoints arbitrators to settle disputes and advises employers on labour laws. This is the pivot upon which the strength of the government stands.

Government indirectly regulate situations in the private sector. A typical example is the wage freeze which government imposed on the employers and employees in the private sector between 1982 and 1987, the indirect effect is that government on its own could not review the salaries of its employees because the inflationary trend was regulating was common to both the public and private sectors. In 1988, the state assisted the labour movement to create internal peace when it could not bring all its affiliates together to elect new leaders during the ill-fated Enugu Delegates Conference of the Nigeria Labour Congress. Mr. Ogunkoya was appointed an administrator for the Congress. He administered the outfit between this period and 1989.

Another reason government intervenes in industrial relation matters is that it is the largest single employer of labour in the country. The areas of control of state are employment, work and distribution of economic employment policies, job protection of employees' rights and job creation are policy outcomes. The state is also involved in the distribution of economic activities, income redistribution through taxing and spending, and equalisation of market situations through education in some of the policy areas.

3.4 The National Labour Advisory Council

The tripartite nature of modern industrial relations in Nigeria is best exemplified by the National labour Advisory Council. It is made up of representatives of the government, those of the organised private sector represented by NECA and representative of Central Labour Unions represented by the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC). The committee is charged with the responsibility of advising the state (federal government) on labour and industrial relations matters.

SELF-ASSESSMENT EXERCISE

Explain the meaning and components of a state involved in industrial relations.

4.0 CONCLUSION

In this unit, we examined the institutions of the state, the history, role of a state as a regulator, employer and serving on the board of National Board of Labour Advisory Council.

5.0 SUMMARY

The role of the state in industrial relations has been described. The new philosophy of government in labour relations is the principle of limited intervention and guided democracy. This policy stipulates the right of government to intervene in both union and management and labour-management relations. Aside the fact that the state is an employer, it also helps to regulate laws between employer and employees in the private sector. However, conflicts often arise as the state wants to play safe so as not to get caught up in its rules. In general, the confusion has arisen over the role of the state as a governing body and its role as the largest employer of labour. Eager to forge meaningful development for itself, the state has continued to pursue policies that would seem to put labour in safe channels so that energies are not dissipated over perceived anti-development activities. Nevertheless, the effectiveness of this

interventionist policy depends on the extent to which the internal machinery available to the parties has been able to resolve the dispute.

6.0 TUTOR-MARKED ASSIGNMENT

The dominance of the state in industrial relations is inevitable. Discuss.

7.0 REFERENCES/FURTHER READING

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MODULE 3

UNIT 1 INDUSTRIAL CONFLICTS IN ORGANISATIONS

CONTENTS

1.0 INTRODUCTION

In industrial relations, the essence of industrial peace and stability is that all human components involved in the running of an enterprise understand the purpose of each other and are able to communicate with one another in a language understood by all and interact freely so that the set objectives of the enterprises at any point in time can be achieved. When it does happen that one person has any grudge, it is better, in the spirit of industrial peace and stability, to report the grudge and get it solved so that it may not escalate into a problem beyond the control of the management and workers of the enterprise. It has to be realised that when an employee nurses a grudge, either against his supervisor or manager, he becomes aggrieved and until such a grievance is resolved, he is depressed and unhappy with low morale, culminating in low output by the worker.

When an employee becomes dissatisfied with any action or decision affecting him, he nurses a complaint and when the dissatisfaction becomes very serious or assumes a wide dimension in the view of the worker that he has to formally express such dissatisfaction either verbally or in writing, it has become a grievance. If the grievance is of such a serious nature that affects the rank and file of the workers covered by the union which has gained formal recognition from the employer and there is no quick solution to the crisis created by the grievance it can become an industrial dispute. In practice, it has been discovered that not all expressed grievances are actually the true cause of a complaint. An employee who is not satisfied with his compensation package may start by complaining about his physical working conditions. For this reason, each grievance must be studied to determine its true cause so that solution can be found. In this unit, we shall examine the tenets of industrial conflicts, sources of conflict, employees' grievances, collective grievance, incidence of strike, impact of the strike to employer and management of labour relations.

2.0 OBJECTIVES

At the end of this unit, you should be able:

- define industrial conflict
- list the sources of industrial conflict
- explain employees' grievance and collective grievance

- explain the incidence of strike
- discuss the impact of strike in labour relations.

3.0 MAIN CONTENT

3.1 Meaning of Industrial Conflicts

Many scholars have defined industrial conflicts in different ways. Fashoyin, (1980:73) defines industrial conflicts as "strikes". To him, strikes are the most overt and the most significant aspect of industrial conflict. But they are only a part of the phenomenon of conflict (Nicholson and Kelly, 1980:20). It has been argued that the examination of conflict should be expanded to include: the total range of behaviour and attitudes that express opposition and divergent orientations between individual owners and managers on the one hand, and working people and their organisations on the other (Kornhauser, Dubin and Ross, 1954:13).

Fox (1971) classified conflict into four categories. The first category is between individuals in industry; the second is conflict involving a non-union member and management; the third is conflict between a labour union or one of its members, and the management group or the manager the fourth is conflict between collectivities. Jackson (1985) has commented that Fox's first and fourth categories could involve conflict that does not involve labour and management. In the first type, conflict is solely intra-management or intra-union hierarchy, while in the fourth category, this might be inter-union hierarchy, while in the fourth category, this might be inter-union conflict over job demarcation. The third category also includes examples of conflicts between say a branch union and a national union.

For our purpose, industrial conflict can be defined as the inability of employers and employees or within their group to reach agreement on any issue connected with the object of employer-employees interaction, whether or not this inability results in strikes or lockouts or other forms of protestations.

3.2 Sources of Conflict

Two sources of conflict can be identified, namely: disagreements arising within the enterprise (internal) and those cropping up outside it (external).

3.2.1 Internal Sources of Conflict

Conflict in a work setting centres on the opposed nature of the interests of the employer(s) and worker(s). It arises because the needs of all three actors in industrial relations often conflict with one another. The employer is seeking the greatest possible output at the least cost. He is therefore, constantly seeking to lower the wage rate, to lengthen the hours of work, to speed up the workers, to layoff and to discharge workers whenever it is temporarily economical. On the other hand, the union which represents the workgroup is seeking continuous employment for its members at the highest possible conditions in respect of hours of work, security and continuity of work, safety, comfort, sanitation, esteem, social contacts, and opportunity for self–actualisation. However, internal sources of conflict can be better understood by considering grievances that come from employers and employees as separate sides within any work setting.

3.2.1.1What is a Grievance?

A grievance can, therefore, be said to be a discontent or dissatisfaction, real or alleged, valid or imaginary and whether expressed or not, but arising from matters connected with the employment of workers which the workers think to be unjust and unfair, no matter whether they are right or not. The question whether any dissatisfaction raised by a worker amounts to a grievance will have to be determined by the management and it depends on what type of management's action the worker complains about and whether the workers' unions have the right to review such action. Naturally, matters directly affecting the welfare of the workers are those that concern the union most. However, matters that are termed to be 'management prerogative' are being eroded by the union and must be resisted tactfully. To this extent, individual workers' grievances, collective grievance and employers grievances can be identified.

3.2.1.2 Individual Workers' Grievances

In Marxist analysis of industrial conflict, alienation plays a crucial role. Labour is said to be alienated in the market system, to the extent that labour is treated like any other commodity that can be exchanged at the will of the actors. The needs of individuals in the industry (work goals and objectives) tend to differ. But, generally, the needs can material, need of love, esteem, recognition or realisation of their potentials. The inability to fulfil these needs is likely to invoke conflict.

3.2.1.3Collective Grievances

Most of the individual grievances highlighted above are invariably translated into collective grievances against the management. Thus, workers could express collective grievances on wage issues, supervision, seniority and discharge, working conditions, the style of management, efficacy or otherwise of the promotion system, or of the grievance and dispute processes, and unfair labour practices, as well as the general working conditions. Other issues are connected with misinterpretation or non-implementation of the collective agreements.

3.2.1.4 Employers' Grievances

Grievance may come from employer as well. Management complaint may stem from dissatisfaction with the individual worker. In some cases, management may extend this source or complaint to the workers as a group, if the expectation or performance discrepancy seems to be general and pervasive among workers, reserving the administrative personnel procedural rules to treat undesirable individual cases of unsatisfactory performance.

Managers may also complain about unfair labour practices from the workers' collectivity. These would include violation of agreements, deliberate misinterpretation of contracts, and misrepresentation of management's position to workers, the conduct and of union activities during working hours without following the necessary due process, and illegal encroachment on management functions or prerogatives as well as other aspects of union indiscipline.

3.3 External Sources of Conflict

These include government's industrial and economic policies, the nature of labour legislation, unpatriotic and unethical behaviour of the political and economic classes, national economic mismanagement and general distribution of wealth and power in the society. The important note about these factors is that both workers and managements respond to them. Notwithstanding that these are events outside industry; they have important bearings on the choice of actions of conflict may, however, not directly instigate industrial conflict, but they do influence the psyche of individuals and their general social expectations.

3.4 Handling Grievances

Since grievances can lead to an industrial dispute if not nipped in the bud, it behaves a good management to initiate a procedure to be adopted in giving prompt attention to the settlement of grievances. If a procedure

is established, it eliminates the possibility of workers taking the laws into their own hands and allows problems to be solved at lower levels without bothering the top manager. To the lower manager, it is a form of delegation which trains their management skill in human management while the personnel specialist does not need to handle all man problems in the enterprise since every line manager is a potential personnel manager. The norm is that the established procedure will be implemented by the union members and officials as well as the various supervisors and line managers who have different levels of maturity, education and intelligence. The procedure must therefore be simple enough to enable the least educated and intelligent worker assimilate what is required of him and what is expected of the official he is to meet so that he does not expect too much from such officers.

3.4.1 Swift in Implementation

The urgency in the disposition of grievances must be built into the procedure so that no undue delay is experienced by the aggrieved party. The principle should be 'justice delayed is justice denied'.

3.4.2 Devoid of Protocol

Unnecessary protocols should be avoided. The aggrieved person should be able to see the officer to handle his case without undue hindrance; however, laid down administrative procedures should be adhered to.

3.4.3 Time Conscious

The procedure should be fast and ensure that no time is wasted in settling the grievance. Where cases are referred to the headquarters from distant branches, special arrangements should be used for the transfer of information - e.g., by the use of telex, fax or telephone.

3.5 Handling a Grievance

3.5.1 Identify the Grievance

The first step in handling a grievance is to identify that a grievance actually exists; it should be determined whether it is an individual or a collective one. If it is an individual grievance, find out if there is the *possibility* of its escalation into a collective one. This could best be done by interviewing the affected workers, consulting the employees' handbook and other collective agreements and looking into the past practices.

3.5.2 Determine the Cause

It will be necessary to identify the cause of the grievance. From interviewing the worker and the supervisor or what the management representative complained of, it could be determined whether any of the terms of employment, a collective agreement or a legislation had not been fully implemented, wrongly implemented or interpreted or have been violated. Facts should be used to show further if it is a case of unjust treatment or of a personal discrimination. In finding the cause, efforts should be made to determine if there were remote causes, which must be cleared to enable the case to be put to rest.

3.5.3 Get the Facts Right

Since the resolution of the grievance is to be based on facts before the officials concerned, it is necessary that facts should be properly marshalled. Find out who is involved: name, job title and location of the worker to avoid a mistake of identity. Get witnesses and give their full particulars as described above. Where the actual words used by the worker for his action is important and he might deny them later, get witnesses and where possible, let him and the witness sign obtained statements. In almost all cases you need to check your records for proof of the grievance. As for actions, it is necessary to find out the locations where they took place; the distance and time may be necessary. These facts must be brought out clearly and accurately. Where the grievance relates to a violation or non-implementation of rules or statutes, this should be checked. For example, if a worker complained that he has seniority over another promoted ahead of him, apart from taking statements from him, the facts should be checked from the records of both workers.

3.5.4 Get the Grievance and the Facts in Writing

It is a good practice that the grievance should be raised in writing and in a prescribed form. The use of a form standardises the method of report to an acceptable format and removes the clumsiness associated with descriptive or essay form of reporting.

3.5.5 Discuss the Grievance with the Shop Steward or Union Official

When discussing the grievance with the union official, it is better to be brief and stick to the point from records - if the union official sees that the facts are on your side he might wish to turn you off the subject. Where the situation is heading for a deadlock, you can ask for an adjournment to enable tempers cool. Listen carefully to the points raised

by the union officials and when they continuously interrupt you, a deliberate tactic to confuse and embarrass you, ignore them. Where the union official backs out let him say so in a written statement to be signed by him and if he refuses tactfully make him repeat such statement before witnesses. Whatever decision is arrived at should be recorded and signed by the supervisor and the union official. If he agrees to the decision, he should state so and sign his agreement but if he disagrees, he should also say so within the time limit provided for in the collective agreement as this can be a source of grievance against the management and make the grievance invalid from the part of the union and the aggrieved worker. Where a grievance is withdrawn, this must also be recorded and the withdrawal signed by the union official.

3.6 Establish a Grievance Procedure

Naturally, grievance procedures are established after a long and protracted negotiation between management and the union, arid with the industrial union, it forms part of the procedural agreement. The process of negotiation follows the preparation of a draft by management, which is forwarded to the union for scrutiny at least twenty-one days before the negotiation meeting. During negotiation, both parties argue for and against the proposal until a consensus is reached. In the ensuing collective agreement, a simple definition clause should be inserted to remove areas of friction in interpretation. In most collective agreements, provisions are made for the settlement of disputes arising out of interpretation, application or non-implementation of such agreements so that it does not look as if the stronger party is coercing the weaker one to accede to his proposals. This practice by the employer and the union is further enunciated in Section 3.1 of the Trade Disputes Act, NO.7 of 1976 which requires parties to a dispute to first attempt to settle it by the use of methods other than those provided in the Act, i.e. other means for the settlement of disputes whether by virtue of the provisions of any agreement between organisations representing the interest of the employers and organisations of workers or any other agreement. The following stages are recommended in a grievance procedure:

Stage 1: The employee must make his/her complaint or grievance known to his immediate section supervisor.

Stage 2: If after three days, the employee concerned has had no satisfactory reply or action taken on his grievance, it may then be presented in writing or in person to the head of his department.

Stage 3: If after further seven days the matter still has not been brought to a satisfactory conclusion, it may be brought to the attention of the personnel or factory manager.

Stage 4: If after a further two weeks the matter still cannot be resolved satisfactorily, the grievance may be brought to the negotiation

committee provided that in matters of discipline, management's right to maintain order and to discipline the worker is not infringed upon.

Note: After stage 1 of this procedure, the employee can be accompanied by a union official when bringing his grievance before his departmental manager, the personnel or factory manager.

The above procedure had been adopted by most employers with slight amendments. For example, some employers have amended it to enable the grievance be raised in writing from the first stage. Others have agreed that union officials should accompany the complainant from the first stage. Some have lengthened the stage to allow the factory manager to look into the grievance before the personnel manager and finally, very many companies do not favour referring grievances to the negotiating council, rather they prefer to refer them to their managing director or chief executive whose decisions shall be final. However, in recent development with the industrial unions, provisions are made for multi-location companies for grievance to be settled locally and in line with the structure of the industrial unions. To this end, provisions are made for cases to be settled at the plant level and at the state or zonal level and finally, at the national level. Where the grievance is a collective one, provisions are made for settlement at local or plant level, state or zonal level and national level through the NJIC with the possibility of reference to the Industrial Arbitration Panel (IAP) and the National Industrial Court (NIC).

3.7 Incidence of a Strike

In spite of these provisions, strike may still occur. A strike can be defined as a temporary cessation of work efforts by employees in the pursuance of a grievance or demand. It is of many varieties, namely: wildcat strike, sit down, sympathy, constitutional or unconstitutional strike, official strike and unofficial strike.

3.7.1 Wildcat Strike

In wildcat strike, there is no reason or notice given to the employer before embarking on it. It is in violation of the contract and is often times not authorised by the union secretariat.

3.7.2 Sit-down Strike

It involves workers being present at work but literally not working**.**

3.7.3 The Sympathy Strike

It is a solidarity action embarked upon by workers who are not directly involved in the dispute. Sympathy strikers merely express moral and fraternal support aimed at bringing pressure on the employer involved in the trade dispute.

3.7.4 Constitutional Strike

Constitutional strike refers to actions that conform to the due procedure laid out in the collective agreement. The agreement usually specify the time at which strikes may be called by the workers, and the conduct of a strike ballot may be a requirement. Strikes are currently supposedly illegal in Nigeria. Therefore, strikes can no longer claim constitutionality. Unconstitutional strikes do not conform to the provisions of the collective agreements or the relevant public policies.

3.7.5 Official Strikes

Official strikes are usually authored by the leadership of the union while unofficial strikes are without the authority of the union leadership. Usually, such strikes occur because the membership have lost confidence in the leaders and are, therefore, willing to exert direct pressure on the employer without the authorisation of the leaders.

3.8 Effects of a Strike

Though, strike as an industrial relations phenomenon is significant, it has its effects on all three actors in any system of industrial relations.

3.8.1 Effect on the Worker and Union

To the individual worker, it represents the exercise of his fundamental right to withdraw his services. The individual rights are what are harnessed by the trade union to embark on strike action en masse. This group strike is nothing more than the collective expression of individual withdrawal of service.

The union strength in industry rests largely on the power of the strike. The strike serves another purpose in a bargaining situation. However, trade unions are required to keep a strike fund from which the income of striking workers could augmented in the event of the employers invoking the sanction of no-work-no-pay.

The strike could be dubious because its success depends not only on correct tactics against opponents, but also on the striker's ability to

maintain a united stand throughout the period of the strike. If the union membership is divided or loses confidence, then the credibility of the strike as a powerful weapon can vanish overnight. The effect on the union leaders could be serious as they face threats from two sides. If they are not victimised by a vengeful management, they are not likely to be re-elected during the next union election.

3.8.2 Effect on the Employer

The most visible effect of the strike on the employer is the loss of production, loss of output, inability to meet customers' demands, inability to supply custom orders on schedule, loss of profits, etc. Imberman (1979) has identified four categories of costs to the employer arising from the strike, apart from the conventional cost arising from the shortfall in expected earnings that is, lost net earnings. These are:

- **Pre-Strike Costs** - It involves productivity loss. As union leaders and the company trade charges, workers put forth less efforts and less care. Other losses include the loss of contract year as clients avoid a company likely to face a strike action. Only partial orders are received during years when contracts are due for re-negotiation.

- **Cost During Strike** - It involves lost profits from loss of revenue, net earnings, and idle equipment. Executives' time is lost in the process of serving as strike breakers to continue factory operations, whereas, the executives could have spent company time more **f**unctionally on generating profits elsewhere, in doing fundamental functions of planning, motivating, control, etc.

- **Longer-Term Cost Strike -** The longer-term cost of the strike to the employer is the loss of employees who may probably not return after the strike. Associated with these are recruitment costs to replace them. This problem is aggravated by the loss of business during strikes that might imply that striking workers may as well not be recalled. There are also the costs associated with relocation if management adopts the strategy of diversifying the location of business away from strike prone areas to non-strike sectors or plants. Managements often have to bear the cost of extra overtime embarked upon in order to meet up the loss of production occasioned by the strike action. There is also the loss of customers who probably have devised substitutes. Sales efforts are reduced by the sales department when production is cut back as a result of the strike.

- **Uncommon Cost Strike -** Some uncommon costs have been identified as possibly resulting from the strike. These are sabotage to equipment and picketing which may prevent the supply of essential services to the

factory premises such as fire fighting or other suppliers. Closing a plant as a result of the strike and having to open another one thus maintaining two when one would have been economical and legal costs in re-employing violent strikers on picket lines are examples of uncommon costs.

3.8.3 Effect on the Society and State

The government as the coordinator of the several activities of the state has explicit objectives in industrial relations. The state's objectives in industrial relations are the maximisation of social benefits, and the minimisation of social costs. The ultimate effect is the maximisation of economic growth and development for the nation. There is, therefore, a loss of national output as a result of the loss of output in the affected industry.

Furthermore, if the strike is a general strike, it has adverse effect on ordinary citizens. Many shops, transport, banks and markets may withdraw their services lading to hardship to the citizens. The strike may have political and economic implications, as opposition parties may exploit to blackmail the government in power. Moreover, if the strike is successful to the extent of the workers winning large wage concessions, it could trigger off inflation in the national economy and political instability.

SELF-ASSESSMENT EXERCISE

Explain what you understand as industrial conflict and its sources.

4.0 CONCLUSION

In this unit, we defined the meaning of industrial conflict within the context of work relationship. We also discussed the sources of conflict, meaning of grievance and the procedure of handling it. The effects of strike action on individual worker, employer and state were discussed. The conclusion of effects on the three actors in industrial relations is that open conflict has both costs and benefits. Whether the costs outweigh the benefits depends on which side is making the evaluation.

5.0 SUMMARY

Industrial conflict occurs as a result of the inability of employers and employees to reach an agreement on any issue connected with the object of employer-employee interaction.

In work environment, disagreement between and within any or all of the actors is inevitable. The sources of conflict could be internal or external. The conflict could be in the form of grievance and has a procedure of handling it. However, grievances if not properly handled could degenerate into a strike, which has both positive and negative effects. The effects could be in the form of costs or benefits to the individual worker, employer and state. Whether the costs outweigh the benefits depends on which side of the industry is making such evaluation.

6.0 TUTOR-MARKED ASSIGNMENT

Describe the procedure you would use to handle individual grievance.

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UNIT 2 INDUSTRIAL OR TRADE DISPUTES

CONTENTS

1.0 INTRODUCTION

A trade dispute can exist between an employer and his workers and between a group of workers and another group of workers of the same employer or workers of various employers in an industry. In this unit, we shall examine the definition of trade dispute, discuss the role of parties to a trade dispute, causes of trade disputes and settlement of trade disputes.

2.0 OBJECTIVES

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

- define the concept of trade dispute
- explain the role of parties to a trade dispute
- analyse the causes of trade disputes
- discuss the process of settlement of trade disputes.

3.0 MAIN CONTENT

3.1 Definition of a Trade Dispute

Trade (industrial) dispute is defined by the Trade Disputes Act No.7 of 1976 as any dispute between employers and workers or between workers, connected with the employment or non-employment, or the terms of employment and physical conditions of work of any person. This definition has given an insight into who can be involved in a trade dispute, what can cause a trade dispute and why a trade dispute exists.

3.2 Parties to a Trade Dispute

A trade dispute can exist between an employer and his workers and between a group of workers and another group of workers of the same employer or workers of various employers in an industry. If the employer is directly involved in a dispute with his workers, this type of dispute can easily be resolved because it is a straight forward confrontation between the opposing parties.

Either of the parties can declare a trade dispute and once this is done the Ministry of Labour, Employment and Productivity steps in, they invoke the provisions of statutory machinery for the settlement of the dispute, the law expects each side to bury the hatchet while a state of status quo should be maintained, i.e. no strike from the workers and no lock-out from the employer. Although the situation may be an uneasy calm, normalcy is expected to prevail until the crisis is resolved through the state intervention.

The other type of dispute, i.e. between workers and workers usually happens between workers who have formed themselves into a union and when there is a crisis among them, an intra-union dispute ensures.

3.3 Causes of Trade Disputes

The Trade Dispute Act clearly states the things that can cause trade disputes as those "connected with the employment or non-employment of workers, or the terms of employment and physical conditions of work of any person." This is an all-embracing clause. 'Employment and non-employment of workers' will need to do with the management's action relating to the employment process grading; seniority over existing staff; failure to properly express matters relating to the contract of employment or failure to give a contract of employment within the stipulated period; violation of the laws relating to employment or non-employment of persons; bad communication; improper supervisory practice and techniques; unfair, unjust and inequitable treatment of

workers; discrimination against workers; violation of workers' rights; wrong interpretation and application of labour laws; unfair labour practices; indiscriminate retrenchment and termination of union officers bordering on interference and intimidation of the union.

The terms of employment will refer to hours of work, overtime, wages, allowances payable, sickness benefits, annual vacation, retirement benefits, training and development and other benefits in cash and .in kind incidental to the employment. Others are unilateral repudiation of collective agreements by the employer or employers' organisation, wrong interpretation and implementation of Collective Agreements and labour legislations and failure to use joint consultation as a means of achieving industrial peace. Physical conditions of work of any person' refer to the actual working condition of the worker. Sources and causes of conflict abound in the tension peculiar to the industrial relation system whether it is in the capitalist or in the socialist system. It has been shown by the result of expert studies that where there is a group of people working together, their interests cannot be the same - they are many and varied. They all have different goals to achieve. While the employer wants a successful enterprise measured by either the profit, efficiency of its services and with low operation and labour costs, the workers wants their various needs to be satisfied, high wages in return for the supply of their labour. They want easy jobs, safe place of work and maximum comfort and so on. Technological advancement, especially those newly acquired by the employer would lead to certain changes, which the workers may resist due to fear of job insecurity. Certain, decisions may be reserved for management but the workers, through their union, would want to partake in the decision-making process, especially those concerning their welfare.

3.4 Settlement of Trade Disputes

Trade disputes can be settled by adopting either of the two methods (voluntary and compulsory settlement) in operation. In adopting the voluntary settlement method, the disputants can sit round a conference table and iron out their differences. They are allowed to use any method of dispute settlement jointly agreed by both parties. Where they fail to agree, they also have the option of selecting a mediator acceptable to both parties to chairman their negotiation. Where they still fail to reach an agreement under the mediator, they are now forced to adopt the second option which is the use of compulsory method.

In using the second option, either of the parties can invite or call on the supervisory Ministry, that is, Ministry of Labour, Employment and Productivity, to intervene and settle the differences for them. In this case, the Ministry will appoint a Judge' that will adjudicate by

employing the statutory machinery established for that purpose. Where the Ministry is of the opinion that voluntary settlement had not been properly and fully utilised, the parties are referred back home to take corrective measures. The process or stages of dispute settlement are as shown in Fig. 1.
However, in conflict resolution, as during collective bargaining, there is serious contact between the Union and their branches, thus employing the strength in unity to pursue their goal.

3.5 Voluntary Settlement of Disputes

When a procedural agreement is being negotiated between management and union, they always anticipate a state of disagreement in their dealings and consequently provide a means for the settlement of these disagreements. Thus, the parties would agree to establish a procedure to settle such disagreement. The grievance procedure discussed in the early part of this chapter came to existence as a result of such anticipation and negotiations. It does happen that at times the parties, due to one reason or the other, are unable to reach a settlement among themselves, then the procedure would allow for both to appoint a person agreeable to both sides to mediate in the cause and often, peaceful solution had been found to the problems, and the dispute resolved.

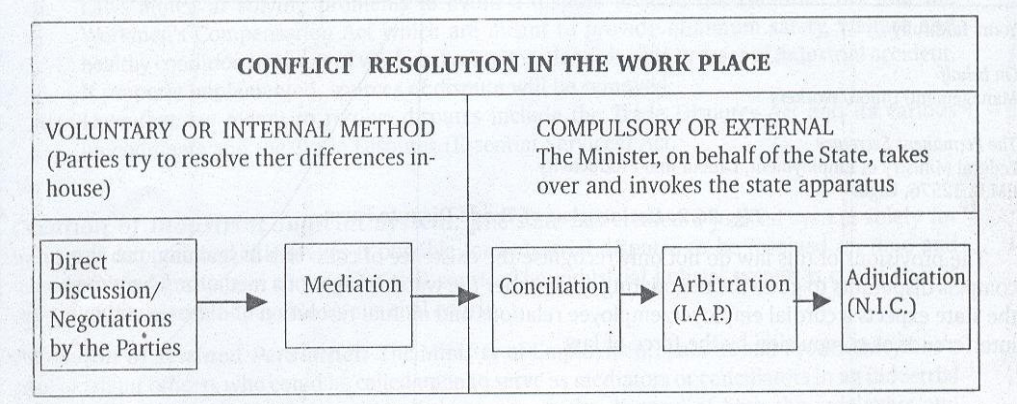

Fig. 1: Stages in Dispute Settlement

The Trade Disputes Act No.7 of 1976 recognises the role of voluntary settlement of disputes and consequently confirms this practice when it provides thus:

"If there exist agreed means for settlement of the dispute apart from this Act, whether by virtue of the provisions of any agreement between organisations representing the interest of employers and organisations of workers or any other agreement, the parties to the dispute shall first attempt to settle it by that means."

"If the attempt to settle the dispute as provided in subsection (1) above fails, or if no such agreed means of settlement as are mentioned in the subsection exists, the parties shall within seven days of the failure (or, if no such means exist, within seven days of the date or which the dispute arises or is first apprehended) meet together by themselves or their representatives, under the presidency of a **MEDIATOR** mutually agreed upon and appointed by or on behalf of the parties, with a view to the amicable settlement of the dispute.

3.6 Statutory Settlement of Trade Disputes

The Commissioner (now Minist.er) has the right to apprehend a trade dispute and inform the parties concerned in writing of his apprehension and thereafter take steps he deems necessary for the purpose of resolving the dispute. He may at his discretion, take any of the following steps: appoint a conciliator, S.7; refer dispute to arbitration panel, S. 8-12; refer dispute to National Industrial Court, S. 13-17; or refer dispute to board of inquiry, S. 32-33.

3.6.1 Conciliation (S.7)

The Trade Disputes Act provides that the Minister can appoint a fit person to act as a conciliator for the purpose of effecting a settlement of a trade dispute. The responsibility of an appointed conciliator is to inquire into the causes and circumstances of the dispute and to endeavour to bring about a settlement through negotiations with the parties involved in the dispute. Where the dispute is resolved within seven days of his appointment, the conciliator shall report this fact to the Minister and shall prepare a memorandum stating the terms of the settlement reached and signed by the parties involved and the agreed terms shall be binding on the employers and workers to whom those terms relate. If however, the conciliator is unable to reach a settlement within seven days of his appointment or if after attempting to negotiate with the parties the conciliator is satisfied that he will not be able to bring about a settlement of the dispute, he will report his findings to the Minister.

3.6.2 Arbitration (S. 8-12)

Within fourteen days of the receipt of the report of the conciliator of the dispute, the Minister shall refer the dispute to the IAP for settlement. The Panel shall consist of a chairman, vice-chairman and no less than ten members, two of whom shall represent the employers and another two the workers. For the purpose of settling any dispute referred to the panel, the chairman of the panel shall constitute a tribunal from among the members of the panel. An arbitration tribunal shall be composed of

one arbitrator selected from the members of the panel and assisted by assessors who shall be appointed by the chairman of the panel, one each representing the employer and the worker or a sole arbitrator. One important condition necessary in the appointment of the IAP members and assessors is that they must have a very deep knowledge of labour laws and conditions of employment in the country. Their tenure of office is three years in the first instance and they are eligible for re-appointment for such further terms as the Minister may determine from time to time.

The function of the arbitration panel or tribunal is to make an award within twenty-one days or such longer period for the purpose of settling a dispute (S. 12). It may in addition, determine cases referred to it concerning the interpretation of any collective agreement; its own award; and the terms of a settlement recorded in a memorandum of agreement signed by the parties involved in a dispute. It may also make an award on intra-union disputes (S.24). The award of the Panel shall be forwarded to the Minister of Employment, Labour and Productivity. Thereafter the following procedure follows (s.12):

a) If the Minister is not satisfied with the award, he may refer it to the tribunal for reconsideration. The tribunal is expected to complete its work within 42 days or within such an extension of time as may be allowed by the Minister.
b) Where the Minister is satisfied, he shall immediately send copies to the parties involved and cause the award to be published, usually in government gazette, stating that the award would be confirmed if no objection is received from any of the parties within seven days from the date of the notice.
c) If the Minister did not receive a notice of objection within the stipulated period (21 days), he shall publish in the gazette, a notice confirming the award. Once an award is confirmed, it becomes binding on the parties involved and stiff penalty is provided for any of the parties who fails to comply with the confirmed award.

3.6.3 National Industrial Court (NIC)

Where the Minister receives a notice of objection within the stipulated period (21 days), he shall then refer the dispute to the National Industrial Court (NIC). The National Industrial Court re-hears the dispute, call evidence as may be deemed necessary and gives a ruling that is final and binding on the employers and workers to whom it relates.

3.6.4 Board of Inquiry

Board of Inquiry (8.32): Where a trade dispute exists or where the Minister apprehends one, he may, at his discretion, appoint a board of inquiry to look into the causes and circumstances of the dispute. The main function of the board is to inquire into the trade dispute or any matter connected with industrial conditions in Nigeria and report to the Minister.
The board may consist of one person only or a chairman and such other members as the Minister thinks fit. The report of the board shall be sent to the Minister who on receipt may cause it to be published subject of course, to the limit that information about an employer or a union that may be secret may be omitted from the publication.

The Minister can make the findings of the board binding on the parties to the dispute or refer the dispute to the IAP or NIC as he thinks fit. Although the Minister has used the IAP and NIC, it has not been reported that a board of inquiry has been constituted.

3.6.5 SPECIAL Powers Granted to the IAP, NIC and the Board of Inquiry (S. 35)

These bodies are endowed with powers to require any person to furnish, in writing or otherwise, such particulars relating to the matters referred to these bodies; require any person to appear before the body and give evidence on oath or affirmation or otherwise, with respect to any matter relevant to the matter referred to the body; compel the production before any of the bodies, books, papers, documents and other things for the purpose of enabling them to be examined or referred to so far as may be necessary in order to obtain information relevant to the matter referred to the body; consider and deal with the matter referred to it in the absence of any party who has been duly summoned or served with a notice to appear; admit or exclude the public or the press, or both from any of its sittings; adjourn from time to time; generally give all such directions and do all such things as are necessary or expedient for dealing speedily and justly with the matter referred to the body; both the IAP and the NIC have powers to enforce their awards; appoint a public trustee in cases of intra-union disputes; and commit any person or representative of a trade union or association who does any act or commits an omission that constitute contempt against them. However, anybody so committed shall be sent to a civil High Court for trial. Before such a trial, the committed person may be granted bail or sent to prison for safekeeping.

Finally, the bodies are endowed with the powers of the Supreme Court to enable them wield the above powers. Also, stiff penalty is imposed for disobeying the orders from any of the bodies.

SELF-ASSESSMENT EXERCISE

Distinguish between grievance and disputes. What machinery are prescribed for their resolution in the industry?

4.0 CONCLUSION

In this unit, we have examined the concept of trade dispute, role of parties to a trade dispute, causes of trade disputes and settlement of trade disputes. In industry, either of the parties can declare a trade dispute. Once this is done, the Ministry of Labour, Employment and Productivity steps in and invokes the statutory machinery for the settlement of the dispute.

5.0 SUMMARY

Trade dispute can be settled by adopting voluntary or compulsory method. In adopting the voluntary settlement method, the disputants can sit round a conference table and iron out their differences. They are allowed to use any method of dispute settlement jointly agreed by both parties. Where they fail to agree, they also have the option of selecting a Mediator acceptable to both parties to chairman their negotiation. Where they still fail to reach an agreement under the mediator, they are now forced to adopt the send option which is the statutory machinery of settling disputes. In using the second option, either of the parties can invite or call on the supervisory ministry of Labour, Employment and Productivity to intervene and settle the differences for them.

6.0 TUTOR-MARKED ASSIGNMENT

1. Enumerate the various ways by which rightly or wrongly, the state has intervened in the industrial disputes settlement.

7. 0 REFERENCES/FURTHER READING

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UNIT 3 RESOLUTION OF INDUSTRIAL CONFLICTS

CONTENTS

1.0 INTRODUCTION

Industrial conflict expressed in whatever form pose costs to all industrial relations actors. Certain mechanisms have, therefore, emerged over time, and new approaches are being worked out to reduce the effects of conflict in industry, and to prevent the deployment of all forms of costly expressions of industrial discontents. In this unit, we shall examine the mechanisms of conflict resolution.

2.0 OBJECTIVES

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

- state the mechanisms of resolving industrial conflict
- discuss how deputation can be used to resolve industrial conflict
- discuss how to use joint consultation as a means of resolving conflicts
- explain why employers and trade unions use collective bargaining as their main machinery to resolve conflict.

3.0 MAIN CONTENT

3.1 Mechanisms of Conflict Resolution

There are three ways employers and trade unions adopt in internal conflict resolution. They are: deputation, Joint Consultation and collective bargaining. Collective bargaining is perhaps the main machinery that employers and trade unions use to consider demands and resolve conflicts internally. However, the differences in the three ways could be found in:

- the type of subjects discussed
- the manner of reaching agreement
- the authority of the meeting
- the level of responsibility of the parties for decisions reached (Fajana, 2006:267).

  Let us examine these machineries:

3.2 Deputation

Deputation is a process often used where management appear autocratic. The workers may be called upon to express their views on a given subject, but this may or may not have any bearing on what is finally decided. In most cases, the decisions have already been made (or appear so), and workers are merely informed. The employer has in this case a dominant role position and the workers are largely yet to be organised into trade unions. This type of programme is no longer predominant in most industrial societies as the rate of unionisation had increased considerably world over.

3.3 Joint Consultation

Joint consultation could be defined as a meeting between the workers and their employers where the relationship is seen not as in terms of

bargaining strength but in terms of their worth and ability to contribute to the subject being discussed. Here, discussions focus on issues of mutual interests to both sides. Subjects like welfare, canteen, safety, productivity and so on are discussed. It is perhaps the joint benefits to be derived from such meeting that makes joint consultations suitable for discussing problems in industry.

3.4 Collective Bargaining

Collective bargaining is the process by which wages and other conditions of employment are determined by negotiation between an employer or a group of employers or an industry and the employees or their union officials, a federation of trade union or an industrial union.
The ILO Convention 98 defines collective bargaining as "voluntary negotiations between employer or employers' organisations and workers organisations with a view to the regulation of terms and conditions of employment by collective agreements." There are other ILO conventions and recommendations which seek to elevate collective bargaining. Convention 154 aims at promoting collective bargaining by making it possible for employers and workers organisations to meet for the purpose of determining conditions of work and employment, regulating relations between employers and workers and between employers and their organisation and workers organisation. Recommendations 163 also specify the means by which collective bargaining can be promoted. It is pertinent to point out that these and other ILO documents seek to impress it upon employers that workers should have the right to organise and act collectively without obstruction or intimidation from the employers and that collective bargaining should be made possible in all branches of endeavours.

Collective bargaining in Nigeria started in the private sector with labour unions using government wage reviews as a lever to join issues with employers for the invalidation of existing collective agreements on wages in the private sector. This happened during the Morgan Commission and was repeated during the Udoji Commission. Invariably, under such a situation, collective bargaining is not practised under a free and fair condition - there are unusual coercion and force and other unethical tactics employed by one party to outwit the other. For collective bargaining to succeed, both the management and the union must accept it as an independent democratic institution, capable of holding its own as well as improving the fortunes of both the workforce and the enterprise in which they work. They must have absolute confidence and trust in one another and stand firm by the provisions of the agreement reached, which must be limited to well-defined boundaries clearly set out in a procedural agreement. In practice, the procedural agreement usually states matters that are negotiable and those

that are not. Negotiable matters are those to be negotiated during collective bargaining while those not negotiable can be discussed by another body - the joint consultative council.

3.4.1 Aims and Uses of Collective Bargaining

Collective bargaining is basically used to settle grievances (individual or collective), determine wages and salary scales, accept other terms of employment and working conditions and settle industrial disputes. Naturally, as a result of conflicting self-interests between capital and labour, frictions do occur and where adequate care is not taken, these may develop into disputes which disrupt work and industrial peace. It is only through a collective bargaining process that confidence can be restored and peace reinstated. Where it is not possible for the parties to reach a consensus, the government's compulsory arbitration is sought to adjudicate and this is why both management and union regard arbitration as a continuation of collective bargaining.

3.4.2 Parties to Collective Bargaining

In practice, collective bargaining is usually between the management, a group of employers or an employers' organisation on the one hand and the workers' representative or workers' organisation on the other. Collective bargaining is between the employer and labour. However, through an act of omission or commission, one of the parties may directly or indirectly invite a third party - the government - to intervene in the bargaining process. Also, because of government involvement in business activities and its desire to lean more on the use of collective bargaining process to determine wages and other working conditions as against the use of wage tribunals, government seems to be more interested in intervening in the collective bargaining process with a view to arriving at an early agreement and the maintenance of industrial peace.

3.4.3 Structure of Collective Bargaining

The structure and the shape of collective bargaining are usually set out in the procedural agreements. Collective bargaining can either be a negotiation or a consultation. In the past, house unions were responsible for collective bargaining and the body that was responsible for negotiation was called the Joint Negotiating Council (JNC) or Joint Industrial Council (JIC). During this period, the structure of the union and the employer determined the shape of collective bargaining. Then few companies that have a conglomerate were negotiating at that platform while the bankers were the pioneer of employers' association which started negotiating on industry-wide basis. With the introduction

of industrial unions, the structure changed slightly. Most procedural agreements provide for matters that could be negotiated industry-wide and others that could be discussed at unit or plant or company level. The scope of the JIC has been widened and the name changed to the National Joint Industrial Council (NJIC).

The composition of the council is now by membership of the industrial union one hand and the representatives of the employers' association on the other hand. The two sides have their paid officers - the General Secretary and the assistants from the industrial union and the Executive Secretary of the Employers' Association who usually acts as secretary to the NJIC. There is usually equal representation on the council; the employers' side usually provides the Chairman while the Vice-chairman is provided by the union. All matters negotiated by the NJIC are binding on all the member companies of the employers' association.

For matters to be discussed, another body is set up at the plant level to discuss them not because they are not important to be negotiated on industrial basis but because the employers insist that they must not be negotiated on industrial or national basis. In fact it is the collection of the unions that everything concerned with the safety, welfare, health and compensation package of a worker and· those to be extended to his family should be negotiated and standardised at industry level. But the employers have, as in the case of their right to manage, stood firm against such a move because of the colossal amount of money that will be involved. For such matters a different body usually called the Joint Consultative Committee or the Joint Unit or Plant Committee was established. JCC or JUC are run under different conditions or sets of rules.

The objectives of the NJIC may include, "to secure the largest possible measure of agreement and cooperation between the association and the union in all matters listed under Part I of this Agreement, with a view to increasing efficiency and productivity combined with the well-being of those employed; to vary or amend, from time to time, agreements, decisions, or findings reached by the Council; to secure the speedy and impartial settlement of disputes and grievances on negotiated matters; ... to consider the adequacy or otherwise of .the machinery for settlement of grievances between parties in the industry and hence to use their best endeavours to ensure that no strikes, lockouts or any other action likely to aggravate the situation shall take place until such a time as the machinery provided by the law for the settlement of industrial dispute has been exhausted."

The objective of the JCC or JUC may however include, "to provide a regular method of consultation between the management and the

employees on matters of common interest, in order to prevent friction and misunderstanding, and to secure the fullest co-operation for the prosecution of measures undertaken in the common interest of both parties."

In addition to the above objectives, the JCC also has the function of submitting “recommendations to the management, which shall have final responsibility on all matters discussed and agreed .... Decisions of the JUC shall be recommendations only to management which shall have final responsibility for final decision."

In practice however, no management had ever failed to approve any decision of the JCC because management's representative would have known management's feelings on any issue before consenting to any consensus on such issue. In most cases, matters discussed by the JCC are matters peculiar to each employer and those the employers' association insists shall be discussed (not negotiated) at plant level.

It should be pointed out that the JCC has no negotiating powers and such a power cannot be conferred on it. However, residual matters that cannot be negotiated at the NJIC or are left to be negotiated at the local or company level must not be taken to the JCC but negotiated with the local or branch officers of the union or the shop floor steward. Finally, membership of the JCC should be through an election from the rank and file of the workers. It should not be automatic for the exclusive right of union officials. The present practice in Nigeria is based on the industrial union system which came into existence by virtue of the provisions of Act 22 of 1978. However, in other countries where the unions are not strictly industrial or where craft unions are existing, they form a force to be reckoned with in the collective bargaining structure. They have been responsible for wage movements and wage differential within the industrial union because each craft union within the group has different interests and the harder the pressure from the craft union, the less indifferent the employer becomes to their demand. However, the industrial union system as practised in Nigeria would not, and S() far has not shown any sign of seeking for specific issues for any trade groups within them, there is to a great extent, a substantial degree of homogeneity among their membership.

Government intervention either by laws enacted or through administrative guidelines from the PPIB will, to a great extent, affect the structure of collective bargaining. The setting up of Wages Boards and Industrial Councils by Act No.1 of 1973, the various Trade Unions Acts between 1973 and 1986 which regulate the structure of labour unions and the employer/union relationship, the Labour Act of 1974 which regulates employer/employee relationship, the 1976 Trade Disputes Act

which stipulates procedures for setting disputes, the Trade Disputes (Essential Services) Act of 1976 which regulates trade unionism in essential services and gave power to the government to proscribe trade unions and detain any trouble shooting trade union officer and the frequent Guidelines from the PPIB, especially on wage freeze and approval of collective agreements before implementation, all have a cumulative impact on collective bargaining structure.

Negotiation in the civil service, i.e. between the government(s) and the industrial unions differ a bit. With the federal government, there is the Joint Negotiation Council that deals with the government. However, the State Councils of the various unions deal with the State Governments. The NLC has of recent been taking on the right to negotiate, especially with the federal government,

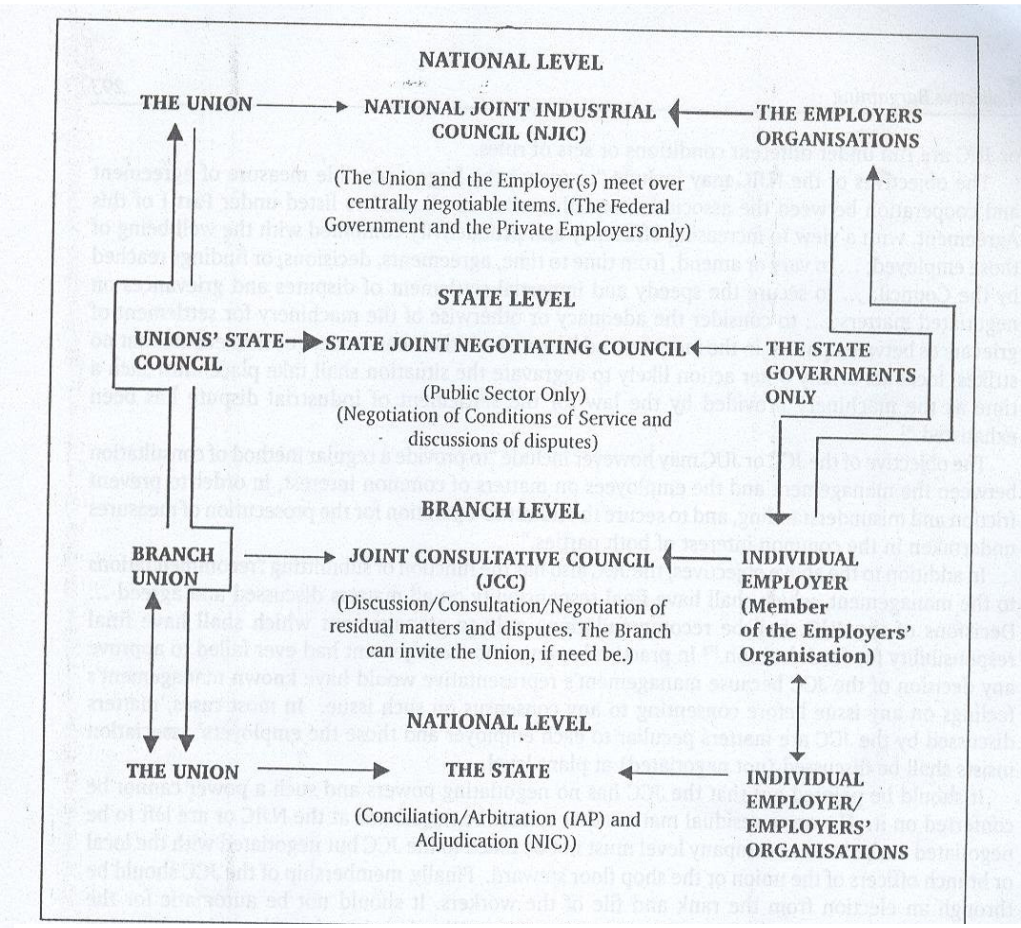

Fig. 1: Structure of Collective Bargaining and Dispute Resolution

without the evidence that the union involved in such bargaining had invited the Congress to do so as required by the statute. While the NLC is pursuing the process, the government seemed not to countenance the inherent danger in the Congress playing the role which the law had tacitly and tactically denied it (TUA 1990 S. 34.2).

3.4.4 Functions of Collective Bargaining

Collective bargaining is a method of furthering basic union purpose which is to maintain and improve working conditions. It is a method of determining terms and conditions of employment. The other methods are unilateral determination by the state, employers or the workers. These methods are however, inefficient as they tend to result in the alienation of one of the parties. Bargaining is of value jointly and severally to each of the actors in industry.

3.4.4.1To the Employer

Most employers believe that collective bargaining is an affair strictly between them and their employees and consequently believe they have the right to manage the business effectively without any intervention or hindrance from the workers' unions. Such actions are usually listed in the procedural agreement and include engagement, deployment, promotion, discipline, termination and dismissal of workers, the determination of the size of the workforce, organisation of work and location of business, the products and sales prices, control and disposal of company assets, determination of the standard and quality of workmanship, investment of company funds, and the determination of financial policies, mechanisation, redundancy, job classification, etc. These are usually termed 'management prerogative'. It is pertinent however, to point out that trade unions always have compassion for the employer.

Employers also believe that for the purpose of meaningful dialogue and negotiation, both the junior and senior employees must have different representations - an idea brought about by the Administrator of Trade Unions in 1978 when he recommended different unions for the two grades of employees. However, the present trend is that collective bargaining is becoming more of an encroachment on management as there seems to be more and increasing penetration into management 'exclusive' by the unions. Both management and unions have their functions and management may not be able to effectively perform its duties if it is excessively circumscribed through the intrusion of collective bargaining into its managerial functions. Although management should consult with workers, it needs freedom to steer the business through the envisaged problems of a young economy, to take decisions speedily and without hindrance and the necessary authority to achieve results to be able to stay in business.

3.4.4.2 To the Workers Union

Before any union can command respect from the employer, it must have registered as a trade union under the relevant law, be well organised, control a majority of the workforce, have a disciplined leadership which commands the respect and loyalty of the rank and the file of the membership and be prepared to adhere nor only to the letter but also to the spirit of any agreement into which it has entered. The union must have the sole authority over its own structure, functions and membership.

3.4.4.3 To the Government

Either of the parties to a collective bargaining can invite a third party to intervene in the bargaining process. The third party is the government through the Ministry of Employment, Labour and Productivity which intervenes by appointing a conciliator or through the Industrial Arbitration Panel (IAP) or the National Industrial Court (NIC). With the intervention of the third party, parties to a collective bargaining process have to negotiate with an 'ump-ire refereeing the game'.

Though collective bargaining had existed in the country prior to 1973, the enactment of the Wages Boards and Industrial Wages Council Act, 1973 further strengthened and institutionalised it in organisations that had not adopted it or had not seriously addressed itself to it. Government's action to institutionalise and enforce collective bargaining include making collective bargaining a statutory duty through the provisions of Section 18 of the Wages Board and Industrial Wages Council Act, 1973; making further laws to regulate the practice of collective bargaining, e.g. Trade Disputes Act; monitoring and supervising the collective bargaining process; offering of advice and guidance to both the employers and unions; offering the services of its staff as mediators and conciliators in case of disputes; and creating the industrial judicial system to adjudicate and make awards in conflicts and disputes arising from collective bargaining.

3.4.4.4 Conditions Necessary for Effective Bargaining

The functions of collective bargaining can only be realised if and only if the bargaining takes place, and effectively if at all. Some of the factors affecting the effectiveness of employers and employees strategies have been discussed previously. Additionally, the International Labour Organisation (ILO) has itemised a list of prerequisites for effective bargaining. These factors and more are listed here:

- Favourable political climate - Favourable political climate is crucial as this tends to determine the orientation of governments to labour and their institutions.
- Freedom of association - Voluntary organisations must be allowed to operate within the framework of labour legislation. Otherwise, workers would have no legal basis to constitute a group for the purpose of collective bargaining.
- Power relationship - Employers exert the power of ownership rights on workers through say lockout, firing, etc. On the other hand, workers exercise their labour power by striking or quitting. It is, therefore, the existence of power on each side in industry that cause mutual respect for each other in industry.
- Joint authorship of rule - industrial relations rule that are jointly authored tend to be complied with more with less persuasion on the part of workers. It follows that bargaining can be effective if the rules governing the process are such that workers had an input in their determination.
- Recognition of trade unions - Workers' organisations need to be welcomed and encouraged by the employer by agreeing to negotiate collective agreements with them. Such recognition of trades unions is crucial to give collective bargaining the initial commencement.
- Willingness of the parties to give and take.
- Avoidance of unfair labour practices on the part of both parties that violates labour laws.
- Willingness to negotiate in good faith and reach agreement. Good faith bargaining represents negotiation in which two parties meet and confer at reasonable times, with minds open to persuasion, with a view to reaching agreement on new terms.
- Willingness to observe the collective agreements that emerges. The outcome of collective bargaining (if successful) is a collective agreement, which is a contract to be interpreted and routinely administered throughout life. The collective agreement is thus the product of a resolved conflict, and its interpretation could cause further conflict in future. However, if the bargaining fails (parties unable to strike a bargain on their different interests), then a dispute arises and has to be resolved.

3.5 Negotiation in Collective Bargaining

Negotiation, on the other hand, is the process of bargaining between the employer or employers' organisations and the workers' representative or workers' organisations. Usually, the workers submit the charter of demands, which are discussed with the employers who may in turn make counter proposals. Offers and counter offers are presented and secured until a level acceptable to both parties is reached and recorded

as the agreement. Such agreement is reached either as a means of 'give and take' on both sides or by compromise by either of the parties.

Management representatives should not fear to negotiate or at least have discussion or dialogues with union officials at all times. Engaging union leaders in dialogues reduces areas of grievance and tension. They should not forget that it is 'better to cross words rather than swords.' Refusal to speak to union leaders can lead to spontaneous industrial actions and other allegations which may include the repudiation of the recognition agreement. At union/management meetings information is exchanged and a black-out of such information may lead to rumour which in itself is a cankerworm which must not be allowed to exist in an enterprise.

3.5.1 Selecting Negotiators for Collective Bargaining

Sufficient thoughts have to be given to the type of people to be selected for negotiations in a collective bargaining process. Negotiators must be skilled, untiring and knowledgeable not only in the art and but also in the procedures, rules, regulations, conditions of service, objectives and financial position of the enterprises. It has to be appreciated that in all aspects of commerce, negotiation is an important exercise. A trader bargains hard to sell for a high price, bank loans are negotiated, contracts are keenly contested in negotiations and the negotiations for improved conditions of service are no push over.

Negotiators must be patient and good listeners. They must not argue unnecessarily but go straight to the point. They should neither give the impression that they are in a hurry to reach agreements because they can give out more than necessary if they do not do so nor should they lose their patience with the union representatives. They should be able to read the minds of their opponents and be able to anticipate their next line of action. As in every endeavour with human beings, they must be tactful. They should be able to note the feelings of the other party and say the right thing at the right time. In addition, they should have a good sense of humour, a good temper and be firm.

Senior executives like the Company Chairman and the Managing Director should be excluded from participating in collective bargaining or negotiations. This is necessary so that the negotiators will have the opportunity of referring to them in case of an impasse whereas if they have participated, the union would have expected an immediate and on-the-spot agreement as the decision makers are involved in the negotiations. Furthermore, their exclusion saves them any embarrassment which might arise if after they made the final offer, the union decided to refer it to its executives.

For negotiations at collective bargaining to succeed and be free from any frictions, especially from the worker's side, both parties must show:

3.5.1.1 Confidence

It is extremely difficult to strike a bargain if there is no confidence. It is usual for the union to exhibit lack of confidence in the employer especially when the employer stresses his inability to pay. A typical example was a strike action by workers of UTC in October, 1987. The facts of the case are that UTC wanted to declare some workers redundant but the workers expressed shock at the decision and pointed out that at the last financial year the company recorded a profit of ₦4 million and had bought over four other companies. The company's decision led to a lack of confidence by the employees' union.

Good Faith in the other party is a pre-requisite for hitch-free negotiations. Both parties must be faithful not only during negotiations but also in the implementation of the accords reached. Force, intimidation or any unorthodox method must not be used to secure agreement. Although good faith of the parties to negotiations is very difficult to ascertain, good negotiators have been able to read the minds of the other party through observable conducts, reactions to questions, unwillingness to actively participate, or to shift positions and other noticeable facial gestures.

3.5.1.2 Mutual Trust

There must be mutual trust between the parties as lack of trust will lead to suspicion and lack of confidence which will in turn generate ill-feelings, friction and eventually lead to a dispute.

3.5.1.3 Clear Adherence to the Rules

Parties to a collective bargaining process must be willing to conduct the, business within the confines of clearly defined rules (which in this case is the procedural agreement). It is only by following the rules that frictions can be eliminated and dispute removed.

3.6 Negotiation Process

Union negotiation is a long process which would have been agreed to with the union either at the time the recognition agreement was being negotiated or separately as a procedural agreement. There is naturally a slight difference between the procedure to be followed when negotiations are at the national or industrial level and at plant level. The general procedure is as follows:

3.6.1 The Charter of Demands

This is usually a list of demands from the union. This is in written form and it calls for a meeting at a specific date for the negotiation or discussion of the demands. The length of the notice of the meeting is based on the agreed period between the parties and varies from one industry to another. The type of demands made also depends on the circumstance of each industry but some basic demands are common. Such are meant to meet the workers' basic needs and may include wages review, review of all allowances, hours of work, overtime, medical care, annual holidays and other welfare facilities. It is the characteristic of the unions to inflate their demands at times as high as by 300 per cent and this is based on our tradition of hard bargaining. Apart from inflating or exaggerating their demands, the unions have a history of making numerous demands aimed at surrounding their exact position or to be used as a lever for future negotiations only to be dropped after management has maintained a firm stand not to entertain such claims.

3.6.2 Preliminary Groundwork and Processing Of Demands

The management representative should acknowledge receipt of the union's letter making the demand and also confirm the date of the meeting, if suitable; otherwise, an alternative date should be suggested. However, it is necessary to check from the procedural agreement that the mandatory length of the notice is complied with. If not, the insufficient notice given may constitute a violation of the procedural agreement. Under such a circumstance, fresh notice will be needed. It is also necessary to ascertain that the items listed on the demand are in agreement with the procedural agreement for the body that is making the demand - either the National Joint Industrial Council, or the Joint Unit Council, i.e. the national body or the plant/local body.

Part of the preliminary groundwork will be for management to cost the demands and decide if it is in a position to bear the extra financial burden that would result from the negotiations, consider if any concession given will lead to a general rise in productivity; if its present compensation package compares favourably with what is paid by other employers in the same industry or industrial practice; if its decision to grant concession will have adverse effect on other employers in the industry, geographical groups or in other industries; if a failure to reach an agreement will have an adverse effect on the employer; and if there is an advantage in reaching an early agreement or installing the negotiation.

When the employer or employers' organisation is satisfied that time is ripe for negotiations, he/she then seek further clarification on demands which are not clearly expressed. In addition, it may be necessary to conduct a survey showing a comparison of the terms and conditions of service of the employer with those of other employers in the industry as this may be required to convince the union that the employer or industry is paying adequately and that a rise is not necessary. At other times it may be necessary to 'test the feeling' of the union official by speaking to one or two of the officials to know what items they feel strongly about and those about which they would not be forcefully attached. It will thereafter be necessary to plan the campaign strategy by first analysing the demands and classifying them into those which can safely be conceded; those not to be strongly contested; those which can only be conceded by compromise; and those on which no concession can be made.

After collecting necessary data from the survey, it may be necessary for top management to meet and approve a mandate with which the management representative may negotiate with the union officials. In arriving at the mandate, management would have taken into consideration the ability to pay and the economic situation presently prevailing and projected into the future, the effect on other employers in the same trade group or industry, the effect on other employers in the same geographical location and also the effect on the business. The management team for the campaign should be selected taking into consideration the points raised on 'selecting negotiators for collective bargaining'. This team should be adequately briefed and this is done at the pre-negotiation meeting where all tactics to be employed are discussed.

3.6.3 Holding Negotiation Meetings

The first consideration in holding a collective bargaining or negotiation meeting is the site. It is common practice to hold negotiation meetings on the premises of the employer (for a plant negotiation) and there is no better option; and in one of the employers' offices (for industrial negotiation). The meeting should be held in pleasant and quiet surroundings free from interruptions by either telephones or visitors. Refreshments such as coffee, tea and snacks may be served by the employer. It must also be ascertained that those present and representing the union are accredited representatives who have the authority to take decisions and enter into agreements that will be binding on the workers. Before formal negotiations commence, it is a better idea to first make efforts to secure an agreement that for as long as negotiations last, none of the parties will issue a press statement, engage in any industrial action

such as work stoppage of any form or lock-out or do anything that will inhibit negotiations.

Thereafter, in order to facilitate negotiations and lessen the burden that might have been inbuilt into the charter of demands, it is necessary to agree on an agenda that will be followed and at times, this is agreed by correspondence before the date of the meeting. Agreeing on an agenda is rather difficult because the items of demand do not carry equal weight. The union would want the very important ones to be negotiated first or the whole items negotiated as a package. If there is no agreement, they may resort to strikes in order to force the employer into granting the demands. However, since management's intention is to secure an overall agreement on all matters that make lip the charter of demands, either by concession or compromise, great tact must be brought to bear in securing the desired order of the agenda. Items on which the employer is prepared to give concession should neither be arranged together nor be put on top of the agenda; rather, they should be spread out on the agenda so that if need be, one may be used as a compromise to secure the agreement on other tough items on the agenda, thus fulfilling the employer's objective of securing agreement on all matters listed. Assuming the charter of demand includes payment of wages while on strike; minimum wage to be increased to ₦60, 000 per month; redundancy benefits two months pay for every year of service; long service award; and life assurance for 24 hours cover.

The way the demands are listed shows that the union is up to a gimmick. The Trade Dispute Law is specifically against payment of wages while on strike thus upholding the principle of 'no work, no pay'. Do they expect a 'no' answer and go on strike? Do they expect the employer to violate the law? This is immediately followed by over a 100 per cent rise in the minimum wage, a request they know the employer would turn down. They had put the difficult demands first with an expectation of bend or break response from the management. It is therefore necessary to get the agenda rearranged so that the negotiation can progress from the simple to the difficult and then to complex matters. Consequently, the re-arranged agenda would be as follows: life assurance for 24 hours cover; payment of wages while on strike; long service award; redundancy benefits two months pay for every year of service; and minimum wage to increase to ₦60, 000 per month.

Once the agenda has been agreed upon, attempts by either party to introduce new items should be resisted by all means. Having got the agenda for the negotiation, the chief spokesman for the employer should call the union leader to present his case. Usually, the spokesman would give reasons (genuine, fabricated, and exaggerated) to support his case for the introduction of the new item or for the improvement being

sought on the existing ones. It should be remembered that in any negotiation, one party tends to wear down the other in order to gain concessions. This is why management representatives should be good listeners, courteously, carefully and patiently listening to the presentation; no matter the amount of irrelevant things said and even during tension and threats, they should remember that a good manager should keep his head, while others lose theirs. Management's representatives should not fall victims of being worn out by the union. While they are not succumbing, they should however remember that no union official can stay long in office unless he can achieve results at all times and give genuine and adequate reasons why any item of demand had to be rejected outright. At the end of the day, the union team should be made to leave the meeting happy and not angry or with any ill-feeling even though they have not achieved anything. Even where the union tire out management representatives, they should not show signs of strain because it is possible that the union representatives are tired themselves; any sign of strain by the employer's side will put the union at an advantageous position. However, it is common in practice that agreements are reached when both sides are tired.

When it seems the negotiation on a particular item is heading for a deadlock, management representatives should seek for a new angle to divert the course of discussion and indicate their flexible approach and desire to reach an agreement on the issue. As long as there exists some hope of striking a bargain, no matter how slim the hope, management representatives should endeavour to keep the way open and sustain the effort to keep the discussion alive and make sure nothing is done or said to annoy the union representatives to warrant their call for a 'no agreement' decision. Where it seems one side is not- yielding, it may be required to ask for ail adjournment to allow tempers to cool and a rethinking and consultation by either side. However adjournment as a tactic must not be over-used because the union can see it as the employer's tactic to 'stall' the negotiations and may, consequently decide to take an irrational action. Where the union feels very strongly about a particular issue and the management representatives feel that it may lead to a deadlock, it is good tactic to secure a long adjournment to enable both sides 'sleep over' the issue and probably resume negotiations from an entirely new and different angle. It is however better to adjourn the meeting than to record a deadlock. Where a deadlock is agreed, management representatives should seek to insert a provision that either party can take steps to unlock the deadlock within a specific period. The period should be fairly long - longer than the longest adjournment ever had during the course of that negotiating period. This has the advantage of converting deadlock to an adjournment as the employer should make strenuous efforts to unlock the deadlock thereby reopening the issue for negotiation. Before the meeting is reconvened, behind the scene efforts

should be made to cultivate the union members or strong members of the union to seeing the employer's point of view so .that they can influence the union negotiators to shift their position. A good argument in this area is the loss to the worker for as long as the impasse lasts. If there is a slight improvement on the worker's lot, they will persuade their leaders back into negotiations.

Where an agreement is reached, the chairman should make notes of the agreement to be initialled by leaders of each side pending the preparation of the collective agreement. This avoids the usual argument that the agreement reached had not been properly and adequately written out in the collective agreements. Whatever agreement is reached at every meeting, be it positive or negative, must be clearly written in simple language. Minutes of each negotiating meeting should be prepared soon after the meeting and signed by both parties. All agreements reached should include the effective date and the life span of the agreement. At the close of every meeting, the chairman should review the agenda, taking note of items that have been disposed of and those carried forward. In preparing an agreement on issues that have been agreed, it will be necessary to include not only the effective date, the expiration date and the period of notice to terminate the agreement but also a provision that the agreement shall subsist until another one to replace it is signed.

Where, however, a disagreement is reached, the parties may agree to appoint a conciliator who may help the parties to reach an agreement by offering suggestions and advice. Where this is agreed upon, the conciliator must be a person of integrity noted for his firmness and uprightness and acceptable to both parties. Where this fails, the issue may be referred to an arbitrator who is usually a government official or institution who decides for the parties. His decision is then passed in form of an award. Where this also fails, the case is referred to the National Industrial Court for a final adjudication.

SELF-ASSESSMENT EXERCISE

Distinguish between joint consultation and deputation. Why is the distinction of any importance in the resolution of industrial conflict?

4.0 CONCLUSION

In this unit, we have examined the mechanisms for resolving industrial conflicts, namely; deputation, Joint Consultation and Collective bargaining. However, collective bargaining is the main method which employers and workers use to resolve conflicts of divergent interests.

This is because collective bargaining is a powerful machinery by which joint determination of terms and conditions of employment are done.

5.0 SUMMARY

It is obvious that the three mechanisms for resolving industrial conflict have produced good industrial relations one time or the other. However, collective bargaining is the main method which employers and trade unions use to resolve conflicts of divergent interests. The collective bargaining process is intricate and requires some minimum level of skill on both sides to be effective. Company financial reports and economic indicators in the environment need to be read, understood and interpreted correctly. Consequently, negotiators need to be understood and interpreted correctly. Consequently, negotiators need to be sufficiently literate, knowledgeable and above all skilled for effective negotiation. Parties vary in their practice in selecting those individuals who represent them in negotiation sessions. Depending on the level of bargaining, national officials, officers and branch officers represent the trade union. Companies are most likely to send their relatively senior industrial relations and personnel managers as the head of their bargaining teams. The employers' associations may provide experienced bargainers while in small firms, line managers may perform the negotiation function, sometimes with the aid of consultants from outside the organisation. Finally, the effectiveness of negotiation depends largely on the perceived use to which the parties put to the collective agreement that emerges.

6.0 TUTORED-MARKED ASSIGNMENT

Describe the structures and functions of collective bargaining machinery in the resolution of conflicts.

7.0 REFERENCES/FURTHER READING

Fajana, S. (2006). *Industrial Relations in Nigeria*. Lagos: Labofin and Company.

Onasanya, S. A. B. (2005). *Effective Personnel Management and Industrial Relations,* (Revised Edition). Lagos: Centre for Management Development Publications.

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UNIT 4 COLLECTIVE BARGAIN AND AGREEMENTS

CONTENTS

1.0 INTRODUCTION

Collective agreements are agreements that exist purely for social purposes and are therefore not meant to create legal relationship between the collectively contracting parties. The difference between a collective agreement and an individual contract of employment is that the collective agreement is of a social nature generally lacking in consideration and intention to create legal relations whereas the contract of service contains the intentions to create legal relations. In this unit, we shall examine the meaning, types of collective agreements and their effects on contracts of employment.

2.0 OBJECTIVES

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

- define collective agreement
- discuss different types of collective agreements
- discuss the effects of collective agreements on contracts of employment.

3.0 MAIN CONTENT

3.1 Definition of Collective Bargaining

A labour agreement concluded between an employer or employer's organisation and workers representative after negotiations at a collective bargaining meeting is called a collective agreement. The ILO Convention (1998) defines a collective bargaining as "voluntary negotiations between employer or employers' organisation and workers' organisation with a view to regulate the terms and conditions of employment by collective agreements". However, the Trade Dispute Act (1974) defines collective agreement as "any agreement in writing for the settlement of disputes and relating to terms of employment and physical conditions of work concluded between an employer, a group of employers of one or more organisations, representative of employers, on the one hand, and one or more trade unions or organisations representing workers, or the duly appointed representative of any body of workers, on the other hand" (1974, S. 47.1).

3.2 Legal Status

Collective agreements in general are thought to be agreements that exist purely for social purposes and are therefore not meant to create legal relationship between the collectively contracting parties. The law has generally regarded an agreement entered into by a trade union even when the other party has been a single company (that is, not a 'trade union' in the guise of an employers' association) as a 'gentleman's agreement' and thus binding in “honour only” because that was the intention of the parties in entering into the agreement in the first place. It is this absence of 'intention' to be legally bound which in reality has kept the collective agreement away from the courts.

The difference between a collective agreement and an individual contract of employment is that the collective agreement is of a social nature generally lacking in consideration and intention to create legal relations where is the contract of service contains the intention to create legal relations. Also, while an employee's contract of service can be enforced in a civil court; a collective agreement can only be enforced in the industrial judicial system, i.e. via the Industrial Arbitration Panel and the National Industrial Court. However, the creation of the Industrial Judicial System in Nigeria coupled with the provisions of the Trade Disputes Act, the Wages Board and Industrial Councils Act and other statutes may make the provisions of collective agreement legally enforceable.

Collective agreements call for a joint enforcement and administration by both the employers and the trade unions. Collective agreement has developed from being an affair between the employer and the union of his workers to that between an industrial union and the association of industrial employers, This means that collective agreement is not only a plant issue, it is now an industrial affair.

3.3 Types of Collective Agreements

There are three main types of collective agreements: the recognition, the procedural and the substantive agreements. Onasanya, (2005: 299-303) explains these agreements copiously, as follows:

3.3.1 The Recognition Agreement

When an employer recognises a trade union, it means that the employer has accepted that union as the sole representative of a majority of the workers in that enterprise; the workers have surrendered their freedom to negotiate with the employer to that union while the employer has accepted to deal with the union on behalf of the workers. The type of relationship between the employer and the union is thus set out in the recognition agreement.

3.3.2 Contents of a Recognition Agreement

The Subject Matter is usually a short title indicating what the agreement deals with, e.g. Union Recognition Agreement.

- **Date of the Agreement:** The agreement must indicate the date on which it was made. This date may also be the effective date of the recognition.
- **Parties to the Agreement:** This will show the name and address of the employers as well as the name and the registered office of the union.
- **Preamble:** This is usually an introductory paragraph indicating the desire of the parties to the agreement to establish a cordial and mutually advantageous relationship. The preamble will also contain a statement thin membership of the union will be left for the individual worker to decide and no coercion, intimidation or force will be used on the worker to join any union.
- **Conditions for Recognition:** Under this heading will be stated the following: that evidence of majority support from the workers of the enterprise has been produced; that negotiation is limited to the particular grade or grades 9f workers represented by the union; that should there be a rival union in the enterprise the union being recognised will submit to a referendum to ascertain

the true position of support and loyalty from the workers; that the union being recognised will automatically give consent to the recognition of the rival union and also agree to team up with the rival union to form a joint action committee for negotiation purposes; that after the recognition both parties agreed that all grievance and misunderstanding will be ,settled by negotiations in accordance with agreed rules and procedures; that the employer shall produce space for union notice boards to enable it communicate with its members.

- **Union Security:** A statement to confirm the safety and security of union officers, especially those who may be full time employees of the union and not employees of the enterprises, and the payment of wages of union officials when permitted by the employer to be absent from work on union activities.
- **Union Check-off:** A statement that the union shall operate a check-off system which the employer shall assist in deducting in accordance with the provisions of the Labour Act.
- **Formal Recognition:** A categorical statement that the union is given formal recognition by the employer thus becoming the workers' agent for collective bargaining purposes. This is the most important clause in this agreement as it confers on the union, the right to negotiate with management on behalf of the workers.
- **Notice of Termination:** Since union recognition looks like an affair that will last fairly long, it is necessary to put in the agreement a period of notice required by either party to terminate the agreement.
- **Definition:** If need be, words that may lead to confusion or divergent views in the agreement must be defined.
- **The Signature Block:** Both parties to the agreement must sign it and the signatures must be witnessed. At least two people from each side must sign the agreement.

With the introduction of the industrial unions, membership of all unions is automatic and this means that all workers in an enterprise become automatic members of the industrial union which relates to their industry. Once they become members, the law requires the employer to automatically deduct check-off from their wages out a disinterested worker has the right to withdraw his membership provided he does to in writing to the employer. Also, the Trade Unions (Amendment) Act No. 22 of 1978 makes recognition of unions automatic and employers who for one reason or the other violate the provisions shall be duly penalised. The amended Section 2 provides that "Subject to this section, where there is a trade union of which persons in the employment of an employer are members, that trade union shall, without further assurance, on registration in accordance with the provisions of this Act, be entitled

to recognition by the employer. If an employer deliberately fails to recognise any trade union registered pursuant to the provisions of sub-section (1) of this section, he shall be guilty of an offence and be liable on summary conviction to a fine of ₦1,000.00."

3.3.3 The Procedural Agreement

The first assignment of the union after recognition is to negotiate the Procedural Agreement which will set out clearly the rules and procedures to be followed when dealing with one another or when there is a grievance or dispute.

3.3.3.1 Contents of a Procedural Agreement

The following must be provided for in a procedural agreement:

- **The Subject Matter:** A short title describing how agreement should be provided.
- **Parties to the Agreement:** This is usually the name and the registered office of the union or of the employer or the name and registered office of the employers' organisation and of the unions' organisation (in a 3.3.combination of unions).
- **Agreement Date:** This may be the date the agreement was signed. The effective date must also be stated if different from the date of the agreement.
- **Preamble:** This introductory paragraph contains the intention of the parties to come together and co-operate to achieve industrial peace and that the employer accepts the union as the agent of the workers for the purpose 9f negotiations and collective bargaining.
- **Scope of the Agreement*:*** This covers rules and procedures covered by the agreement. It usually includes a list of items that can be negotiated between the employer and the union, e.g. wages and salaries, hours of work, overtime and rate, annual leave and allowance, sick benefits, redundancy, housing and transport allowances and any other matter that may be jointly agreed by both parties; the formation of the negotiating body made up of a number of persons from each side. With the present structure of the unions, such bodies are called National Joint Industrial Council. It will also include an undertaking by both sides that no strike and lockout shall take place until the procedures for settling disputes are fully implemented; and an undertaking by the union not to interfere with the normal management functions except where the welfare of the union members is concerned. Such management functions include the right to manage methods and manner of working, introduction of technical improvements, the decision to modify, extend, curtail

and or cease operation and to engage, promote, transfer and terminate the services of any employee, etc.; an undertaking by both sides to ensure that the agreed procedures are followed at all times; the constitution of the National Joint Industrial Council - which states the title and objects of the Council, membership, officers, negotiating patterns, rules governing its meeting [notice of meetings (ordinary or emergency quorum), press release, conciliation and arbitration, amendments to agreements, duration of agreements, appointment of committees and other matters approved by both parties]; grievance procedures (for both the individual and collective grievances); the formation of the Joint Unit Committee (JUC) to discuss all other matters relating to the employment but not to be negotiated by the NJIC; and the constitution of the JUC, which includes its title, objects, functions and limitation of functions, membership, co-option, officers, retirement of members, filling casual vacancies, notice of meetings, quorum and proceedings at meetings, etc.

- **Definition -** All words capable of more than one interpretation or whose interpretation may lead to misunderstanding and confusion must be properly defined.
- **Signature Block -** Parties to the agreement must sign the agreement while their signatures must be witnessed.

3.3.3.2 The Substantive Agreement

The substantive agreement is specifically concerned with the actual terms and conditions of employment such as wages and salaries, housing, transport, leave and other allowances, hours of work, overtime and overtime rate, sick benefits, maternity benefits, etc. The union is always eager to prepare a substantive agreement as soon as a few items are agreed upon, and as a result of this, an employer may find out that he has to contend with as many as six or seven substantive agreements at a time. Where this happens, there are two ways of getting round the problem. The first method is to prepare a consolidated substantive agreement which will embody all the six or seven substantive agreements. The other method being used by most companies is to prepare a summary of all agreements reached and compile them into what is known as "Employees Handbook" which will be given to all employees. Therefore, all the agreements will become a handy booklet which can always be referred to from time to time.

3.3.3.2.1Contents of a Substantive Agreement

- **Title:** The agreement must have a descriptive title, preferably a short one.
- **Parties Involved:** Names and addresses of the parties to the agreement, the employer and the union must be clearly stated.
- **Date of the Agreement:** The date the agreement was made and the date on which it becomes operative must be clearly stated. This is important in determining the expiration of the agreement. In some cases, especially where negotiation was protracted, the effective date may not necessarily be the date on which the agreement was signed. Sometimes, the effective date may be backdated or it is the first day of the month following that in which the agreement was signed. In order to avoid conflict, it is better to state clearly the date on which the agreement becomes effective. As much as possible backdating of the effective date of an agreement must be avoided as it leads to variance in labour cost, make budgets ineffective and disrupts the cash-flow plan.
- **Duration of the Agreement:** Since unions are always eager to negotiate terms of employment, it is important to fix a definite term as the life span of the agreement. In view of the economic trend the world over, it is a good plan to have the agreement for a fairly long period. The current practice is between two and three years. The employer is thus able to have industrial peace during this period and can plan ahead.
- **Notice to Terminate or Extend:** This is usually in one or two clauses giving the period of notice required to terminate or extend the agreement. For example, an agreement fixed to last 36 months may provide that at any time after 36 months from the commencement date stated above either party may give to the other at least two months notice in writing of its desire for consideration to be given to a review of the salaries and allowances stated in this agreement; at any time after 34 months from the commencement date stated above, either party may give to the other two months notice in writing of its desire for this agreement to continue in force for a further period to be agreed upon or its intention to terminate or alter any clause in the agreement.
- **Scope of the Agreement:** Items on which agreement was reached should be recorded here. All agreed terms should be recorded as agreed to avoid friction.
- **Signatories:** Like any contract, the agreement must be signed by the parties to it.

The modern trend is to distinguish between more permanent, semi-permanent relationships and the actual terms of employment when

preparing collective agreement. For example, the recognition agreement looks like a permanent feature. Once a union is recognised there is no need for recognising each time they have to amend the collective agreement and unless the union 'dies' in accordance with the procedures stated in Chapter 23, the employer does not need to re-recognise it.

The procedural agreement seems to be semi-permanent because until there is need to change a procedure or alter the items negotiable there may not be need to alter it. However, since the rate of inflation is getting higher, terms of employment change rapidly and since we may not need to alter either the recognition or procedural agreement whenever terms of employment change, the separation of the agreements may be justified. It is always desirable to use very simple and unambiguous language in the composition of a collective agreement so as to avoid confusion and the inclusion of a definition clause in the agreement. The use of the legal draftsman's style of agreement should be avoided.

- **Reopener Clause**
  Trade unions are now attempting to introduce the use of reopener clauses in agreements in view of the rapidly changing rate of inflation. A reopener clause allows the union to reopen negotiations on a subsisting agreement. Personnel specialists should ensure that reopener clauses are used when the agreement has lasted at least about three-quarters of its life-span.

3.4 Effects of Collective Agreements on Contracts of Employment

Although collective agreements are social contracts not enforceable in law, except a clause to the contrary is inserted, the true position is that once a collective agreement is signed, and its provisions become operative, they automatically replace the existing provisions in the conditions of service because in most firms, the letter of offer of appointment usually refer the new recruit to the employees' handbook which is a summary of collective agreements between management and the union and the contents of which are said to be binding on the new staff.

It is necessary to point out that while it is assumed that the provisions of collective agreements cannot be enforced in a law (civil) court between the union and the employer or his association, once such provisions become operative, they can be legally enforced between a worker and his employer in a civil court. It can also be collectively enforced in the National Industrial Court. However, where the employer has not incorporated the provisions of the collective agreements summarised in the employees' handbook into the contract of employment of a worker,

and where the worker does not belong to the union negotiating these collective agreements, the provisions of a collective agreement cannot automatically find their ways into the employment contract of such a worker. The only other way the worker can enjoy such benefits is by going to court and only if the court can rule that it is customary for the employer to offer such benefits to all employees in his employment can the worker enjoy such benefits. This also goes to confirm that the courts generally recognise and respect the traditions which exist between the employee and his employer as it does in ascertaining the period of notice needed to terminate an employment contract (Onasanya, 2005).

In the past, there were instances where some workers refused to join the union. Also, with the present industrial union system, the law allows individuals to opt out of the check-off thereby withdrawing their membership of the union. The question that arises is should such workers who are not members of the union enjoy the benefits of the negotiations of the unions? Tactically, when the employer incorporates the benefits of collective agreements into the contract of service, it connotes that all employees would enjoy such benefits provided they belong to the category of workers covered by the agreement. In the days of the house unions, the unions had on several occasions attempted to exclude workers who were not in their unions by inserting in collective agreement, clauses indicating that the negotiations were on behalf of union members only. In such situations it would be expected that the employer should not pay such benefits to the excluded workers, but in practice and for convenience, employers have always extended the enjoyment of the benefits to all workers without excluding anybody.

SELF-ASSESSMENT EXERCISE

What is the difference between collective agreement and individual contract of employment?

4.0 CONCLUSION

In the unit, we have examined the meaning, types of collective agreements – recognition agreement, procedural agreement and substantive agreements, and the effects of collective agreement on individual contract of employment.

5.0 SUMMARY

Collective agreements are the products of collective bargaining. It exists for social purposes. It is a social contract not enforceable in law, except a clause is inserted. Collective agreements call for a joint enforcement and administration by both the employers and the trade unions.

Collective agreement has developed from being an affair between the employer and the union of his workers to that between an industrial union and the association of industrial employers. This means that collective agreement is not only a plant issue; it is now an industrial affair.

6.0 TUTOR-MARKED ASSIGNMENT

Distinguish between the contents of a procedural and a substantive agreement.

7.0 REFERENCES/FURTHER READING

Fajana, S. (2006). *Industrial Relations in Nigeria*. Lagos: Labofin and Company.

Onasanya, S.A.B. (2005). *Effective Personnel Management and Industrial Relations*. (Revised Edition). Lagos: Centre for Management Development Publications.

Otobo, D. & Omole, M. (1987). *Readings in Industrial Relations in Nigeria.* Lagos: Malthouse.

UNIT 5 PRODUCTIVITY BARGAINING AND AGREEMENT

CONTENTS

1.0 INTRODUCTION

Employers have been confronted with many changes in the economic environment. Typical examples of such changes include: depressing national and global economy, technological changes, changes in work methods, under-staffing and over-staffing syndromes, coupled with escalating labour costs in contrast to increase in the gross national product, thus leading to an inflationary trend, balance of payment difficulties and enormous international debts. All these factors inhibit productivity and call for the need for productivity agreement. In this unit, we shall examine the meaning, importance of productive agreement to the employer and worker.

2.0 OBJECTIVES

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

- define productivity bargaining
- discuss the need of productivity bargaining
- discuss the benefits of productivity bargaining to the employer and worker.

3.0 MAIN CONTENT

3.1 Definition of Productivity Bargaining

Productivity bargaining is simply referred to as "methods of production" and "increased efficiency" and left with the Joint Consultative Committee or Joint Unit Committee, which is the body empowered to discuss and agree on matters with the management of an enterprise at local or plant level. It is concerned with the workers' agreement to concede to changes in the working methods and practices, thereby leading to more economic and efficient use of the available resources, while the workers are paid higher remuneration. Productivity bargaining became important in management/union relationship in February, 1960 when Esso offered to pay its workers a wage increase of 40 per cent spread over two years for a change in working practices and methods and it is still in its development stage.

With the present Nigerian concept, it is doubtful if productivity agreement can be achieved on industry basis as has been achieved in the UK and the USA.

It is the general practice that productivity agreements should cover all aspects of the enterprise, that is, production, marketing and administration, and all grades of employees - managerial, supervisory, technical and clerical. It must state categorically and in .more concrete terms, the concessions to be granted by the workers and the consideration to be paid by the employer to the workers for making such concessions.

3.2 The Need for Productivity Agreements

(a) It enables the employers to seek for avenues to make some economic savings.
(b) To check escalating labour costs in contrast to increase in the gross national product, thus leading to an inflationary trend and balance of payment difficulties and enormous international debts.

(c) To keep abreast with technological changes which render some practices and methods inefficient and even useless. The introduction of the computer, for example, has rendered the manual posting of accounting work, inefficient, slow and time wasting. Equally, an efficient accounts man will prefer to use the electronic calculator to the normal brain calculation.

(d) The shortage of the required manpower makes the employer look for more economic and efficient ways and methods of doing certain things. Realistic wage fixation is an attempt by employers to fix realistic wages. They tend to discuss productivity and relate wages to it. In ordinary wage increase bargaining, wages by other employers and other extraneous matters influence the decision as to what to pay, but during productivity bargaining, wages are related to productivity and it can really be said that a fair wage is paid for a good day's job.

(e) It also avoids the payment of low wages which in turn breeds institutionalised overtime.

(f) It improves labour utilisation by removing demotivators and labour tactics and practices that inhibit productivity which management usually identify before embarking on productivity bargaining with a view to eradicating them. Such tactics include institutionalised overtime, practised by workers who drag work on for longer to enable them earn extra; labour restrictive practices which are either in the form of work-to-rule, informal groups inhibiting production, etc.

(g) It helps to improve work method, which has to be seriously reviewed by work study specialists. The study should aim at improving both work methods and work organisation (work flow, material handling, supervision, etc.) with a view to raising the level of output per head.

(h) It checks over-staffing, since the aim of productivity bargaining is to raise output with less staff. It is essential that management identifies areas of over-manning from where the excesses will eventually be trimmed off to achieve a lean but effective labour force.

(i) It checks under-staffing and under-employment. This leads to institutionalised overtime which can be corrected by transferring staff from other units or locations. In fact, where the total overtime performed in a unit is in excess of gross pay for an additional staff, it is better, after serious investigation to confirm the genuineness of the situation, to employ a new staff. Cases where staff are not fully utilised should be closely examined and corrective measures taken.

(j) Finally, improved labour utilisation can be achieved through a reduction in the number of craftsman mates on maintenance work; substantial reductions in overtime working which had

hitherto been unquestionably accepted as necessary and had developed into an institution resulting in considerable under-employment during normal working hours; reduction in manning scales; increase in working interchangeability by the relaxation of demarcation lines; transfer of simple maintenance jobs from craftsmen to production operatives; and greater departmental redeployment of labour and retraining.

3.3 Productivity Agreement in Nigeria

Although no productivity agreement has been concluded in the country, the thinking is that since Nigeria operates within the macro-economy and since the other more developed economies have concluded such agreements, the country may sooner or later join the group. This is further reinforced by the clause inserted in the government's Income Policy Guideline by the Prices, Productivity and Income Board since 1982 fiscal year which states that "establishments employing fifty or more persons are to submit to the Ministry of Employment, Labour and Productivity, productivity schemes down up in consultation with their employees. Companies applying for revision of fringe benefits or introduction of new ones should enclose a copy of their productivity scheme." Although prior to 1982, government had been demanding for copies of productivity schemes from employers, it was not made a condition for the approval of fringe benefits until 1982. Government has also invited International Labour Organisation (ILO) experts on productivity schemes, who held lectures and film shows with the Industrial Relations Committee members of Nigerian Employers' Consultative Association (NECA) with a view to helping them arrive at the easiest possible way to prepare productivity schemes. Since all the industrial employers' associations are affiliated to NECA and majority of the employers are corporate members of NECA, it would not be far-fetched that members will implement the provisions of the scheme.

3.4 Effects of Productivity Agreements to the Employer

3.4.1 Improved Utilisation of Manpower Resources

The primary and most important advantage of a productivity agreement is the improved utilisation of manpower resources so that the level of output (productivity) by each worker can be increased with changes in practices and methods. It has been discovered that improvement has been brought into labour output through the factory layout, work organisation, workflow and the movements of the worker.

3.4.2 Staff Reduction

Where over-staffing had been the case, a change in the practices and methods would lead to a reduction in the total labour force on the production line or in the office. The reduction may be in the number of permanent and casual workers, craftsmen and craftsmen mates.

3.4.3 Mobility of Labour

The changes will enable freer mobility of labour, interchange of skills transfer of simple craftsmen's tasks to the operatives, retraining and redeployment of workers thereby leading to more effective utilisation of labour.

3.4.4 Overtime Reduction or Total Cancellation

In many enterprises, owing to old practices and old-fashioned methods, workers have evolved a method of institutionalising overtime thereby increasing their take-home pay. However, such overtime can be reduced drastically or totally eliminated through changes in practices and methods.

3.4.5 Changes in Work Pattern and Work Plan

This is an obvious outcome of changes in practice and methods as the work pattern and plans can never be the same before the changes were effected.

3.4.6 Restrictive Practices

These are practices of labour aimed at inhibiting output which can be identified and eliminated by changes in practices and methods. This will help the manpower planner to identify areas where labour can be needed either through redeployment or outright termination.

3.4.7 Realistic Wages

With wages related to output as against any other extraneous matter, the employer is able to pay realistic wages to the workers. While the work study specialist will look into the area of changes in work pattern and restrictive practices, the personnel specialist or the manpower planner has a lot of responsibility to shoulder regarding the reduction of the labour force, retraining and redeployment of staff, overtime management and other related matters.

3.5 Effects of Productivity Agreement to the Workers

3.5.1 Increased Earnings

This is the main consideration given by the employer to the workers' agreement to allow changes in practices and methods. The workers' basic pay and other associated benefits such as contributions to pensions, leave allowance, where calculated as a percentage of basic pay, etc., are increased.

3.5.2 Reduction in Working Hours

In most productivity agreements, the working hours is reduced and more importantly, the worker does not lose any income as a result of such reduction in working hours, rather, his income is increased.

3.5.3 Increased Leisure Time

With the reduction in working hours, the leisure time of the worker is increased and he has more time to spend for his private pursuits or with his family.

3.5.4 Job Security

When changes in practices and methods have been implemented and the labour force weeded, the remaining workers can be assured that their job security is guaranteed.

3.5.5 Guaranteed Regular Income

He can then be rest assured that he can earn his regular income and maintain his dependants.

3.5.6 Improved Efficiency

Efficiency is improved and output increased.

SELF-ASSESSMENT EXERCISE

As an employer of labour, explain why an organisation needs a productivity agreement.

4.0 CONCLUSION

In this unit, we have examined the meaning of productivity bargaining, the relevance of productivity agreement, the effects of productivity

agreement to employers and workers. From our discussion, productivity agreements help to improve utilisation of manpower resources, so that the level of output by each worker can be increased with changes in practices and methods.

5.0 SUMMARY

Productivity bargaining is at the moment restricted to the company level, especially in most procedural agreements. It is often left with the Joint Consultative Committee or Joint Unit Committee, which is the body empowered to discuss and agree on matters with the management of an enterprise at local or plant level. In practice, productivity agreements cover all aspects of the enterprise- production, marketing and administration and all grades of employees-managerial supervisory, technical and clerical. Workers grant concessions to the agreements but the employer pays the consideration to the workers for making such concessions. The overall objective of productivity agreements is to improve utilisation of manpower resources, so that the level of output by each worker can be increased with changes in practices and methods.

6.0 TUTOR-MARKED ASSIGNMENT

Explain the benefits of productivity agreement to employer and workers.

7.0 REFERENCES/FURTHER READING

Fajana, S. (2006). *Industrial Relations in Nigeria*. Lagos: Labofin and Company.

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