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Labour Involvement as a Participatory Mechanism in Developing Economies: Contrasting the European Model

John Opute, Karl Koch¹

Abstract

Employee participation, well established in pluralist democracies, is a crucial factor in the process of democratisation in developing economies. This paper contributes to this issue in Nigeria by focusing on the contribution industrial relations makes and contrasting it with the European experience. Specifically, the study investigates the employee participation forms which have developed in Nigeria. The research methodology is an adapted case study approach of 7 companies with international affiliations in Nigeria, and recent qualitative data from a focused group interview, involving key stake holders in the industrial relations framework, expanding the research to the broader socio-economic context in Nigeria. Despite the constraints of the research methodology the conclusion points at a rich variety of employee participation structures, which in some instances compare with European employee models. Significantly the research reveals a clear pattern of democratic employee participation structures at company level.

1. Introduction

The last decades have been marked by the rapid economic evolution of developing economies and their integration into the economic fabric of globalisation, Nigeria being a notable example from Sub-Saharan Africa. The impact of the dynamics of globalisation has had a profound effect on the Nigerian economy bringing in “recent changes in the trends of trade and capital flow, which have continued to produce various impacts on the

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society”’. There is a cogent argument that one of the key driving forces has been the influence of globalisation². Some authors have concluded that industrial relations have been part of the globalisation process, cross-fertilizing ideas and practices^{3,4}. In this respect, the paper also examines and extends the argument that the European IR practices have influenced the approaches of employee participation initiatives in many developing economies. This assertion has been corroborated by many and thus enriches the study significantly^{5,6,7}. However, a searching debate by some authors serves as a trajectory to the assignment of the paper as the views expressed bother on the link between perceived HRM practices, engagement and employee behavior (through a moderated mediation model) on the one hand, and the responsibility for the design, adoption, enactment and implementation of the strategy and practice on the other hand^{8,9,10}. Thus, whilst the paper recognizes the influence of European IR in developing economies, concomitant to this is the extent and relevance of these to participatory mechanisms in developing economies¹¹. Central to Nigerian politics, economics and society is the complex issues of the establishment and extension of democracy from political structures

² Nwaogaidu, J. C. (2012) *Globalization and Social Inequality, An Empirical Study of Nigerian Society*, LIT Verlag: Berlin.

³ Kaufman, B. E. (2004) *The Global Evolution of Industrial Relations: Events, Ideas and the IIRA*. Geneva: International Labour Organisation.

⁴ Hayter, S., Fashoyin, T., and Kochan, T. A. (2011) Review Essay: Collective Bargaining for the 21st Century, *Journal of Industrial Relations*, (53) 2: 225-247.

⁵ Farndale, E., & Sanders, K. (2017). Conceptualizing HRM system strength through a crosscultural lens. *The International Journal of Human Resource Management*, 28(1), p.132–148.

⁶ Ostroff, C., & Bowen, D. E. (2016). Reflections on the 2014-decade award: Is there strength in the construct of HR system strength? *Academy of Management Review*, 41(2), p. 196–214.

⁷ Kamoche, K. (2011) Contemporary developments in the management of human resources in Africa. *Journal of World Business*. Vol. 46. p.1-4.

⁸ Beijer, S., Peccei, R., Van Veldhoven, M., & Paauwe, J. (2019). The turn to employees in the measurement of human resource practices: A critical review and proposed way forward. *Human Resource Management Journal*. <https://doi.org/10.1111/1748-8583.12229>

⁹ Alfes, K., Shantz, A., Truss, C., and Soane, E. (2013) The link between perceived human resource management practices, engagement and employee behaviour: a moderated mediation model. *The International Journal of Human Resource Management*, 24 (2). pp. 330-351.

¹⁰ Buyens, D., and De Vos, A. (2001) Perceptions of the value of the HR function. *Human Resource Management journal*, Vol. 11 (3) pp. 70-89.

¹¹ Opute, J., Hack-Polay, D. and Rahman, M. (2020). Globalisation and HR practices in Africa: When culture refuses to make way for so-called universalistic perspectives. *International Journal of Business and Globalisation*. ISSN 1753-3627.

to societal underpinning of democracy. The gradual process of involvement in participatory democracy apply to structures at industry and company levels, a crucial adjunct to the broader movement of democratic embracement of civil society in Nigeria. The practical manifestation of democratic involvement has been the increasingly active role of Nigerian trade unions with strategies, “to heighten the consciousness and awareness of the general public towards socio-political and economic development in the forms of campaigns and public awareness programmes.” This can be interpreted as part of the major social changes, inclusive of social structure, political and economic liberalisation, and regional and urban development taking place in Nigeria¹.

It is in this context that employee participation can be observed, and this paper explores the concept, and practice, of employee participation at company level and its contribution to the broader evolution of democracy in the civil society of Nigeria. Employee participation structures across different national institutional frameworks do have marked variations but also reveal similarities; empirical research in this area for developing countries has been sparse, the research of, being a rare early study¹². According to labels are plentiful in the area, extending to organisational democracy, industrial democracy, employee involvement, employee voice and high-involvement human resource management and the list continues¹³. Therefore, the focus of this paper is not to overcome the cacophony of potentially confusing terminology; rather it is aimed at a commonly held approach of collective bargaining (and emerging/related participation forms) as tool which in many developing economies provides the legal platform of engagement with employers in the work place and in fact a core institution in many developing economies, like Africa¹⁴.

Developed economies with employee participation models have deeply embedded structures which, in western European countries, have progressed to accepted, and necessary, democratic structures. It is apparent that theoretical arguments differ on the future of workforce participation in developing economies therefore empirical studies are

¹² Wood, G., and P. Mahabir. 2001. South Africa’s workplace forum system: A stillborn experiment in the democratisation of work? *Industrial Relations Journal* 32 (3): 230-43.

¹³ Markey, R., and Townsend, K. (2013) Contemporary trends in employee involvement and participation, *Journal of Industrial relations*, 55(4) 475-487.

¹⁴ Kocer, R.G. and Hayter, S. (2011) Comparative study of labour relations in African countries, AIAS Working Paper WP 116, University of Amsterdam, Amsterdam.

needed to provide greater clarity and more robust discussions¹⁵. One way of obtaining an in-depth understanding of the problems is to focus on a country where collective bargaining institutions have changed greatly within a fleeting period and Nigeria provides a good example for such an investigation for distinct reasons. It is, therefore, revealing that the empirical evidence presented in this paper demonstrates the presence of participatory employee arrangements in selected Nigerian companies¹⁶.

2. The Nigerian Political/Economic Framework

A key regional player in West Africa, Nigeria accounts for about half of West Africa's population with approximately 202 million people and one of the largest populations of youth in the world. Nigeria is a multi-ethnic and culturally diverse federation which consists of 36 autonomous states and the Federal Capital Territory. With an abundance of natural resources, it is Africa's biggest oil exporter, and has the largest natural gas reserves on the continent.

Nigeria has emerged as Africa's largest economy, with a GDP in 2017 estimated at US\$ 508 billion. Oil has been a dominant source of government revenues since the 1970s. Regulatory constraints and security risks have limited new investment in oil and natural gas, and Nigeria's oil production contracted in 2012 and 2013. Nevertheless, the Nigerian economy has continued to grow at a rapid 6-8% per annum, driven by growth in agriculture, telecommunications, and services.

However, recent assessments of the democratisation process in Nigeria, and the issue of federalism, have concluded that gradual incremental steps are leading towards increasing the efficacy of democracy in Nigeria¹⁷. Hitherto, extensive obstacles in, for example, the exercise of trade union rights, collective agreements reached by trade unions were often subjected to stringent scrutiny by government¹⁸. In some circumstances, the

¹⁵ Lamarche, C. (2015) Collective bargaining in developing countries, IZA World of Labour 2015:183.

¹⁶ Erapu, G. (2011) Privatisation, trade union strength and bargaining power in Nigeria's finance and petroleum sectors, *Industrial Relations Journal*, 42 (1) pp. 51-68.

¹⁷ Elaigwu, J. I. (2014) *Federalism and democracy in Nigeria: fifty years after*, Institute of Governance and Social Research, Jos, Nigeria.

¹⁸ Rapu, S. (2012) *Alleviating Poverty in Nigeria through the Improvement of the Labour Conditions in the Informal Economy*, Frankfurt am Main: Peter Lang.

enforceability of collective agreements was an intricate and difficult problem^{19,20}.

3. Employee Participation and Democracy

A central feature of industrial relations systems in the pluralist democracies of Europe has been the concept of employee participation, which has a direct linkage to societal democracy. Industrial relations actors, particularly trade unions play an indispensable role, not only in the exercise of the process and stability of democracies but also, particularly in the case of countries such as Nigeria, in the genesis of democracy itself. Unionism at the workplace is regarded by numerous commentators as providing a fundamental democratic right, which enhances democracy^{21,22,23}. The concept, and the practice, of participatory structures manifest wide variations in national models of industrial relations, but there are also comparable developments driven by European Union (EU) legislation²⁴. Differences in employee participation are partly derived from distinctive historical predispositions, which in turn have provided contrasting theoretical frameworks.

A sharp distinction is between the Anglo-Saxon term of industrial democracy and the European concepts from codetermination to varieties of employee participation; the former based on collective rights and collective bargaining and the latter derived from individual rights of employees and a linkage to the right of economic democracy by employees. In addition, the rapid development of human resource management (HRM) has generated an expanding concept of employee involvement that is particularly linked with the expansion of direct forms of employee participation. Direct forms of employee participation are based on the principle of individual employees being actively involved in

¹⁹ Edu, O.K. (2013) Imperatives for the enforcement of collective agreements in Nigeria, *Commonwealth Law Bulletin*, 39 (5) pp. 591-603.

²⁰ Nwinyokpugi, P. (2014) Workplace democracy and industrial harmony in Nigeria, *International Journal of innovative research and development*, 3 (1) pp. 441-442.

²¹ Freeman, R. B. and Medoff, J. L. (1979), The Two Faces of Unionism, *Public Interest*, No. 57, pp. 69-73.

²² Ogundiya, I.S. (2010) Democracy and good government: Nigeria's dilemma, *African Journal of Political Science and International Relations*, 4 (6) pp. 201-208.

²³ Sterling, J. (2011) Trade unions in a fragile state: The case of Sierra Leone, *Industrial Relations Journal*, 42 (3) pp. 236-253.

²⁴ Hann, D., Hauptmeier, M., and Waddington, J. (2017) European Works Councils after two decades, *European Journal of Industrial Relations* 23 (3), pp. 209-224.

the mechanisms of participation. Indirect participation is exercised through processes such as collective bargaining and elected representational structures.

Definitional discussions of employee participation in the literature are complex and varied with key terminology, for example participation, involvement, voice and empowerment, frequently used as interchangeable terms^{12,25,26,27,28}. For the purposes of this paper a wide, and pragmatic, approach has been adopted as expressed by Summers and Hyman²⁹.

“Employee participation can therefore be an umbrella title under which can be found a wide range of practices, potentially serving different interests. Any exploration of ‘employee participation’ has therefore to encompass terms as wide-ranging as industrial democracy, co-operatives, employee share schemes, employee involvement, human resource management (HRM) and high commitment work practices, collective bargaining, employee empowerment, team working and partnership....”

Although such a wide approach does not specify precise definitions it does allow the great diversity of European participation structures to be included and therefore the interpretation and identification of employee participation trends in Nigeria is facilitated. Moreover, there is a fundamental characteristic of all employee participation models; it is a process designed for employees to participate, impact or influence decisions, which are related to their working environment. In this respect employee participation is also an issue of power relationships and the ideological paradigms of the societies in which it functions. In this sense ‘participation’ includes all the processes that are applied to engage employees, or their representatives, at all levels of enterprises and companies in decisions affecting them.

In practice, European employee participation models demonstrate a spectrum from information rights to the comprehensive codetermination provisions of the German model, a crucial element is that at national level in many European countries legislations regulates the degree of

²⁵ Poole, M. (1978) *Workers’ Participation in Industry*, London: Routledge.

²⁶ Salamon, M. (2000) *Industrial relations – Theory and Practice*, 4th ed. London: Prentice Hall.

²⁷ Rose, E. (2001) *Employment relations: continuity and change – Policies and practices*, Harlow: Prentice Hall.

²⁸ Wilkinson A, Gollan P, Marchington M, et al. (2010) Conceptualizing employee participation in organizations. In: Wilkinson A, Gollan P, Marchington M, et al. (eds) *The Oxford Handbook of Participation in Organizations*. Oxford: Oxford University Press, pp. 3–28.

²⁹ Summers, J. and Hyman, J. (2005) *Employee participation and company performance. A review of the literature*, York: Joseph Rowntree Foundation.

participation and the level at which it can be exercised. In addition, the EU has had, since Fifth Directive on Company Law was discussed in 1972, an extended programme of debate on legislation to facilitate employee participation, the European Works Council (EWC) being the most prominent form so far. Thus, employee participation is a continuous process of development for EU member states, for example the European Company Statute and its employee involvement Directive were implemented in October 2004 and more recently information and consultation rights were introduced in Poland in May 2006³⁰. However, employee participation developments at EU level are constrained by conflicting interests of member states and schisms between trade union and employers organisations³¹. Nevertheless, European and national models of employee participation are dynamic and adaptive to the rapidly changing international economic environment³².

The search by enterprises and companies in the highly competitive globalised economy for competitive advantages has been a significant driver for new models of partnership; not only direct participation forms but also new alignments between trade unions and employees and employers. The empirical literature assessing employee participation is extensive and continuous to expand, not only in Europe but also in the USA and the Asia-Pacific region. From the European perspective much research has focused on the impact of the legal forms of representative participation, the works councils and supervisory boards being two examples. At national level, for example Germany, Frege in 2002³³ has provided a detailed overview of the effectiveness and problems of the German works council and at European level EWC research has moved from broad assessments to specific studies such as by who focused on the

³⁰ European Industrial Relations Review (July 2006), Issue 390, *New information and consultation legislation*, pp. 34 – 36.

³¹ Gill, C. and Krieger, H. (2000) Recent survey evidence on participation in Europe: towards a European model? *European Journal of Industrial Relations*, Vol. 6, No. 1, pp. 109 – 132.

³² Whittall, M., Lucio, M. M., Mustchin, S., Telljohann, V., and Sanchez, F.R. (2017) Workplace trade union engagement with European works councils and transnational agreements: The case of Volkswagen Europe, *European Journal of Industrial Relations*, 23 (4) pp. 397-414.

³³ Frege, C. (2002). A critical assessment of the theoretical and empirical research on German works councils. *British Journal of Industrial Relations*, 40: 221 – 248.

issue of the impact of EWCs on decision-making at corporate level in UK and US-based MNCs^{34,35}.

The empirical evidence on the outcomes of employee participation processes are diverse and highly dependent on what variables are used, what industries and the methodologies employed in the studies. From a recent study evidence on EWCs is ‘mixed, though there is little evidence of any significant negative effects either for the employer or for employees²⁸. Far less controversial is the resonance that EWCs and other forms of European employee participation have had both on the enlarged EU and outside Europe. An example of the latter is the South African Workplace Forum, influenced by European legislative provisions, and allowing comparisons with the German works council³⁶. Since such embryonic European influenced developments in some African countries the substantial increase of transnational companies has had a major impact on economic actors and the broader socio-political environment. Thus, corporate governance of international companies can both influence and shape industrial relations practices. Finding of a recent study suggests that there is functional equivalence of the European employee participation forms which have evolved in numerous cases³⁷. Certainly, the variety of structures allowing forms of employee participation in Nigeria reflects this.

Comparative research, focusing on the United States, Germany, United Kingdom, and Australia, has revealed that there are common forces which have shaped developments in each country, but the form that industrial democratic structures evolve in individual countries have important differences³⁸. In the African context the study by some scholars³⁹ of trade unions and workplace democracy, in selected African countries, distinctly

³⁴ Rogers, J. and Streeck, W. (eds.) (1995). *Works Councils: Consultation, Representation and Co-operation in Industrial Relations*, Chicago: University of Chicago Press.

³⁵ Marginson, P., Hall, M., Hoffmann, A., Müller, T., (2004) The Impact of European Works Councils on Management Decision-Making in UK and US-based Multinationals: A Case Study Comparison, *British Journal of Industrial Relations*, 42: 209 – 233.

³⁶ Koch, K. and van Wyke, C. (1997) The South African Works Forum compared with the German Works Council?, Joint Study Group Paper with Christo van Wyke, Dublin Conference, *International Industrial Relations Association European Regional Congress*, Dublin, unpublished paper.

³⁷ Hassel, A., von Versshuer, S., Helmerich, N. (2018) Workers’ Voice and Good Corporate Governance, Düsseldorf, Hans Böckler Stiftung.

³⁸ Poole, M., Lansbury, R. and Wailes, N. (2001), A Comparative Analysis of Developments in Industrial Democracy, *Industrial Relations*, Vol. 40, No. 3: pp. 490-525.

³⁹ Kester, G. (2007) *Trade Unions and Workplace Democracy in Africa*. Bodmin: Ashgate.

reveals the critical role participation plays in the democratisation process³. However, what many text appear to hardly address is the ‘What’ (relative content), the ‘How’ (relative strength) and ‘Why’ (the related attribution) and how these can be advanced to capture the possible connections between national culture and HR strength⁴⁰. An important lesson that stems from this is that whether we are aware of it or not, the African society has ways of forcing its values on us about what appears acceptable and this therefore poses the challenge of how far to go or not to go as this impacts on the HR function⁴¹. Much more complicated is that culture in Africa is an embodiment of social, moral, religious and economic values. Understanding how they manifest from country to country is crucial in managing the HR function and one viable approach is examining participation mechanisms that can build on this assertion.

4. Methodology

For this study, the methodology is based on an open-ended and semi-structured interview in a few selected companies to which access had been granted; in effect part of the study is based on the ‘case study’ model. The interviews were conducted with HR professionals in the seven companies, which formed the basis of the study. There were two sessions of interviews conducted on company premises, for a period of around two hours on each occasion. The study is constrained by the narrow spectrum of respondents interviewed. The interviews were supplemented by data on the companies from company annual reports, journals and in-house publications, and from documents detailing collective agreements concluded by the individual companies. In addition, visits to the companies allowed a degree of observation and consequently the methodology can be characterised as a multi-method approach. Additionally, because framework of industrial relations in Nigeria is centred on a tripartite arrangement, additional interviews were achieved as follows:

- a) NECA: Interview with officers of the zonal offices of the Nigeria Employers Consultative Association (NECA). This is

⁴⁰ Wang, Y., Kim, S., Rafferty, A., and Sanders, K. (2020) Employee perceptions of HR practices: A critical review and future directions. *The International Journal of Human Resource Management*. Vol 31 (1) p. 128-173.1

⁴¹ Idang, G., E. (2015) African Culture and Values, Phronimon, vol. 16 n. 2 Pretoria 2015.

the umbrella organization of employers' in the organised private sector and was formed in 1957. Its primary function is to guide and assist business on industrial and employee relations issues with trade unions.

- b) Employers' Association: Interview with the Executive secretary of the National union of food, beverages and tobacco employers' association. The executive secretary heads the secretariat of the employer's association of the trade group and leads all national negotiations of the employer's association and maintains contact with HR practitioners in the group.
- c) Nigeria Labour Congress (NLC): Interview with Assistant National Secretary of the Nigeria Labour Congress. The Assistant national secretary of the NLC is a key officer of the NLC and is conversant with all developments with respect to the trade union congress in Nigeria.
- d) National Trade Union: Interview with the Deputy National President/Assistant National Secretary of the Food, Beverage and Tobacco National Trade Union. These are key officers of the national union and are conversant with all developments with respect to trade union matters in their respect trade group as well as in Nigeria.

The seven case study companies were multinational companies with activities in oil and gas, food and beverages and metal products. The companies, who have been given aliases to retain confidentiality, play a significant role in the Nigerian economy. As Table 1 reveals, the number of employees range from 650 in Crescent Aluminium Company Plc to 7,700 in the Rex Bottling Company Plc. All the companies share a high degree of trade union membership, representing three different trade unions. Importantly, the business and organisational structures of the companies are compatible with industries competing in the global marketplace.

The selected companies, and their industry sectors, by no means reflect the major economic branches contributing to the Nigerian economy, predominant being the oil industry in terms of contribution to GNP, and the agricultural sector in terms of numbers of employees. This is, of course, a limitation and the study does not claim that generalisation can necessarily be made from its findings. However, given the paucity of empirical data in Nigeria this research has a pioneering dimension providing a start for further work in this area.

Table 1: Company background

<i>Companies</i>	<i>Company Size No of people Employed</i>	<i>Industry Group Category</i>	<i>Trade Union Structure Membership/ present</i>	<i>Written Accord</i>
Britannia Food Plc	2,200	Food, Beverages & Tobacco	1,800 (NUFBTE)	x
Rex Bottling Company Plc	7,700	Food, Beverages & Tobacco	7,150 (NUFBTE)	x
Precious Bottling Company Plc	4,700	Food, Beverages & Tobacco	4,500 (NUFBTE)	x
Crescent Aluminium Company Plc	650	Metal Products	600 (SEWUN)	x
Zorex Oil Producing Company	2,250	Petroleum and Natural Gas	2,000 (NUPENG)	x
Kwabever Products Plc	2,025	Food, Beverages & Tobacco	1,920 (NUFBTE)	x
Delta Aluminium Plc	2,500	Metal Products	2,300 (SEWUN)	x
Kwabever Products Plc	2,025	Food, Beverages & Tobacco	1,920 (NUFBTE)	x
Delta Aluminium Plc	2,500	Metal Products	2,300 (SEWUN)	x

Note: NUFBTE: National Union of Food, Beverages and Tobacco Employees. SEWUN: Steel and Engineering Workers' Union of Nigeria. NUPENG: National Union of Petroleum and Natural Gas Workers.

5. Nigerian Industrial Relations – An Overview

The Nigerian economy has undergone major structural changes since independence in 1960. The origin of government dominance of the economy can be traced to the immediate post-colonial era that witnessed a low domestic capital base. Accordingly, the government set up various corporations to carry out projects, which ordinarily would have been executed by private organisations. The mid 1967 post civil war focus of reconstruction and rehabilitation coupled with the abundance of wealth generated through oil exports intensified the practice. This was the genesis of government dominance of the economy on the one hand and as a dominant employer on the other hand. Although the Nigerian labour movement developed alongside independence of the country in 1960, with the first concerted collective bargaining pioneered by the Nigerian civil service union, the growth of unions in Nigeria could not match the

growth of the country due to incessant military intervention on government and the Nigeria civil war of 1967.

Nigeria seemed to have overcome the uncertainties surrounding the long period of military rule with the successful organisation and completion of the second democratic election in succession. Some scholars^{42,43} predicted that the economic and political rebirth and rejuvenation will promote political and economic stability and thus an investment atmosphere.

The framework of industrial relations in Nigeria is centered on a tripartite arrangement of government and its agencies, workers and their organisations and employees and their associations. This partnership according to Olorunfemi⁴⁴ can be illustrated and summarised as follows:

5.1 The State

According to Udogu⁴², with the inception of a democratically elected government in 1999, the government's focus has been directed towards the process of developing and institutionalising democracy and true federalism in the country. This approach has brought about a new dispensation in labour policy with a view to pursuing voluntarism, and thus democratising the trade union. Accordingly, the Federal Government of Nigeria passed the Trade Union (Amendment) Act, 2005 "to provide amongst other things, the democratisation of the labour movement through the expansion of opportunities for the registration of Federation of Trade Unions as well as the granting of freedom to employees to decide which unions they wish to belong". (Trade Unions (Amendment) Act, 2005)⁴⁵. Some of the significant clauses are:

- Withdrawal of one central labour union in Nigeria

This implies that employees can only contract into their respective unions for deductions to be made from their wages. Union membership thus becomes voluntary.

- Conditions for strike action/lock out

⁴² Budhwar, P.S.and Debrah, Y.A. (2001) *Human Resource Management in Developing Countries*. London: Routledge.

⁴³ Udogu, E.I. (2005) *Nigeria in the Twenty First Century – Strategies for Political Stability and Peaceful Co-Existence*. Trenton: Africa World Press, Inc.

⁴⁴ Olorunfemi, J.F. (1997) *40 years of Promoting Industrial Harmony and Enterprise Competitiveness in Nigeria: The History of NECA 1957-1997*. Lagos: Malthouse Press Ltd.

⁴⁵ The Trade Unions (Amendment) Acts, 2005 was passed into law by the Nigerian National Assembly on 23rd March 2005, for the democratisation of the labour movement in Nigeria

There are several 'hurdles' to go through before a strike action or lock out can be carried out. This implies some procedural restriction.

5.2. The Employers

Although the employers have formed associations along industry lines, primarily for the purposes of presenting a united front with respect to collective bargaining, they have built on this by maintaining close contact with Nigeria Employers' Consultative Association (NECA)⁴⁶. As a federation of employers, as well as a parliament of employers, NECA's role among its members is purely consultative, since it does not enforce its advice on its members^{47,48}. Amongst its key role is, advising members on negotiations on wages, conditions of work, dispute handling and representation to government (on behalf of employers) on specific labour matters.

At its inception in 1957, the association had 54 members but by 2006 it had grown more than 350 members, an indication of its acceptance and relevance to employers.

During 2006, NECA's annual report confirmed 15 employer's association (Trade groups) in industrial groups, important examples are:

- Association of Food, Beverage and Tobacco Employers
- Petroleum and Natural Gas Employers Association
- Association of Metal Products, Iron and Steel Employers of Nigeria.

5.3. Trade Unions

The labour unions have been structured along industrial lines by the state for better coordination of all employee/employer activities, such as collective bargaining. Accordingly, the NLC serves as the central negotiating body for workers, albeit with now a rival central body. The role of the NLC is political. It represents workers interest at the national level and in recent times has continuously engaged the government on

⁴⁶ NECA is the Nigeria Employers' Consultative Association. It is the umbrella organisation of employers in the organised private sector of Nigeria and was formed in 1957. It has membership strength more than 350 organisations.

⁴⁷ Opute, J. and Koch, K. (2011) The Emergence of Collective Bargaining Structures in a Transformation Economy: The Example of Nigeria, *Bulletin of Comparative Labour Relations*, Vol. 77, pp. 39-57.

⁴⁸ Opute, J.E. (2010) 'Compensation Strategies and Competitive Advantages in the Globalised Economy: Nigerian Based Study', PhD Thesis, January 2010 (London South Bank University, London, UK).

matters of national interest. It resolves inter-union and intra-union disputes and takes the lead in providing education and counselling to members. However, the Trade Union Congress (TUC), which is now a rival/optional centre trade union has been given legal backing with the democratisation of the unions. It is intended to operate in a similar fashion as the NLC.

National Union (e.g.: Steel and Engineering Workers' Union of Nigeria)

The national union takes on the role of industry wide collective bargaining for its affiliate unions. This has diminished the role of the branch unions in collective bargaining.

State Council

It is the supervisory and coordinating organ of the national union of the industrial groups in the various states within the country. They work closely with the branch union and provide guidance and counselling.

Branch Union

With the centralisation of trade unions, the key role of the branch union has become grievance settlement, interpreting and administering the collective agreement in the workplace. Also, most procedural agreements leave out some items (such as burial expenses and education allowances) for in-house negotiations and some items (such as canteen subsidy, company service awards, and uniforms) for in-house consultations/discussions so that some relevance can be accorded officers of the union at the branch level.

However, with the recent development of the 2005 trade union legislation, employees can establish plant unions and deal directly with their employers. Some of the prominent industrial/senior staff unions/associations cover such key economic areas as follows:

- Metal Products
- Petroleum and Natural Gas.
- Food, Beverage and Tobacco
- Bank, Insurance and Allied Institutions
- Nigerian Union of Teachers
- Nigeria Civil Service
- Nigerian Railways

In collectivist cultures, harmonious inter-personal relations and teamwork are prevalent. Most employees are thus organised for collective bargaining to obtain outcomes they believe may not be easily achieved as individuals.

According to Fajana⁴⁹ the processes and institutions of industrial relations have emerged very strongly because of the inability of employers and employees to have a proper dialogue regarding employment relations. Besides, the average employee lacks proper education and awareness and therefore looks towards the union for direction and support. The societal and infrastructural settings of most developing countries like Nigeria are hardly developed. Accordingly, issues for negotiations and collective bargaining are both economic and none-economic thus leading to the increased importance of trade union activities in developing economies. Additionally, most scholars have expressed the view that collectivism is a prominent cultural trait in Africa and the associated approach to employment relations is paternalism. Thus, employees tend to view the employer as an extension of the family^{50,51}.

The state continues to be involved in trade union matters essentially to encourage industrial peace and promote economic development. Such interferences (at the onset) come through regulated incomes and productivity policies to inhibit inflations; encouraging freedom of association through legislations to permit national and plant negotiations through the machinery of collective bargaining process; setting up Arbitration Panels and the National Industrial Court for the settling of industrial relations disputes. On the part of employers, the NECA provides a forum for encouraging the setting up of employers' association for industry wide collective bargaining processes, advice and consultations amongst members and as a liaison body with the state on behalf of employers. The framework for collective bargaining is completed by the centralised trade unions with some issues left at company/plant level.

The amendment to the Trade Union Act in 2005 (seemingly the only noticeable trade union legislation) has emphasised the importance of freedom of association and increased relevance of collective bargaining at both national and plant levels. Unfortunately, the political transformation of the country has attracted limited advancement in labour laws or the management of trade unionism.

⁴⁹ Fajana, S. (2000). *Industrial Relations in Nigeria: Theory and Features* (2nd ed.) Lagos: Labofin and Company.

⁵⁰ Beugre, C.D., and Offodile, F. (2001) Managing for Organisational Effectiveness in Sub-Saharan Africa: A Cultural-Fit model. *The International Journal of Human Resource Management*, 16 (7) pp. 1083-1119.

⁵¹ Jackson, T. (2004) *Management and Change in Africa: A cross-cultural perspective*. London: Routledge.

Nevertheless, what appears as the established means of participation mechanism in Nigeria is driven by trade unions and centred on collective bargaining. Whilst the latter is well embraced and established participation mechanism (particularly in collectivist societies), the study has ventured into exploring other participation mechanism that can be regarded as 'cooperative participation' without diminishing the importance or relevance of the trade unions in the work place.

6. Nigerian/European Comparison

Nigerian industrial relations were shaped by the Anglo-Saxon model; collective bargaining and negotiations being the major mechanism of dialogue and interaction between management and trade unions. The latter retain a significant role in the industrial relations arena of Nigeria; and in this respect Nigerian trade unions exercise a fundamental and significant role of indirect participation of employees. In contrast to European practices, where pluralist democracy is established, Nigerian employee participation is a crucial constituent of the process of democratisation. The JCC, the legacy of colonialism, can be compared to participation bodies in Europe, particularly with extant structures in Britain. As an information and consultation structure there are valid comparisons with some continental European works councils. However, it is not surprising, given the historical evolution of Nigerian industrial relations, that the concept of codetermination is absent.

The cultural trait of many developing economies is collectivism; in contrast the European cultural trait is individualism. This fact is mainly responsible for the continued strength of trade unionism in Nigeria; it is believed that a collective approach provides a more forceful platform to pursue demands by employees. This apart, the established concept of employee participation in Nigeria follows the Anglo-Saxon concept of information and consultations through established channels of discussion with employee representatives

The drive of companies towards competitive advantages, in the globalised economy, has given, as demonstrated by the companies in the study, common organisational, marketing and business characteristics to companies. Taking the broad definition of employee participation suggested by Summers and Hyman, it can be noted that there are common elements between Nigerian and European manifestation of employee participation structures²⁸. Information, and to a lesser degree consultation, have become important human resource tools.

The socio-economic setting of most developing countries, such as Nigeria, restricts labour mobility, unlike the experience of the developed economies of Europe. Accordingly, employees have long-term employment interests with their employers. Apart from the benefit of enhanced separation package (resulting from seniority), employers can institute employee share ownership schemes as a means of enhancing and committing employee participation in the future of the company. Such schemes are only applicable to serving employees and thus a unifying symbol for both employee and employer. The study revealed that three of the companies had employee trust schemes. These companies, with operations across the country and multinational affiliations, reflect the modern business environment in Nigeria.

7. Findings and Discussion

The concept of labour involvement as participatory mechanism is hinged on democracy at the work place and facilitated by the cooperative behavior of both employees (in some cases, represented by the trade unions) and employers. It is the pursuit of the existing forms of participation in the work place (albeit focusing on Nigeria as an example of a developing economy) that this study has examined other means of labour involvement as a participatory mechanism in the work place. The study reveals that management participation, trade unions and collective bargaining, joint consultative committee, employee trust scheme and employee forums are identified as existing mechanisms of participation in the selected organisations. These formalised mechanisms were derived from the broad forms of participation and structures as captured in tables 2 and 3 in the participating companies. They are therefore an amalgamation of these structures and forms and have been embraced by employees and employers based on internal and external considerations and can serve as extension of 'cooperative participatory mechanism' that can be employed by different organisations to address their peculiar circumstances. Furthermore, these participation mechanisms have been supported/complimented by the comments of the respective HR practitioners as evidenced in the accompanying foot notes.

7.1 Management and Participation

Management practitioners have increasingly been aware of the organisational significance of information, consultation and communication and this aspect was confirmed in the companies surveyed.

As means of building on a relationship of support and co-operation with employees, the companies have structured channels of communication with employees, employing various avenues for educating employees, achieving feedbacks and thus building on a relationship that is based on partnership. One common view that is held amongst HR practitioners, GG⁵² and FF⁵³, is that employee participation is a very prominent human resource management tool for the purposes of exercising partnership in the workplace. Accordingly, such events as staff conferences and briefing sessions provide a platform for management to share strategic visions/goals and developmental issues with employees. Although these meetings are mainly focused on updating employees, some consultative events also feature, particularly on matters that relate to immediate employee benefits.

A HR Director, HH⁵⁴, confirmed participation as a human resource tool for widening employee participation in company activities through such avenues as company magazines and journals; providing opportunities for employees to share opinions and suggestions and serve as a medium for increased information dissemination apart from company notice boards. Analysis of procedural agreements and company handbooks disclose that at industry and plant level, companies provide for periodic meetings as well as quarterly consultative meetings. In addition, Quality circles and work groups/committees, seen partly as employee participating improvement initiatives, are prevalent within company practices, as confirmed by all the HR practitioners interviewed.

7.2. Trade Unions and Collective Bargaining

As Table 1 reveals, all the companies have a high degree of trade union membership, reflecting the general strength of trade unionism in Nigeria, partly because of specific legislation. Prior to the Trade Union (Amendment) Act of 2005, there was an automatic check-off system, which was intended to ensure that the trade unions had enough funds to operate and function properly. Membership to the trade unions was therefore automatic and employees were required to 'contract out' if they did not wish to maintain membership. The government's intention in amending the Trade Union Act was to democratise the trade unions and thus withdraw the automatic check-off system. Accordingly, the

⁵² GG, Human Resources Manager of Britannia Foods Plc.

⁵³ FF, Human Resources Director of Rex Bottling Company Plc.

⁵⁴ HH, Human Resources Director of Precious Bottling Company of Nigeria Plc.

withdrawal requires employees to ‘contract in’ to union membership. Whilst this latter approach is intended to create freedom of association, the long-established role of trade unionism in Nigeria means that the trade unions view this development with considerable scepticism. On the part of the employees, the cultural setting of collectivism makes non-association a ‘taboo’. This cultural characteristic also explains the persistence of collective bargaining in the difficult political and economic climate of Nigerian industrial relations.

From the perspective of participation as a trade union strategy, leadership conferences, targeted at plant union officials, and other identified opinion leaders, were having improved union/management relationship (MM⁵⁵, KK⁵⁶). Firstly, it creates an avenue for training on leadership qualities and challenges. Secondly, it serves as an informal atmosphere for interactive sessions with key management employees, providing opportunities for building on mutual support and understanding. To some extent, in the words of KK⁵⁷, “it creates an atmosphere for feeling the pulse of the union, against future negotiation and thus a strategic tool in trade unionism”. This perception accentuates the importance of partnership between Nigerian trade unions and management as a key to stable industrial relations and this is dependent on collective bargaining. According to CC⁵⁷, MM⁵⁶ the future structure of collective bargaining will require flexibility and independence to determine cost of input and remain competitive in sourcing these inputs. Most organisations have achieved this through effective participating initiatives.

7.3. Joint Consultative Committee

Five of the companies have a Joint Consultative Committee (JCC); these bodies can be regarded as the oldest established form of employee participation having their origin from the British model, which was introduced under the influence of colonial rule (DD⁵⁸, EE⁵⁹, and JJ⁶⁰). This consultative committee provides a forum for management to obtain

⁵⁵ MM, Chairman of the Personnel Practitioners of the Rubber Products Employers’ Association.

⁵⁶ KK, Head of HR, Packaging Division of Crescent Aluminium Plc.

⁵⁷ CC, Head of Industrial Relations, Research and Information of the Greenland Employers’ Consultative Organisation.

⁵⁸ DD, Manager, Site/Field Human Resources of Zorex Oil Producing Unlimited.

⁵⁹ EE, Company Industrial Relations Manager of Kwabever Products Plc

⁶⁰ JJ, General Manager HR of Delta Aluminium Plc.

and share views across the entire work force. The JCC is also used as a platform for addressing issues that are not covered by collective bargaining, which are mutually beneficial to management and all employees. Examples of such issues are canteen facility, long service awards and staff uniforms. In recent times, (as confirmed by nearly all HR professionals interviewed) most employers have introduced other employee work groups/committees that are charged with specific matters, such as safety work groups and welfare committees.

Membership to these work groups (including JCC) is through random selection by the HR unit or through nominations by in plant employee unions or associations. They are usually made up of a group of two individuals, representing junior, senior and management staff categorisation and usually headed by the Head of the HR unit or his representative. Other than the JCC meetings, the representative of the HR department heads most other work groups. JCC meetings are usually held quarterly, except for work group meetings, which are held weekly. The meeting times may vary if an emergency arises. Decisions of JCC and work group/committee meetings are usually communicated to management as recommendation and not agreement. However, in most cases, management accepts the recommendations.

7.4. Employee Trust Schemes

Three of the companies examined have partnership models based on employee trust schemes, involving the ownership of stocks/bonds/shares of the company by all permanent employees. This arrangement thus provides continuous partnership and participation in the affairs of the company. A typical example of such employee trust scheme is that of Crescent Aluminium Plc⁶¹ which has highlighted the salient points of the scheme as follows:

- 1) “As part of its scheme for welfare of its employees, the company has resolved to make available to its employees 1,214,140 ordinary shares of 50 kobo each in the capital of the company on condition that the shares will be held in trust for all employees.”
- 2) “Unless there is an undisclosed doubt as to the method of distribution or as to the identity of the persons entitled thereto, the entire amount of the income of the Trust Fund shall be distributed equally among all

⁶¹ Crescent Aluminium Plc was incorporated during the early sixties as one of the early manufacturing plants in Nigeria. It became a quoted company in the Nigerian stock exchange market during late 1992.

employees on the company's payroll as at 31 December of the year in which the dividend is declared."

Capital accumulation schemes by employees, and the associated 'participation', are an interesting alternative participation model in the Nigerian context.

7.6. Employee Forums

There was evidence from four companies (that recently established participation structures) were in the form of 'Employee Forums'. These essentially are an integrated information and consultation body with participation cutting across all categories of employees, inclusive of senior management and trade union representation. The forums are initiated by senior management, nominating around 20 representatives, and are designed to reflect the comprehensive composition of the entire workforce. Membership is by invitation from senior management; there is an annual meeting giving opportunity for all employees to be informed and engage in dialogue. Employee forums are clearly management structures with the objective of fostering participatory inclusivity. Significantly trade unions regarded these forums as an opportunity to enter discussion with both management and the entire workforce. The HR managers interviewed recognized the tensions that can arise between union representation and employee committees generated by management and therefore, in some cases, actively encouraged unions to nominate union members to these committees.

Table 2: Forms of Participation

Companies	Information	Consultations	Negotiation	Employee Trust Scheme
Britannia Food Plc	x	x	x	-
Rex Bottling Company Plc	x	x	x	-
Precious Bottling Company Plc	x	x	x	-
Crescent Aluminium Company Plc	x	x	x	x
Zorex Oil Producing Company	x	x	-	x
Kwabever Products Plc	x	x	x	x
Delta Aluminium Plc	x	x	x	-
Total	7	7	6	3

Note 1: Negotiations are both at national and plant levels, except in Zorex oil where all negotiations are at national levels only. Note 2: Britannia Foods Plc, Rex Bottling Company Plc, Precious Bottling Company Plc and Crescent Aluminium Company Plc hold an employee forum as an annual event for the purposes of information and consultation.

Table 3: Participation Structures

<i>Companies</i>	<i>JCC</i>	<i>Quality Circle</i>	<i>Work Group</i>	<i>Work Committee</i>	<i>Others</i>
Britannia Food Plc	x		x		
Rex Bottling Company Plc	x			x	
Precious Bottling Company Plc			x	x	
Crescent Aluminium Company Plc	x	x		x	
Zorex Oil Producing Company	x		x		
Kwabever Products Plc	x		x	x	
Delta Aluminium Plc			x	x	

8. Conclusions

Two important critical constraints for inferences from the empirical study require emphasis. Firstly, the small sample size, both in terms of the selected industries and the geographical concentration of the companies. The latter point is important given the ethnic and political cleavages which characterises Nigerian federalism. Secondly, the main respondents of the interviews predominantly reflected management perception and therefore broader conclusions were supplemented from secondary sources.

The conclusion from the data collected is that information and consultation are perceived as significant elements in both HR practises and trade union strategy. Over and above this participation is a vital component of the democratisation process in developing countries. In this respect the Trade Union (Amendment) Act 2005 provides a basis for the democratisation of the Nigerian labour movement through the expansion of opportunities for the registration of the Federation of Trade Unions, as well as the granting of the freedom of employees to select the trade union of their choice. This is an important recognition of the role industrial relation actors and employees have in the establishment of a stable democracy in the difficult political and economic climate of contemporary Nigeria.

The employee participation forms revealed from the company studies show a rich and varied variety. The major European influence, as particularly exemplified by the JCC, is rooted in the historical legacy of British colonialism; the focus on negotiation and collective bargaining based on strong trade unionism. This contrasts starkly with, for example, South African employee participation developments, which have been influenced far more by continental European employee participation models. On the other hand, Nigeria has moved, at least in the companies examined, towards implementing management/employee structures to facilitate the efficacy of company performance.

Information, and limited consultation, structures have created a web of communicative pathways, which, in the Nigerian context, is dominated by management. Nevertheless, this facilitates an important catalyst for employee participation development in the transformation economy of Nigeria. Moreover, there is convincing evidence that employee participation is driven by cultural factors as well as the institutional paradigms. The Anglo-Saxon influence, and not the statutory employee forms of Europe, has exercised a strong influence on Nigerian employee participation structures.

In furtherance to this, many authors^{40,62,63} have eluded to the fact that the expansion to the range of empirical context and the need for research to expand to the dynamics of culture and institutional environments because (as they further argue) the same set of HR practices and functions may attract divergent employee outcomes in different societies, which can impact on national values of cultures and countries⁴. Building on these assertions, this study has focused on HR systems and emerging participatory mechanisms/practices as not just the target of employees' perception (and expectation) but as well as employers' perceptions as the working together of these 'two unions' provides a better perception on how to manage the HR functions to achieve effective employee outcomes and participation in many developing economies and thus improving organisational efficacy.

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⁶³ Kim, S., & Wright, P. M. (2011). Putting strategic human resource management in context: A contextualized model of high commitment work systems and its implications in China. *Management and Organization Review*, 7(1), 153–174.

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