

Industrial Relations in Nigeria: Some Variations or Distinctive Features

ONABANJO Idowu¹ and CHIDI Christopher Odogwu²

Abstract

This article examines industrial relations in Nigeria based on Dunlop (1958) analysis. It confirms the presence of the three actors, the contexts, an ideology that binds the system and the network of rules that governs the activities/behavior of the actors. It points out those things in the system that are not universal to all other industrial relations systems. These are the distinctive features which are the products of the history of the development of the country's industrial relations system.

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1 Introduction

Dunlop (1958) postulated that an industrial relations system at any one time in its development comprise certain actors, certain contexts, an ideology that bind the industrial relation system together, and a body of rules created to govern the actor at the workplace and work community. All the enumerated components of an industrial relations a la Dunlop are discussed in this paper. It is to be noted that this paper is not stated that there are peculiarities in the system rather variations or distinctive features are pointed out. It is the expectation of these authors that, once the readers are aware that Nigeria was formerly under British rule, the similarities

¹ College of Social and Management Sciences, McPherson University, Ogun State, Nigeria

² Department of Industrial Relations and Personnel Management, University of Lagos, Nigeria

between industrial relations in Great Britain and industrial relations in Nigeria will be taken for granted.

2 The Actors in Industrial Relations in Nigeria

2.1 Workers as an Actor in Industrial Relations

For convenience, workers who depend on their labour for livelihood belong to the formal sector of the economy although this sector also includes workers in paid employment but for the purpose of this paper this sector will not be part of the analysis. The formal sector comprises those who engage in paid employment. Among these are the unskilled and semi-skilled workers derogatorily referred to as labourers (a labourer is worthy of his pay) they are the sweat labour who are made to do any menial or odd job. The blue collar workers are the technical staff and the white collar workers are the office staff ranging from clerks, secretaries etc. They have all technically given up part of their freedom to the employer who is represented by management and whose authority is derived from ownership right. There exists some sort of psychological contract between the management and the workers. The workers have some obligations to the management and management in turn has some responsibilities toward them. They make themselves available at a time and period specified by the employer. A worker's power is feeble compared to the 'almighty' power of management who can hire and fire at will. A single worker is helpless. 'labour is often sold under special disadvantages, arising from the closely connected facts that labour power is "perishable", that the sellers of it are commonly poor and have no reserve fund, and that they cannot easily with-hold it from the market' (Marshall 1920 : 567). Analogously, a worker is like a broom stick which can easily be broken. Workers have become wise by learning from a sheaf of broom sticks which can only bend instead of being broken. Workers unite to form a trade union to present a formidable force to their employer. Many workers in Nigeria are represented by trade unions. The definition of a trade union is contained in the Trade Union Act of 1973 and it is:

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 Act, be an unlawful combination by reason of any of its purposes be in restraint of trade and whether its purposes do not include the provision of benefits for its members.

Enterprise unions were in preponderance in Nigeria up to 1978, when government restructured the labour movement along industrial lines. 42 industrial unions were created by government. Trade unions are still relevant in Nigeria because employers cannot be guaranteed to be fair to workers. The N18,000.00 (eighteen thousand naira) per month which is the minimum wage is yet to be paid by some

state governments, much less the Asian employers who are even more exploitative of workers, than their Nigerian counterparts. To appreciate the roles of trade unions, there is the need to look beyond the enterprise and consider what happens on the national scene. Nigerian trade unions could be viewed as uplift unions as described by Hoxie (1917). Trade unions through their umbrella union, the Nigeria Labour Congress (NLC) along with the Nigeria Employers' Consultative Association (NECA) have input into labour policy formulated by government. Nigeria Labour Congress protests from time to time against the decisions/actions of government that may not augur well for the population. Such issues as employing casual workers, contract labour and hike in fuel pump price are cases in point. However, there are organizations in Nigeria where workers are not represented by unions.

2.2 Employers Represented by Management as an Actor in Industrial Relations

Employers generally are motivated by profit. Without profit it is difficult for employers to remain in business. Hence employers strive to make as much profit as possible even at the expense of the welfare of workers. This amounts to killing the hen that lays the golden egg. It is important that employers realize that human resource is the most important of factors of production. The Trade Union Ordinance of 1938 recognized the formation of both trade unions as well as employers' associations, did not feel the need to form employers' associations. Among the reasons adduced for this state of affairs were the proliferation of enterprise unions which were weak and did not pose any threat to employers to go the extra mile in forming employers' associations, the employers were secretive and did not like divulging their trade secrets to others. Employers did not want to encourage the growth of industrial unions which the formation of employers' association would generate hence by 1954, there were only eight employers' associations. However, some factors/events necessitated an upsurge in the formation of employers' associations and they are according to Yesufu (1984)

Government has changed its stance of voluntarism because of the Nigerian civil war (1967-70). Government did not want its sovereignty to be undermined hence strikes and lock-outs were banned in 1969 and a wage freeze, later amended to wage restraint, was imposed in 1972. It was also realized that government involvement in the field of wages was often the result of pressures from organized labour which the employers felt should be counteracted. While on the part of employers government wage restraint would normally be welcome, it was accompanied by indigenization policy which called for joint defensive measures by employers. Also the 1978 restructure of the Nigeria Labour Movement resulted in the creation of 42 industrial unions, 15 Senior Staff association and 9 employers' associations hence it was obvious that there was a need to reduce his imbalance by the formation of more employers' associations.

More importantly employers wanted to have input into government labour policy which could only be possible with an employers' counterpart of trade union Nigeria Labour Congress (NLC) hence the need to form an umbrella union of employers.

2.3 The State as an Actor in Industrial Relations

The state creates the enabling environment for employment to take place and thrive. The state formulates public policies and legislations. Some of the policies and legislations relating to industrial relations are the Provincial Wage Committee put in place in 1937 and reviewed in 1942; the 1938 labour Ordinance to recognize trade unions that might be formed; the Trade Disputes (Arbitration and Inquiry) Act 1941; the Labour Code Act of 1945; the Whitley Councils I, II and III put in place in 1948 to mark the beginning of collective bargaining in the public sector. Also are the Factories Act of 1955 and National Provident Fund of 1957. All these policies and legislations were put in place by Britain, which was Nigeria's colonial master. After Independence in 1960, Nigeria continued with voluntarism a principle inherited from Britain. However, with the exigencies of the civil war (1967-1970), the state needed to ensure that her sovereignty was not undermined hence she came up with a series of legislations to change her former abstentionist policy to what came to be known as limited intervention and guided democracy which culminated in the enactment of the Trade Disputes (Emergency Provisions) Decree, No. 21 of 1968, which was amended by the Trade Disputes (Emergency Provisions) (Amendment) Decree, No.53 of 1969. The effect of this legislation was to ban strikes and lock-outs, establish an Industrial Arbitration Tribunal, and to make general increases in wages by employers subject to the approval by the Commissioner for Labour on behalf of the government. Yesufu, (1984).

3 Ideology of Management

Management in Nigeria embraces either unitary or pluralistic perspective. Generally, indigenously owned companies and those owned by Asian businessmen cannot tolerate unionism in their organisations because they believe in unitary view of organizations. Underlying this belief is the fact that they own their capital and that they can do whatever they like with their possession. Right from employment interview they screen out those who believe in trade unionism. Such employers of labour 'play out the script' contained in the theory of unitarism: there is only one authority all workers owe allegiance and loyalty; management's prerogative is legitimate; any opposition to management is irrational; conflict is exceptional and considered frictional and not structural and must have been caused by communication gap or personality clashes and where management exists, it is tolerated rather than being accepted.

Where management embraces pluralistic perspective, it is realized that there exist various interest groups in the organization. It is the responsibility of management to co-ordinate the activities of the various interest groups. Conflict is expected, in fact it is inevitable. Many multinational corporations and public organizations adopt this perspective. Trade unions are welcome and at times considered as partners in progress and not only industry's opposition. Such organizations usually put in place grievance settling procedure for internally settling disputes when they arise, and avail themselves of the Statutory Disputes Settlement Procedure as contained in Trade Disputes Act of 1976 as amended by Trade Disputes (Amendment) Act of 1977.

4 Network of Rules Which Govern the Workplace and Work Community

The state provides the enabling environment in which the other actors in industrial relations operate. Most of these legislations are to ensure that workers are not dehumanized, workers are paid living-wage, workers are paid as and when due and their pay is not desecrated. Also some of the laws arise from arbitration awards, National Industrial Court awards, past practices and conventions. Labour and Management have opposing objectives. The main objective of management is to make profit by minimizing the cost of production but the salaries paid to workers is a very significant proportion of production which management strives to minimize. Workers on the other hand are always eager to have their salaries increased. This is part of the unceasing power struggle in employing organizations despite the asymmetry of power between labour and management. There is also an indeterminate nature of the employment relationship and economic surplus will have to be created, part of which should be used in paying dividends to shareholders and some to replace depreciated machinery. In addition there is the co-existence of conflict and co-operation which altogether according to Turnbull and Blyton (1998) are the issues in industrial relations. Despite the differing objectives of labour and management; and the issues just highlighted, labour and management must interact otherwise there is no way for management to realize any profit and workers to have income. (This is conjunctive bargaining) This state of affairs inexorably leads to the concept known as labour-management relations. Included in this concept is the twin concept referred to as Union Right and Management prerogatives. Union right derives from civil right or right to be treated as human beings. This presupposes that conducive work environment has to be provided; shop floor must not be slippery or accident-prone; the ceiling must not be leaking; there must be proper lightening and ventilation; portable water must be provided and there must be decent and clean toilet. Management rights originally were all decisions in industries. However, with the coming of unions, some decisions are no longer unilaterally made by management rather they are

jointly made by both union and management. Later was the phenomenon known as workers' participation in management. Communication in industry is part of labour-management relations aimed at achieving industrial peace. Communication methods are through internal memorandum, telephone, briefing groups, suggestion boxes, popular rumours, notice boards, specialized committees, house journals, text messages, deputation, joint consultation and collective bargaining. Most of these methods are commonplace and require no explanation in a paper like this. However, deputation, joint consultation and collective bargaining will be explained. The three can be looked at based on the issues under consideration, the manner of reaching a decision, the degree to which each group feels it shares the responsibility for the conclusion of a meeting and the authority of the meeting whether shared or concentrated in a group.

In deputation, the method of reaching a decision totally resides in management. Workers' view even if expressed is of no consequence. Decision of management is only communicated to workers on 'take it or leave' basis. It is therefore autocratic and objectionable.

Joint Consultation is a meeting between management and workers. The groups represented are seen on terms of their work and ability to contribute meaningfully to the discussion of interest. Joint consultation deals with issues of mutual interest to both workers and management. Issues such as staff welfare, safety, canteen, provision of staff bus, productivity etc. The manner in which a decision is made, and authority of the meeting is shared. It is democratic as the purpose is to reach a joint understanding short of signed agreement.

Collective bargaining is the most democratic method of reaching an agreement between a trade union and management. No one side can veto any decision. It is a rule making process and it is institutional relationship. The authority of the meeting is derived from the bargaining power of the groups.

5 The Environmental Contexts

5.1 Technological Context

Technological context determines the product and vice-versa. It determines the number and type of workforce. It determines the speed and volume of production. Infrastructure poses a great problem to productivity. Power supply is epileptic, and many companies generate their own electricity and this tends to reduce profit tremendously. Many companies have relocated to other countries where electricity is perceived to be more suitable. The result is disastrous to the nation as volume of export does not boost foreign reserve and importation of goods consequently imports inflation. Bad road network results in delay in transportation and sometimes spoilage or deterioration of goods. The introduction of mobile/cell

phones has brought great improvement in communication. Cost of manpower is low in the country compared to what obtains in developed economy. Technology transfer is a far-cry from what is desirable and even then appropriate technology is emphasized.

5.2 Market/Budgetary Constraints

With poor technology and infrastructure, productivity is expected to be poor and export would not be adequate to earn sufficient foreign exchange. Without foreign exchange, raw materials, and machinery required in industries cannot be purchased. For budgetary constraints, this can be considered as being able to expend only whatever monetary resources available to the country and not beyond. Also money capital determines the product an entrepreneur could produce. It also suggests the technology to be employed, the size and quality of manpower.

5.3 Locus and distribution of power

Within the society, there are some powerful individuals who influence the goings-on in the enterprise. These powerful individuals could be share-holders who have a large number of shares which could control the remaining shares. Apart from this social responsibility of an organization is sometimes expressed in the deference accorded to kings, chiefs and land owners of the locality where the organization is established. Bureaucratic elites and military brass somehow for reasons quite difficult to believe or understand influence certain management functions (such as hiring) in some organizations. It is not uncommon for prospective employees already short-listed to be considered for employment to be frustrated when the list is cancelled and it is replaced by an entirely different list only for management to explain the cancellation off by “the power from above” or “it is beyond our control”.

6 Distinctive Features of Industrial Relations Practice in Nigeria

6.1 Closed Shop

Salamon (1992) referred to the closed shop as defined in McCarthy (1964) as a situation ‘in which employees come to realize that a particular job is only to be obtained and retained if the employees become and remain members of one of a specified number of trade unions’ and that reflects the relative informality of most arrangements at that time. He also stated that

Torrington and Chapman (1983) distinguished various types of closed shop based on the point at which they operate in the recruitment/selection process: The post-entry closed shop requires an employee to join the designated union (or one of

them if there is more than one designated union) within a specified period after commencing work.

The pre-entry closed shop requires that a potential employee be a member of the designated union(s) before being offered employment

Salamon (1992) remarked that the closed shop is perhaps the one aspect of industrial relations on which everybody has firm and often emotive opinions, citing Hanson et al. (1982) who stated that ‘those who dislike the closed in principle may prefer to use the term “compulsory unionism”, emphasizing the coercive element of the closed shop, while those who see it as a perfectly reasonable way of enabling trade unions to achieve some degree of organisational strength may prefer to talk about “union security”’

In Nigeria industrial relations practice, it is the post-entry closed shop that has been operating at least, since the country became independent. The pre-entry closed shop is not known in Nigeria. What operated for sometime was the labour office where prospective blue collar worker would report with their personal details stating the type of job they were seeking and from time to time would be checking with the labour office if there was any opening and where. This arrangement had nothing to do with any union!

6.2 Joining a Trade Union of One’s Choice

Section 37 of the 1979 Constitution of Nigeria, dealing with citizen’s right to peaceful assembly and association, states that, “every person shall be entitled to assemble freely and associate with other persons, and in particular he may form or belong to any political party, trade union or any other association for the protection of his interests ...”

However, in 1978 Government restructured the Nigerian Labour Movement along industrial lines whereby 42 industrial unions were created. One of these industrial unions was later deregistered as some members in this industry carry arms in the course of their duties. Also in 1996 another restructure of the existing 41 industrial unions, resulted in 29 industrial unions.

Companies belong to an industrial union in their specific industry. A worker cannot belong to a trade union that is not in his industry; it is a pigeon-hole sort of an arrangement, hence right of choice is denied.

6.3 Registration of Trade Unions

Trade unions are supposed to be registered by government. However, Otobo (2000:79) referred to Kilby (1967)’s claim that 20 per cent of the organizations registered as unions under the liberal and broad definition of ‘trade union’ contained in the Ordinance were in fact not labour unions at all but associations of self-employed and of independent Nigerian businessmen in such fields as

carpentry, tailoring, fishing, building, baking, truck-pushing, timber selling and transportation.

6.4 Some Unexplained Reason – Maybe Ignorance

Nigeria had been operating a non-contributory pension scheme up to 2004 when government introduced a contributory pension scheme to ensure pensioners are paid as at when due. The issue is that pensioners who started with the non-contributory scheme were not ‘grandfathered’, that is instead of continuing with the scheme they started with, they were made to continue with the new scheme. For some unexplained reason, maybe ignorance, labour did not raise an eyebrow.

Under the National Health Insurance Scheme pensioners are not entitled to be given prescribed drugs rather they are made to use their part of their meager pension to buy prescribed drugs and labour has not taken government up on this!

Otobo (2000:81) remarked that in the 1978 restructure of the Nigerian Labour Movement, ‘enormous powers of the state have been deployed against, generally and in questions of detail, preferences of unionists and employers, workers consistently expressing a desire to amalgamate and form industrial unions themselves while most private employers would prefer to retain house unions as they were’.

It has been pointed out in Onabanjo (2013), that government has a predilection to use the Wage Commission Approach or the Administrative Sub-Sector in wage determination in the public sector rather than the collective bargaining which it has declared as its avowed policy.

7 Conclusions

Industrial relations is meaningful only in situations where people work for pay. There is nothing peculiar to any nation about industrial relations. However, some practices are not common to all countries and such practices constitute variations which are different from country to country. These variations do not necessarily make one country inferior/superior to other countries. Some are historical while others are products of prevailing circumstances, such as the political, socio-cultural, legal, economic and technological environment.

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