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Trade union and labour productivity: Evidence from Nigeria

Abstract

This paper analyzes the effect of trade union activities on labour productivity in Nigeria and challenges to union activities by using both quantitative and qualitative data on more than 400 respondents from labour union and government agencies. The Unions' effects on productivity are negative their magnitude being larger than those on productivity encouragement trade union give to government agencies to motivate workers. Enforcement of manpower training and development is a strategy of trade unions to improve productivity of labour while the demand for welfare condition is a strategy of trade unions in achieving labour productivity. Challenges including political interference, lack of finance, and inadequate human resources limit potentials of trade unions to achieve its objectives. In order to improve productivity, improved communication and understanding between trade union and government are crucial to improving labours' productivity.

Key words: Trade union, labour, government, productivity, wage

1. Introduction

The resultant effect of trade unions activities on productivity has been attributed to the net consequence of conflicting forces which can raise or lower productivity. Trade unions can raise productivity by improving communication between workers and management. On the other hand, unions may reduce productivity by distorting the labour market through their monopoly

powers (Morikawa, 2010). Thus, the direction of effect of trade union activities on productivity remains an empirical question in the literature.

From Nigerian experience, trade unions have engaged in colonial struggle, such as, fighting against colonialism and encroachment of socio-economic and political survival of Nigerians during the colonial era. Therefore, the role of trade unions, under the auspice of the Nigerian Labour Congress (NLC) during the colonial period, led to the reversal of government actions and policies. NLC now plays social, economic and political functions not only to the workers but to all Nigerians irrespective of employment status. Trade unions have interest in productivity improvement because they are of the opinion that, the effective and efficient through which objectives could be achieved is by increasing the standard of living of their members and the standard of living of all the workers within their jurisdictions. The activities of labour unions through employees' protections and persistent defense of members against despotism in the society have made the employers (public and private) to give in their agitations demands. The result of their activities has paved way for impressive increase in salaries of employees, changes and improved the conditions of work, improved workers' remunerations and welfare, adjustment of harsh economic policies, like the 1980s Structural Adjustment Programme (SAP) in Nigeria: thereby making the policies more humanitarian and helpful for the workers lives and economic/social interest of the general citizenry. The universal idea behind labour unionism is that, workers are of the opinion that by binding or uniting, they will be able to confront every act of exploitations and social prejudice that might be foisted on them while on their job by the employers.

However, various agitations of trade unions in Nigeria have led the labour union leaders to a duel with political office holders and the ruling classes and often led to convulsive

subjugations and strangulation of labour leaders as well as undue proscription and de-proscription of labour union activities. The resultant effect of this conflict is incessant strike actions leading to dereliction of duties and/or abandonment of work to confront government and their agencies (Okechukwu, 2016). Most of these activities render ineffective, timely implementation of useful government policies, poor commitment of workers and overall governance issues which led to economic recession in the year 2015.

Trade unions activities in Nigeria also border on phenomenon politicization that results in general strikes against price hikes on state subsidized petroleum products, anti-third term rallies with other socio-economic issues. This has also resulted to the creation of several trade union groups and their active participation in National politics.

In spite of pronounced trade union activities in the Nigerian political environment, literature on organizational relations is replete with the role of labour unions and their effort to champion the cause of their members by helping to bargain their views and agitations, protect the welfares and goals of workers in an attempt to improve their members working conditions within the industrial relations system of an organization. However, little has been done on the role of trade unions on labour productivity in Nigeria. Under these circumstances, this paper seeks to provide empirical information on the effect of trade unions on labour productivity in Nigeria. Also, the challenges confronting trade unions in promoting labour productivity in Nigeria are identified.

1. Literature Review

The effect of between trade unions on labour productivity has been an important subject in the literature on labour studies and organizational relations. This study, in this section, will however discuss the cogent issue in the literature.

2.1 *Trade Union Activities in Nigeria*

Trade union activities in Nigeria can be dated back to pre-colonial era. Guilds, mutual aids, professional groups or occupational craft unions were in existence, playing roles that were similar to that of trade unions in the post-colonial era (Ibrahim, 2003). However, the above mentioned associations were contrary to the contemporary sense full-fledged trade union, as they can merely be described as workers' association (Otobo, 1987). In a twist different from what obtains in advanced society, trade unions existence in Nigeria predated industrialization.

Historically, trade unions in Nigeria can be traced to 1912, when all the workers in the southern protectorate civil service under the colonial regime organized as workers' representative. They bore the name the Nigerian civil service union. During this period, trade unions were deterred of radical approach; this was due to the domineering status of the colonial government being the highest employer of labour. The emerging unions during colonial administration were the Nigerian Native Staff Union (NNSU), Nigerian Union of Railway men, Nigerian Mechanics Union as well as the Nigerian Union of Teachers (NUT) (Ibrahim, 2003).

In 1975, the number of Trade Union in Nigeria increased to more than 1,000 groups which include the splinter unions until 1977 when the unions were reconstituted into forty-two (42) together with industrial line. In February 1978, the Nigeria Labour Congress was instituted. This brought the fragmented forty-two Industrial unions under the control of NLC and thereby legalized it functions with Trade Union (Amendment) Decree 22 of 1978. Therefore, one can assert that several reasons were responsible for the ostensive tardiness in the arrival of trade

unions in Nigeria. As at 1978, the Nigeria Labour Congress was the only officially constituted National Federation of trade unions. Prior to this time, four labour unions were in existence. These include: Nigeria Trade Union Congress [NTUC]; Labour Unity Front [LUF]; United Labour Congress [ULC] and Nigeria Workers Council [NWC]. After the emergence of the NLC, there came an end to the rancor and rivalry that existed among the four unions. The union survived several threats from the military administration. The union witnessed changes in its formation till the Nigeria returned to democratic governance in 1999 till date.

2.2 Concepts of Labour Productivity

Productivity can be elucidated in different perspectives. In relation to construction, productivity can be construed to be labour productivity. Here, it refers to work placed or produced per man-hour. Productivity is output divided by all or some of the input that goes into producing the output (Attar, Gupta and Dessai, 2012). Resources that goes into producing output include labour, capital, energy, raw materials etc. they also examined a popular concept that in the USA and that is also in vogue in Britain: the concept of earned hours. This focuses on a particular standard of output or norms for each unit of output. In this vein, a number of hours is directly linked with each unit of output produced. From this, we can construe productivity to mean the proportion of earn to actual working hours. The problem with this concept is about having a reliable norm for setting standard (Attar *et al.*, 2012). In their view, it's a methodological issue in terms of productivity measurement and how far the account of all factors which affect it is taken. Another way of measuring productivity is labour cost divided by work hour output. From a general view, they opine that, productivity is about measuring how the individual output commensurate with the utilization of available resources. Contrary to the general perception on

productivity, various studies on the applications of productivity show that there is no a universally acceptable yardstick on how to measure employee productivity.

Hancock, Bai, Flavel and Lane (2007) in their examination of productivity in Australia, submitted that productivity is the manipulation of inputs to outputs, while output is referred to as a proportion of a production. Labour productivity is directly linked with the hours of work. Another measure of productivity in their view is Multi factor productivity; here the evaluation is based on capital utilized and human resources. Each of the inputs has its uses. They submitted that, increase in productivity associated with labour input is a fundamental determinant even though there are other resources, such as money and materials, in the capacity of an organization to ensure increase in the standard of production. However, organizations must consider the efficacy in the measuring of the utilization of other resources and not measuring only the human resources, by so doing, there can be an effective measurement of productivity. Multi-factor productivity method considers this, in as much as it recognizes the varying quantities of capital with the measures of human resources. They are also of the view that productivity increases with time. One reason for rising productivity is as a result of increase in the standard of capital. To them, multi-factor productivity neutralizes the outcome. Nevertheless, there are additional reasons responsible for both labour and multi-factor productivity increase. Amongst several reasons responsible for the increase include technical progress, application of new and improved technology.

2.3 *Theoretical Framework*

2.3.1 *Liberal-Pluralist Theory*

This study hinged on the Liberal-Pluralist Theory. The labour/trade union serve as an actor representing the interests of workers in both public and private organization, the employers' association (management) serve as the representative of the interests of employers in an organized private sector while the governments officials representing the interests of governments in the public establishment at all levels. Therefore, Liberal-Pluralist Theory is of the opinion that, these three-party actors were function to interact in a collaboration way towards the achievement of the organizations objectives and for the increment in productivity, which is a major pursuit of private organization.

This study based its perception on Liberal-Pluralist Theory simply because; trade unions utilized the ideology of pluralism to integrate the working class into the capitalist society through bargaining and compromise. Through this technique, conflict between employers and employees in both public and private organizations has been institutionalized and thus led to industrial stability. As workers demand for better welfare package for their members, this ultimately will result in higher productivity for. It is also in the best interest of employers either public or private. This would automatically increase the profit margin for the employer of labour. The goal of the plural system, which is the interactivity of the forces, will eventually lead to higher productivity, because every interest has this end in sight.

2. Data and Methods

The data used in this study come from survey of Nigerian trade union members and staff of Government agencies including Ministries that oversee labour and productivity, Education, science and technology in Nigeria. The Federal Republic of Nigeria is constitutionally and politically classified into 36 States and 774 local government areas. At independent, it was politically delineated into three regions (Northern region, Western region and Eastern region). Its

Capital at independent was Lagos State in the Southwestern part, later it was moved to Abuja. Nigeria is located in the continent of Africa, precisely in the West African continent and shared land boundary alongside the Republic of Benin in the West, with Lake Chad and Cameroon in the East, and near Niger in the Northern part. The country's coast in the south lies on the Gulf of Guinea in the Atlantic Ocean. The country Nigeria has a total coverage area of 923,768 kilometers square with an estimated human population of 174,507,539 according to National Population Commission (2013). Nigeria lies between latitude 40 and 140 N and longitude 20 and 150 E.

Primary data were collected using semi structured questionnaire and interview to generate necessary information on trade union activities and productivity in Nigeria. Using purposive sampling, a total of 435 respondents were sampled. Analytical tools such as percentages, frequencies, and regression analysis were adopted for the analysis. The dependent variable of the study, which is productivity, is measured in ordinal form while the independent variables- trade union activities were also measured in ordinal scale.

4. Results and Discussion

4.1 Socio-Demographic Data

The demographic data of respondents is presented in Table 4.1. Majority of staff whose age ranged between 31-40 years constitute the majority (50.36%) of staff across the establishments. This is distantly followed by those in the age groups between 51 and 60 years (15.7%), 41 and 50 years (15.1%), and 21 to 30 years (14.6%). The implication of this distribution is that the respondents are dominated by active labour force with a larger percentage of the respondents falling in the range of 21 and 50 years. Majority of the respondents have higher level of education; 54.9% are bachelor's degree holders while 42.2% are Master's degree holders. This

implies that the respondents are sufficiently educated to give good and reasonable responses to the questions. Furthermore, most (69.7%) of the respondents are married.

The frequency distribution of the respondents by the duration spent in service showed that 57.6% of the respondents have spent up to 10yrs in service. This is followed by those with 20 years' experience with 20.0%. Also following closely are people with 30 years, 40 years and 40 years above with 12.7%, 7.3% and 2.4% respectively. The result showed that a good number of the staff possess the necessary experience required to provide the answers for the study.

Table 4.1 Socio-Demographic Characteristics of Respondents

Variable	Classification	Frequency	Percentage
Age (Years)	21-30	54	14.6
	31-40	186	50.3
	41-50	56	15.1
	51-60	58	15.7
	61 and above	16	4.3
	Total	370	100.0
Educational qualification	Bachelor's Degree	203	54.9
	Master's Degree	156	42.2
	Others	11	3.0
	Total	370	100.0
Marital Status	Single	85	23.0
	Married	258	69.7
	Separated/divorced	27	7.3
	Total	370	100.0
Years of Experience	0-10yrs	213	57.6
	11-20yrs	74	20.0
	21-30yrs	47	12.7
	31-40yrs	27	7.3

41 above	9	2.4
Total	370	100.0

Source: Field work, 2017

4.2 *Respondents Opinion on Trade Union Activities of Nigeria Labour Congress*

The respondents were asked to provide answers to questions related to trade union activities in Nigeria and their influence on their performance. The result is presented in Table 4.2. The respondents strongly agree (23.0%) and agree (68.4%) that the trade union exerts influence that could stimulate workers to improving their standard of work. On the other hand, 8.6% of the respondents are neutral about the role of trade as regards exerting influence on the work conditions of their members. The result showed that trade union utilized its mandate to influence all policies that affect the employees' conditions at work. Also, the result revealed that 46.8% of the respondents are of the opinion that wage and salary interest of members are promoted effectively by unionizing. This is further corroborated by the fact that 43.5% of the respondents also toed this line of perception. On the contrary, 6.8% disagreed with this perspective, while 3.0% are indifferent about whether interest of wage and salary earners is protected by unionizing.

The analysis from the result further revealed the fact that the interest of wages and salary earners are protected by unionizing. The result further showed that the respondents have high level confidence in their union representatives. This fact is ascertained by 22.4% and 58.6% strongly agreeing and agreeing respectively. However, 5.9% and 8.6% of the respondents disagreed and strongly disagreed with the opinion that trade union members have confidence in their representative. It is also relevant from the analysis to reveal that 4.3% of the respondents are neutral about confidence in trade union. The result revealed the trade members have high confidence in their trade union. The result also showed that 48.9% of the total respondents are of the opinion that trade union affect performance of their members. It is also interesting to note that 23.8% are indifferent about whether trade union affects performance of its members. In the same way, 23% of the respondents disagreed with this opinion, while 4.3% strongly disagreed

with the opinion that trade affect performance of its members. The result further showed that trade union does not affect performance of its members. The result showed that 4.3% of the respondents are strongly of the opinion that trade union exerts influence on education and training of staff. Also, 50% of the respondents are of the opinion that trade union exert influence on education and training of their members. The result further showed that 25.7% of the respondents were neutral on the roles played by trade union in exerting influence on performance of their members. It is also pertinent to reveal that 20% of the total respondents disagreed with this line of thought. The result showed that the trade union does exert influence on education and training of members.

Table 4.2: Respondents Opinion on Trade Union Activities of Nigeria Labour Congress

	%				
	SA	A	U	D	SD
Your trade union exert influence in improving your working condition	23.0	68.4	8.6	-	-
The interest of employees can be effectively protected by the activities of the union leaders	46.8	43.5	3.0	6.8	-
You have high level of confidence in your trade union representative	22.4	58.6	4.3	5.9	8.6
Your trade union membership has affected your performance	48.9	-	23.8	23.0	4.3
Your trade union exert influence on education and training of staff members	4.3	50.0	25.7	20.0	-

Source: Field work, 2017

Key: SA = Strongly Agree (5), Agree (4), U = Undecided (3), D = Disagree (2), SD = Strongly Disagree (1)

4.3 Regression analysis of effect trade union activities on productivity on Staff

The analysis of trade union activities and its effect on productivity of staff is presented in Table 4.3. The result showed that trade union activities do not exert any significant effect on productivity of staff. This is evident by the p-value (0.972) which is greater than 0.05. Furthermore, the result revealed that trade union membership of staff has affected the productivity of staff significantly. This is evident by the p-value (0.00), which is less than 0.05.

However, the result showed that there is negative and significant relationship ($\beta = -0.246$ $t = -9.02$, $p < 0.05$) between trade union membership and staff productivity. Lastly, the result showed that the influence of trade union to improve salary and allowances has not improved productivity of staff. This is because the p-value is greater than 0.05. The result showed that the influence trade union exert in improving productivity does not significantly affect productivity of staff. Furthermore, the result revealed that trade union membership of staff has affected the productivity of staff significantly. This is line with the works of Collins (2013) who submitted that, trade union significantly plays essential role in uplifting organizational efficiency and increasing output. This study revealed that, the existence of workers union in an organization is not limited to safeguarding the rights and interest of its members, but also collaborate positively with top management in making sure that the pre-set goals and objectives of organizations are attainable.

Table 4.3: Regression estimates of the effect of trade union activities on productivity

Performance	Coeff.	t value	p-value
Trade union exert influence in improving working conditions	-0.002	-0.035	0.972
The interest of employee can be effectively protected by activities of the union leaders	0.029	0.733	0.464
Trade union membership has affected your performance	-0.246	-9.017	0.000
Trade union exert influence to improve salary and allowances	-0.018	-0.339	0.735

Source: Field Work, 2017

4.4 Challenges facing trade union and labour productivity in Nigeria

This section presents the findings on challenges confronting trade unions in promoting productivity. The findings emanated from the qualitative data obtained through interview guide. Responses from the questions are elicited from members of the Nigerian Labour Congress. In response to a question ‘What does Nigeria Labour Congress encounter while trying to promote labour productivity?’ A very senior member of the Nigeria Labour Congress is of the opinion that;

‘...labour productivity is not directly a goal of the union. It is not really issue that is given prominent priority. It may come as latter issue among their list; it is not given a place prominent attention...’

Another senior member of trade unions corroborated the earlier response:

‘...the trade union does not directly involve itself in labour productivity matters. It is often considered the responsibility of the employers to facilitate the productivity of its workforce as it is directly beneficial to them...’.

From the foregoing, it is obvious that, labour productivity matter is not really an immediate responsibility of the trade union and by virtue of this the trade union may not consider this as a topmost priority in its list of programme.

On the challenges confronting Nigerian Labour congress in promoting labour productivity, one of the interviewee responded that;

‘...The challenges confronting labour congress in promoting trade unionism include the fact that productivity of labour may not necessarily feature in their many priority. Since the issue of labour productivity is not directly a responsibility of trade union, this might affect them...’

Another interviewee noted that;

‘...One factor that can affect the union body in dealing with productivity of their members is finance. The union body may not be able to carry out this goal as a result of finance. It will be difficult to coordinate all the

professional body under the Nigeria labour congress to carry this responsibility of developing their staff for efficiency at work...

One of the interviewee noted that shortage of personnel another serious factor which is a major challenge

'...It may not be easy to mobilise the necessary human resources required for the task. As a result, it becomes highly difficult...'

In another response, a respondents was of the opinion that

'...The role of politics in the affairs of trade union cannot be overemphasized. This is because there is so much political intervention in the affairs of the trade union. It comes with a lot distraction...'

Another challenge to effective trade union activism is political interference. One of the respondents asserted that

'...the level of political intervention in affairs of the labour movement has affected the union in a way that it performs less than expectation...'

5. Conclusions

The result revealed that the strategies adopted by trade unions in promoting labour productivity in Nigeria include demand for increase in wages and salary as a strategy for promoting labour productivity, the encouragement trade union give to employers of labour to embark on manpower training and development is a strategy of trade unions to improve productivity of labour, the demand for welfare condition is a strategy of trade unions in achieving labour productivity and the clamour amenities and facilities for staff are strategies adopted by trade unions for promoting labour productivity. The result showed that the influence of trade union to improve salary and remunerations has not improved productivity of staff. This aspect of the findings contradicted previous empirical findings and could be attributed to differences in climate and socio-economic milieu. However, on investigating the challenges confronting trade

union activities in promoting labour productivity, the following challenges were identified: relegation of labour productivity as a core objective of trade goals, lack of finance, inadequate human resources to be deployed to carry out man power development programmes across the country as well as politicization of union activities in promoting labour productivity.

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