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Labour Unionism and Its Effects on Organizational Productivity: A Case Study of Jos International Breweries (JIB) PLC, Nigeria

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Abstract

Labour unionism is one activity that most organizations today fail to recognize and to also understand its significant contributions towards organizational productivity. This study attempts to find out whether or not labour unionism in organizations are partners in progress, that complement management's effort towards enhancing organizational productivity and efficiency. It is also an attempt to find out if harmonious working relationship in an organization is influenced by labour unionism activities. The study has shown that labour unionism in the organization is not destructive but a boost to the worker with intentions of motivating him to putting his best towards organizational productivity, by protecting his rights and interest. Productivity is

therefore further enhanced when labour/management conflicts are mutually resolved creating more confidence in the worker and thereby making labour put in more effort towards the attainment of organizational goals. The study therefore recommends that management should recognize and acknowledge labour union activities and contributions to the organisation. This will bring about harmonious working relationship so as to enhance greater productivity and mutual resolution of conflicts. Moreover, management must identify itself with the employees' demands especially on improved conditions of service so as to minimize the level of conflict and to foster understanding between management and the union members.

Introduction

Labour unionism has been seen over the years as one of the most common and popular feature of every organization's workforce, which seeks to protect "the rights and interest of labour (employees) from arbitrary economic exploitation and the abuse of dignity of labour by the management (employers)" (Otobo, 1986). It is therefore seen as a fundamental tool and instrument used by workers in organizations to seek understanding as well as to influence management decisions that could be detrimental or contrary to the terms and the contract of agreement.

Thus, the idea behind the formation of a labour union in Nigeria, first came up in the early nineteenth century, and some of the very early unions that came into existence as at that time were the civil service union which was formed in 1912; after this came the Nigerian railways native Staff Union in 1919, the Nigerian Mechanic Union, the Railway Loco-drivers Union, etc. The aims and objectives of "these unions just like that of any other trade union in the world was nothing other than to obtain better condition of service and employment for their members" (Ubeku, 1983).

As at 1919, labour unionism in Nigeria was very young and still an infant such that people or workers did not attach any significant

importance to it with respect to their work or jobs. However on assumptions of legal existence through the enactment of Trade Union Organization Act 1938 which permits workers to form a union that will influence as well as protect their rights and interest at any given level, workers eyes “became opened” as well as that of the employers who saw the workers as partners in progress rather than mere labourers that can be hired and fired at any given point in time without any fear or contradiction. The legal status so assumed by labour unions from such an enactment, conferred onto it, the “right to have collective bargaining with their employers with respect to any issue that has to do with the workers interest and the work in general” Tayo (1980).

The general ideology behind labour unionism is that, workers believe that, by binding or coming together as a team, they will be able to fight for their rights against any economic exploitation and social injustice that could be meted on them by their employers with respect to the job. To operate in an industry harmoniously, the workers expect their employers to treat them fairly by giving them reasonable compensations, and respecting their dignity of labour. But where the employers loses sight of this, there is bound to be conflict of interests between the management and employees which could retard the attainment of objectives in the organization as well as to some consequences that could be expensive to not only the employers but to the government or society in general. For instance, the employers will suffer the loss of good will from such an industrial conflict, loss of material, machine, customers, etc. to the government or society; it will create a state insecurity in many forms or dimensions. In summary,

a labour union is an association of workers, which consist of representatives that mediate between the workers and their employer in order to avoid any unfair treatment that could be meted on them by the employers and to conversely ensure commitment to work by its members in a way that, it will result in

high level of productivity and organization efficiency in general (Tokubvo 1985).

Thus, the maintenance of the health of workers in all its aspects for better productivity and also for the development of better citizens is the “raison d’être” of labour unionism philosophy and programmes. This research work therefore seeks to determine if labour unionism is beneficial or otherwise to organizations productivity with specific emphasis on Jos International Breweries Plc as a case study.

Literature review

Although most people assume they know what labour unions do, when forced to explain what labour unionism involves many observers find themselves merely echoing “they represent interest of their members”. Then more confusion seems to be created in people’s mind when the question “do labour unions represent the interests of their members”? One finds that many people are unsure of how labour unions actually function, even when they agree that some unions are “too strong” or are “giving the government a tough time” or are too weak”. And quite often, the effectiveness of a union may not be that apparent to a union leader and bureaucrat, especially where effectiveness is only viewed in terms of specific objectives achieved against the opposition” of private and public employers. What then is a labour union? One of the conventional definitions of a labour union is that given by Webb (1997) as “a continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives”.

This definition highlights three elements: continuity or relative permanency of organization, a goal, improving conditions and employment, the economic and authority relationship between two parties, workers and employer. These elements are also contained in section 1 of the Nigerian trade Union Act 1973 which defines a labour union as

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 by reason of any of its purpose being in restraint of trade and whether its purposes of not include the provision of benefits for its worker.

The definition recognizes the right of employers to form trade unions. It equates workers union with that of the employers; this limits labour unions to issues connected with working conditions in the work place; gives legal personality to unions and also immunises them from litigations in pursuit of their objectives. It however limits labour union rights in several respects e.g. exclusion of certain civilian organizations from labour union membership right to amend constitution. Furthermore, Otopo (1997) defines labour unions as “a collective response of working people exposed to the economic deprivations of an inhospitable society and exploiting industrial and commercial elite.”

Labour unions have played an immensely positive role in the development of most post-colonial states. They organized workers and advanced their interest in the context of exploitative labour relations. They participated actively in the decolonization process, and they struggled against neo-colonial regimes to gain concessions so as to protect the socio-economic interests of the working classes. They often opposed management and corruption in the running of the affairs of the state, and pursued a relatively, nationalist and unifying project in contrast to the highly divisive politics of the post-colonial ruling class. The extent to which they have played this role effectively and positively have, of course, been a function of many factors, such as how organized they have been, how seriously they have mobilized their members, what resources have been at their disposal and so on. The emergence of workers as a class who live on wage employment instead of self-employment led to the emergence of labour unions.

In Nigeria, the colonial system essentially produced the Nigerian working class that is Nigerians who live on wage instead of being peasant farmers or self-employed artisans. However, increasingly Nigerian workers became products of the capitalist system and its exploitative mode of production.

As Yesufu (1984) points out, wage employment in Nigeria was without foundation before the Europeans. Most people were engaged in agricultural pursuits from which they earned their living. Those who were working for another, such as servants in the feudal communities, earned their income “in kind”. Although wage employment received approval among some Nigerians such employment was undertaken to meet specific needs and the employment relationship was usually served as soon as the objectives were achieved. Undoubtedly, these forces created considerable problems for the colonial administration. Foremost was the shortage of persons available for employment in the colonial establishments. The preference of the Nigerians for rural agriculture resulted in the high cost of urban labour. Yet, in southern Nigeria, the official wage policy of the colonial office, as laid down in 1905, was according to Hopkins (1966) “to keep the rates of wages as low as possible”.

Similarly, the governor of Northern Nigeria in 1905 pointed out that the cost of skilled labour in Nigeria, compared with India, was unreasonably high and it would be a “matter for consideration whether it would not be worthwhile making an experiment in the introduction of these from India, more especially in the interior” (Yusufu, 1962). It is to make demands whether on employers or the state, and to promote these demands by agitation, strikes or otherwise. Where they are recognized for the purpose, they negotiate such terms and conditions, which, if agreed, are implemented or ‘regulated’ by the employer or the state or both. The union thereafter tries to ensure that the agreed terms are not eroded. It defends them by constant monitoring through its members and officials, and if necessary, through industrial action such as the strike.

Any concept of a labour union, as the legal definition permits as a temporary body, may be welcomed in order to protect workers who find it necessary, for example, to take spontaneous collective action against an employer, from the common law penalties of such things as tort. However, in the context of wide and ramifying objectives of the modern labour union and the strategies essential to attain such objectives, permanence, in the form of continuity, is of primary importance. The element of permanence was foremost in Webb's (1970) definition as earlier quoted. Banks (1974) was similarly emphatic that "the essential feature of a labour union is that it is a continuous association of life-long class of employees".

RESPONDENTS	TRUE	FALSE	TOTAL
Senior staff	14	6	20
Junior staff	26	4	30
TOTAL	40	10	50

Fo	Fe	fo-fe	$(fo - fe)^2$	$\frac{(fo - fe)^2}{Fe}$
14	16	-2	4	0.25
26	24	2	4	0.17
6	4	2	4	1
4	6	-2	4	0.67
				2.09

Calculated $X^2 = 2.09$

Using 90% level of significance, we can obtain the table chi-square as:

$(R - 1) (K - 1) =$ df (degree of freedom)

Where: R = Row

K = Column

$(2 - 1) (2 - 1) = 1df$

Therefore, 90% and 1df from the table chi-square (X^2) = 0.158.

Decision rule:

The decision is that, where the calculated chi-square (X^2) is greater than the observed value (table chi-square value), the null hypothesis, (H_0) will be rejected, while the alternative hypothesis (H_1) will be accepted. Based on this decision therefore, we shall reject the null hypothesis since our calculated chi-square X^2 2.09 is greater than the table chi-square 0.158. This therefore means that, labour unionism influences harmonious working relationship in the organization.

Testing of Hypothesis 2

H_0 : Workers in an organization do not feel secure thereby putting less effort towards, organizational goals and productivity as a result of the absence of a strong labour union movement that will back their claims.

H_1 : Workers in an organization feel more secure as well as perform best towards organizational goals and productivity when there is a strong union movement that will back their claims.

RESPONDENTS	TRUE	FALSE	TOTAL
Senior staff	11	9	20
Junior staff	28	2	30
TOTAL	39	11	50

Fo	Fe	fo-fe	(fo – fe) ²	$\frac{(fo - fe)^2}{Fe}$
11	15.6	-4.6	21.16	1.356
28	23.5	4.6	21.16	0.904
9	4.4	4.6	21.16	4.809
2	6.6	-4.6	21.16	3.206
				10.275

Calculated X^2 = 10.275

Using 90% level of significance, we can obtain the table chi-square as:

$$(R - 1) (K - 1) = \text{degree of freedom (df)}$$

$$(2 - 1) (2 - 1) = 1\text{df}$$

Therefore, 90% and 1df from the table chi-square (X^2) = 0.158.

Decision rule:

The decision is that, where the calculated chi-square (X^2) is greater than the table chi-square value (X^2), the null hypothesis, (H_0) will be rejected, while the alternative hypothesis (H_i) shall be accepted.

Based on this decision rule therefore, we shall reject the null hypothesis, since our calculated chi-square 10.275 is greater than the table chi-square 0.158.

This implies that workers in an organization feel more secured as well as perform best towards organizational productivity, when there is a strong union that will back their claims.

Testing of Hypothesis 3

H_0 : Labour unionisms are intruders that retard organizational growth and productivity.

H_1 : Labour unionisms are partners in progress that complement the management efforts towards organizational growth and productivity.

RESPONDENTS	TRUE	FALSE	TOTAL
Senior staff	16	4	20
Junior staff	30	-	30
TOTAL	46	4	50

Fo	Fe	fo-fe	(fo - fe) ²	$\frac{(fo - fe)^2}{Fe}$
16	18.4	-2.4	5.76	0.313
30	27.6	2.4	5.76	0.209
4	1.6	2.4	5.76	3.6
-	2.4	-2.4	5.76	2.4
				6.522

Calculated $X^2 = 6.522$

Using 90% level of significance, we can obtain the table chi-square as:

$$(R - 1)(K - 1) = (df)$$

$$(2 - 1)(2 - 1) = 1df$$

Therefore, 90% and 1df from the table chi-square (X^2) = 0.158.

Decision rule

The decision is that, where the calculated chi-square (X^2) is greater than the table chi-square value (X^2). The null hypothesis, (H_0) will be rejected, while the alternative hypothesis (H_i) shall be accepted. Based on this decision therefore, we shall reject the null hypothesis since our calculated chi-square 6.522 is greater than the table chi-square 0.158.

This means therefore, that labour unionism is a partner that complements management's effort towards enhancing organizational growth and productivity.

Discussion of findings

From the result collected and analyzed, it is evident through the various responses obtained from the respondents and the hypothesis tested that, labour unionism plays a very fundamental role in improving organizational efficiency and productivity.

The analysis of the data also revealed that, the presence of workers union in an organization is not only to protect the rights and interest of its members only but also to interest of its joint hands together with the

management for the purpose of making the organization realize its set goals and objectives.

Conclusion

From the study, it is evident from data gathered that labour unions in organizations are partners in progress that complement management's efforts towards organizational productivity and efficiency. Therefore, the emergence of labour unionism in the organization should not be seen as destructive instead, it should be seen as a boost to the worker with intentions of motivating him, to putting his best towards, enhancing organizational productivity by protecting his rights and interest.

Labour unionism has also been ascertained as an avenue through which the workers general welfare and condition of service is improved. He is therefore protected from baseless and indiscriminate or arbitrary economic exploitation by the employer.

Finally, it has been ascertained from this research that productivity increases when labour/management conflict are mutually resolved. This means that the settlement makes the workers more confident thereby making him put more effort toward attaining organizational productivity.

Recommendations

Based on the findings of this research, some recommendations have been drawn which if implemented effectively and efficiently would contribute immensely to labour/management relationship in the organization.

Recognition of unions and their contributions brings harmonies working relationship between the union and the management, therefore it is essential that such relationship should be sought so as to enhance organizational productivity.

Employers or management should try as much as possible to maintain a good and cordial relationship with their employers/union members

for the purpose of avoiding clashes that may wrench the organisation thus affecting organizational productivity and efficiency.

Union leaders should try as much as possible to utilize every peaceful avenue and grievance procedures for negotiation and dialogue as well as for collective bargaining before resorting to strike actions.

To boost the workers morale towards organisational productivity the management must identify itself, with the employees' demands especially on improved conditions of services. Where this is addressed, it will go a long way in fostering understanding between management and the union members or employees as well as in minimizing the level of conflict between labour and management in the organization.

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