**What Sort of Collective Bargaining is Emerging in Nigeria?**

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**Abstract**

**Purpose**: Nigeria is experiencing an expanding variety of what is termed *collective bargaining*, which is being propelled by socio-economic challenges and the emerging political dispensation that had long eluded the country, albeit the numerous contours needing some pragmatic approaches from the state, employers of labour and the trade unions at the local and national levels. Therefore, this paper represents an attempt to illustrate the rising collective bargaining pattern in Nigeria.

**Methods**: The paper drew on employee and employer sectoral associations examples together with labour union structures of the state to assess what underlined collective bargaining developments from the broad context of collective bargaining and the industrial relations implications. Content analysis was employed to analyse the secondary data (found in relevant company handbooks, policies, collective agreements, etc.) and primary data obtained through unstructured interviews.

**Findings**: A form of collective bargaining is emerging where the trade unions are embracing symbiotic agreements at plant levels to improve conditions of employment and thus weakening the hold of the national union from collective bargaining— a move that may challenge the conceptual framework of collective bargaining as conceived by many states in developing economies.

**Originality:** This is an investigative paper, carefully trailing the framework of collective bargaining from direct contacts with all stakeholders in the labour corridors of Nigeria - such as the Nigeria Labour Congress, Nigeria Employers’ Consultative Association, Chemical and Non-Metallic Products Employer’s Federation, Metal Products Workers Union of Nigeria and Personnel Practitioners, cutting across all the segments of the political and economic development of the country.

**Keywords:** Nigeria,collective bargaining, trade unions, socio-economic and democracy

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# Introduction

After several decades of military rule, Nigeria has embraced recent developments in democracy, prompting the awaking of several democratic structures in the country. One such institution is the trade union, which received significant state support for national central unions on industry basis to improve democratisation and the collective bargaining process and thus protect the state’s economic stability. After several years of this experience, the indications are that the Nigerian economy is now throwing collective bargaining into a flux, making symbiotic agreements attractive and thus questioning the procedural agreement. This instrument identifies how far collective agreements can be nationalised or otherwise. What does this mean? At a time when the trade unions are battling to remain significant across the nation, why is sustaining this structure important? What sort of collective bargaining is emerging from Africa’s largest economy?

Furthermore, understanding how multinationals devolve their decision-making process in the presence of fledging trade unions in developing economies is becoming increasingly important as the continent grows in significance and in the global economy ([Davis and Luiz, 2015](#_ENREF_10)). Nevertheless, the concept of employee participation attracts numerous interpretations and connotations from several scholars. Moreover, the approaches to participation and involvement attract contrasting approaches, possibly as an avenue of promoting fairness and democracy in the workplace or enhancing the organisational efficiency ([Wilkinson *et al.*, 2010](#_ENREF_40), [Flanders, 1968](#_ENREF_15)). Thus, participation can further be differentiated into direct communication, upward problem solving, representative and financial participation, but they all point to the central issue of the employment relationship that involves employees in decision making relating to their work ([Brown and Sisson, 1975](#_ENREF_7)).

According to [Markey and Townsend (2013)](#_ENREF_27), 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 continues. Therefore, the focus of this paper is not to overcome the cacophony of potentially confusing terminology; instead, it aims to provide an empirical contribution to an emerging approach of collective bargaining. This compliments collective bargaining as a tool that in many developing economies provides the legal platform of engagement with employers in the workplace and a core institution in many developing economies, like many in Africa ([Koçer and Hayter, 2011](#_ENREF_22)).

There are significant differences in the practice of collective bargaining in several developing economies because of the varying contextual issues, not limited to the economic and political developments but also alluding to the maturity of the actors in the employment relations intuitions ([Wood, 2010](#_ENREF_41), [Kaufman, 2014](#_ENREF_19)). It is apparent that theoretical arguments differ on the future of collective bargaining in developing economies; therefore, empirical studies are needed to provide greater clarity and more robust discussions ([Lamarche, 2015](#_ENREF_23)). The level and nature of the relationship between the employer and employee will continue to play a vital role in all economic activities in the business world. Many scholars ([Kelly, 2012](#_ENREF_21), [Edwards, 2009](#_ENREF_12), [Kaufman *et al.*, 2004](#_ENREF_20), [Clarke *et al.*, 2004](#_ENREF_8), [Shao *et al.*, 2011](#_ENREF_37)) have expressed concerns about the relevance and future of industrial relations in a changing world. Thus, the argument about the future of industrial relations continues to be reviewed from different perspectives.

Work and employment relations vary not only from the perspective of the actors but also by various contextual issues ([Madimutsa and Pretorius, 2017](#_ENREF_26)). Of equal importance is the response of trade unions to the Gig economy, a situation that questions whether trade unions have neglected to engage with the issues that these workers face and so have denied its root ([Page-Tickell and Ritchie, 2020](#_ENREF_36)). One way of obtaining an in-depth understanding of the problems is to focus on a country where collective bargaining institutions have changed dramatically within a fleeting period, and Nigeria provides an excellent example for such an investigation for distinct reasons.

The work of some scholars ([Besamusca and Tijdens, 2015](#_ENREF_5)) in comparing contents of collective bargaining agreements for developing countries (mainly Africa) is quite revealing, but it does not elucidate the appropriateness of the contents of such agreements. Similarly, [Ugbombe (2019)](#_ENREF_38), [Bayo (2019)](#_ENREF_3), [Olulu and Udeorah (2018)](#_ENREF_33), and [Oribabor (1984)](#_ENREF_34) discuss the importance of free collective bargaining, greater formalisation of processes, as well as matching of collective bargaining structures to the environmental context to protect workers. Furthermore, [Koçer and Hayter (2011)](#_ENREF_22) and [Hayter *et al.* (2011)](#_ENREF_17)highlight some innovative practices in collective bargaining from a cross country perspective, but these do not discuss emerging patterns and or scenarios from a single country perspective and the likely causes for the same. Based on field studies, the authors attempt to address this gap in the literature and therefore follows a similar pattern in the work of [Lee *et al.* (2016)](#_ENREF_25), in which they addressed the type of collective bargaining that is emerging in China— the world’s second-largest economy and therefore similarly, exploring the collective barging that is emerging from Africa’s largest economy— Nigeria should address a similar gap and thus establish what is underway. Additionally, this paper aims to provide further research of a comparative perspective in this respect. To sum it up, the central purpose of the paper is to highlight the collective bargaining patterns that are emerging. Understanding this development is crucial for the following reasons:

1. Trade unionism remains a key attribute for many developing economies because of such countries’ collectivist tendencies/nature. Understanding the workings of trade unionism is, therefore, a catalyst for successful employee relations.
2. The socio-economic challenges of these societies require a clear understanding of a proactive approach to employee relations, and understanding what appears to be an emerging pattern will improve the strategic approach of management.

Therefore, the ultimate goal is the achievement of industrial harmony, which will be a panacea for sustained productivity, profitability and continuity of business and thus a win-win situation for business efficacy.

**Methods**

The Qualitative – *content analysis* technique was employed in this research. The content analysis represents a popular qualitative inquiry technique in human resource management (e.g., [Hennekam *et al.*, 2020](#_ENREF_18), [Bolander *et al.*, 2017](#_ENREF_6)) utilised to analyse text data content through a systematic categorisation procedure that includes coding and identifying themes ([Leavy, 2020](#_ENREF_24)). Several prior studies have extensively used approaches inspired by the content analysis viewpoint to extract the collective bargaining patterns from annual reports ([e.g., Lee *et al.*, 2016](#_ENREF_25)). Content analysis detects recorded communication patterns that let researchers systematically gather data from a collection of written, oral, or visual texts. Content analysis goal is to organise and extract meaning from the data gathered and make reasonable conclusions ([Bengtsson, 2016](#_ENREF_4)). The paper drew on workplace and sectoral examples to capture what underlines the recent changes and developments in employee relations and labour policies as driven by trade unions. In particular, it highlights the emerging collective bargaining patterns that are emerging in Nigeria. Therefore, secondary data was collected to capture relevant company handbooks, policies, collective agreements, and related voice and/or employee participatory schemes/documents with participating companies and officers of sectoral groups (companies and employee associations) using their professional network.

Moreover, an empirical data gathering approach to understanding employer organisations’ growth and increased articulation within the trade unions also drove the paper methodology. That would be through studies of developments within the various sectoral groupings, annual reports of Nigeria Employers’ Consultative Association (NECA), focused group interviews with some HR practitioners during the annual Summits (2018 and 2019) of the HR Expo Africa, in Lagos, Nigeria— an annual HR conference at which one of the authors ran a Master class. Additionally, because the framework of employment relations in Nigeria is centred on a tripartite arrangement, additional interviews were achieved as follows:

1. NECA: Interview with officers of the zonal offices of the Nigeria Employers Consultative Association (NECA). This is the umbrella organisation of employers in the organised private sector and was formed in 1957. Its primary function is to guide and assist businesses on industrial and employee relations issues with trade unions.
2. Employers’ Association: Interview with the Chairman of the Personnel Practitioners Committee of the Rubber Products Employers Association. He leads the National negotiation team of the Industrial group of the Employers’ Association.
3. 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 concerning the trade union congress in Nigeria.
4. 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 concerning trade union matters in their respective trade group as well as in Nigeria.

The paper’s methodology was thus centred on a broad field study reflecting the views of various stakeholders in the employment relations arena in Nigeria. That would allow us to explore whether and how collective bargaining was seen on the ground and the processes that appeared to be in progress, thus identifying and capturing various institutional developments in Nigeria. In that respect, Appendix1 (though disguised) reflects the details of the participants captured during the fieldwork.

**The role of the state: Broad context of collective bargaining**

A central pillar of democracy is the concept and expression of freedom, and the right to organise structures to engage in collective bargaining, achieve decent conditions of work, and promote robust mechanism for labour market governance is a crucial aim. The International Labour Organisation (ILO) regards the freedom of association and the right to organise and bargain collectively as a fundamental human right (ILO, 2008). Moreover, it argues that this impact on work and socio-political conditions allows economic progress and, therefore, prosperity and the creation of civil societies.

However, the right to collective bargaining and the right to freedom of association is subject to controversy. An OECD study ([OECD, 1996](#_ENREF_32)) demonstrated that these two aspirations have broad and significant variations across many developing and industrialised countries, particularly what is guaranteed by law and practice. The study had four groups of countries: The first are those with freedom of association and collective bargaining, the second have some restrictions but allow independent trade unions, the third have very stringent restrictions, and the final group have practically no freedom of association.

At the time of Martin study in 1996, Nigeria was firmly placed in the last group, but since the introduction of democracy has shifted to the second group, joining numerous developing countries whose economies are in transition from highly regulated economies to market economies. What is clear is that an efficiently functioning labour market adds to economic performance and growth, and a major study on trade unions and collective bargaining and their impact on micro- and macro-economic outcomes confirm this ([Aidt and Tzannatos, 2002](#_ENREF_2)). Moreover, the findings stress the vital influence of globalisation on collective bargaining and labour institutions and the effects of collective bargaining in different countries; Nigeria reflecting the characteristics of both transition economies and the processes leading towards democratisation.

The framework of industrial relations in Nigeria is centred on a tripartite arrangement of government and its agencies, workers and their organisations and employers and their associations. The state continues to play an interventionist role in trade union issues through various state channels and agencies. The employers have established HR departments in their respective organisations to maintain a basis for interaction with the trade unions. Additionally, proper interpretation (and implementation) of the contents of a collective agreement is necessary at the company level. Employers association also acts as a coordination mechanism for collective bargaining with the respective trade unions at the national level. The employees are organised in trade unions that have been established based on industry classification. The tripartite arrangement reflects the deliberate attempt by the state to establish institutions and mechanisms to facilitate collective bargaining.

The state, therefore, passed a series of statutes to facilitate the enabling environment for collective bargaining; statutes may be in the form of regulations, such as the national minimum wage, procedures such as dispute resolutions processes, intervention through government machineries such as the industrial arbitration panels and the national industrial courts. Finally, the Federal Ministry of Labour and Productivity takes on the responsibility for overseeing labour and other related matters in the country. Unfortunately, the ministry is curtailed in its effectiveness by the paucity of current and relevant data on industrial relations and allied matters in the country.

The employers have a central body for consultation on labour matters. The Nigeria Employers’ Consultative Association (NECA) is the umbrella association for the organised private sector in Nigeria. It has provided the platform for forming employers’ associations for the purposes of national collective bargaining with the respective trade unions. Therefore, it regards the private sector as a dependable engine of development by creating a forum for employer’s consultation on issues of interest to them and providing opportunities for employers to share information and create linkages that will enhance and sustain sound industrial relations and growth of their business.

The trade unions have been structured in line with related industrial activities. Therefore, the trade unions were organised to lead collective bargaining efforts at the national level with the respective enterprise trade unions responsible for collective bargaining (concerning residual items) at individual company levels. The Trade Unions (Amendment) Act, 2005 has not changed the collective bargaining process but has enlarged the participation of employees and employers in collective bargaining by promoting the formation of federations of trade unions instead of a single central labour organisation in Nigeria.

**Balancing and re-inventory – Developments since 1950**

In assessing how industrial relations and collective bargaining are developing in Nigeria, we need to take into account both political and economic dimensions. The organised trade union movement in Nigeria dated to 1912 when the workers in the Southern Nigerian Civil Service under the then colonial administration organised themselves into workers’ representatives. This then became known as the Nigeria Civil Service Union (NCSU) in 1914. Like most social movements, unionism became a pivot with which workers in other sectors began the agitation for the formation of Trade Unions before and after independence in 1960 ([Dibben *et al.*, 2012](#_ENREF_11), [Nwagbara *et al.*, 2013](#_ENREF_31)). At this period, trade unions could not take the pattern of radical organisation because of the paternalistic nature of colonial government, which was the largest employer of public labour. Other unions which emerged during this period were the Nigeria Native Staff Union (NNSU), Nigerian Union of Railwaymen, Nigerian Mechanics Union and the Nigerian Union of Teachers (NUT).

Several reasons account for the late arrival of trade unionism in Nigeria, such as limited wage employment as the largest proportion of the citizens were engaged in the informal work sector. The few wage earners were colonial employees restricted to the colonial offices and related parastatals. The low level of economic activities limited the recruitment into the formal economy and hence membership of trade unions. The repressive colonial labour policy was also attributed to the late entry of effective trade unionism in Nigeria. The colonial administration regarded trade unions as destabilising activities. Consequently, it took measures to discourage its employees from membership in these groups. Low consciousness of the worker as to the need for unionism and finally, the absence of legal backing also impeded the early realisation of trade unions in Nigeria.

However, these obstacles were overcome with time. That paved the way for the emergence of trade unionism in the country. For instance, the emergence of small indigenous and large multinational companies broke the country’s public sector employment monopoly. The influence of neighbouring countries like Sierra Leone and Ghana also helped boost the tempo of trade unionism in Nigeria.

In 1938, the Trade Unions Ordinance was enacted, which provided legal backing for trade unions. In 1976, the Federal Government established a commission of inquiry into the activities of the various unions and appointed an administrator to administer the unions and come up with a structure for the proper administration of the unions. This became necessary as the Unions were polarised into an ideological divide that created problems in the country. Towards the end of 1977, these Unions were restructured into 42 along the industrial line. The government also insisted on the formation of a labour centre as there were various multiple centres.

The Nigeria Labour Congress (NLC) was formally constituted as the only national federation of trade unions in 1978. Before then, four labour centres existed. These are Nigeria Trade Union Congress (NTUC), Labour Unity Front (LUF), United Labour Congress (ULC) and Nigeria Workers Council (NWC). The emergence of the NLC ended decades of rivalry and rancour involving the four centres and unions affiliated with them. The unions, numbering over 1,000, were also restructured into 42 industrial unions. The then 42 industrial unions became affiliates of the Nigeria labour congress with a legal backing of the Trade Unions (Amendment) Decree of 1978. ([Oyelere and Owoyemi, 2011](#_ENREF_35), [Adefolaju, 2013](#_ENREF_1)).

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**Collective bargaining at Enterprise and Sectoral Sector**

*“Whilst many HR practitioners believe that collective bargaining will be driven by a national focus, the preference is seemingly a shift of some of the items previously reserved for national negotiations— to revert to local/enterprise collective bargaining, so it is enterprise-driven and likely to be more pragmatic.”*

— Excerpt from the interview with NECA officers

From the Nigerian perspective, in assessing how industrial relations and collective bargaining are developing, we need to take into account various contours. How far is the Nigerian state creating enabling law to promote collective bargaining and industrial harmony? In this regard, what are the political imperatives and constraints inhibiting true democracy with the trade union settings? Do the industrial relations institutions presented in a top-down manner create opportunities for those at the respective company levels to find pragmatic solutions to their peculiar situations? Is there evidence that company-level collective bargaining might attract more items for in house negotiations? Might the in-house-driven collective bargaining approach pave the way for more autonomous industrial relations in Nigeria, and would this be preferred? [Fajana (2008)](#_ENREF_13) argues that industrial relations’ process and institution emerged because employers and employees’ inability to properly dialogue regarding employment conditions. Nevertheless, in [Fashoyin (1992)](#_ENREF_14) view, despite major advancements in labour and management relations in Nigeria, considerable distrust and antagonism persist between employers and employees.

*“The continued rise in the literacy level of the population implies that the hitherto claim of lack of education (by employers) as an important reason for employee representation does no longer stand. Employees are keen on participation.”*

— Excerpt from the interview with the Deputy National President/Assistant National Secretary of the Food, Beverage and Tobacco National Trade Union

Majorities of HR practitioners interviewed share the view of [Kaufman *et al.* (2004)](#_ENREF_20), alluding to the fact that industrial relations in Nigeria are heavily dependent on the fate of organised labour. In furtherance to this, they stress that organised labour and this collective bargaining will continue to be relevant in a developing country (such as Nigeria) because most *Junior/blue-collar employees lack adequate education, so they will continue to rely on the union for education and direction:* Although in general, there is an improved level of education amongst Nigerian workers, the most vocal and active members tend to fall within the rank of junior staff. This group of employees constitutes the largest classification of employees. In addition, *lack of infrastructure support (decline of social services) will require constant referral to the employers through the trade union:* Although most collective agreements (from the primary sources available), have a life span of two years on the average, majority of these collective agreements permit an ‘Opener Clause’. This is an understanding that permits either party (union or employer) to request for a review of the collective agreement in the event of any mitigating circumstance.

*“There are two critical contextual issues that impact on rewards and negotiations in many organisations, and these are cultural and the socio-economic challenges. Many organisations are faced with issues that do not relate to their businesses because of poor infrastructure and poverty in their respective societies. Some employers are even reviving Joint Consultative Committees (JCC) to encourage an ‘involvement policy’ and symbiotic agreements.”*

— Excerpt from the interview with the Chairman of the Personnel Practitioners Committee of the Rubber Products Employers Association

An example of a mitigating circumstance (from the union’s perspective) can be a sudden rise in the cost of living, provided this can be demonstrated convincingly. From the employer’s perspective, an example of a mitigating circumstance is the withdrawal of import licenses or new tariff restrictions for raw material, restricting productivity. Thus, the state of Nigeria’s socio-economic development will require a social partnership arrangement between the trade unions and employers for a long time: Although from a primary source of data, there are various channels of employee engagement, the trade union approach remains the means of a basis for a collective agreement.

*“The implications of the central role of industrial relations in a collectivist society (such as Nigeria), cannot be ignored; therefore, trade unions continue to play significant roles in the workplace.”*

—Interview with Assistant National Secretary of the Nigeria Labour Congress

The role of the NLC is primarily to represents workers’ interest at the national level and, in recent times, has continuously engaged the government on matters of national interest. In addition, 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 central trade union, has been given legal backing with the democratisation of the trade unions. It is intended to operate similarly to the NLC. Therefore, Nigeria has two labour confederations: The Nigeria Labour Congress (NLC), which represents junior staff employees, and the Trade Union Congress (TUC), the umbrella body for senior staff.

It is believed that labour laws can be enforced in the formal sector of the economy. Therefore, one focus of the trade unions’ membership drive is to organise the economy’s informal sector. The informal sector is made up of small private businesses with an indigenous background. Examples of such groups are barbers and hairdressing saloons, private repair shops, and tailors, but this remains an on-going challenge.

The Trade Union Act is explained as “the law that defines what a trade union is, the requirements for registration, formulation and administration of trade unions in Nigeria. It is the guiding principle for the formulation of federations of trade unions, their roles and powers and the kind of relationship they should have with their members and employers” ([Danesi, 2007, p. 96](#_ENREF_9)). Therefore, in reviewing the developments and changes in the industrial relations Acts, the central issue was to encourage freedom of association on the one hand and, on the other hand, to provide a powerful avenue for workforce participation that can be easily regulated by the government. However, from the perspective of the trade unions, without the right to strike, “collective bargaining would be nothing but collective begging” ([Weiss, 2004, p. 185](#_ENREF_39)). Consistent with this view, the Trade Unions (Amendment) Acts of 2005 is viewed as unhealthy state intervention in industrial relations ([Ndifon *et al.*, 2008](#_ENREF_29), [Genty *et al.*, 2013](#_ENREF_16)).

*Enterprise Sector in Port Harcourt, Rivers State.*

With the nationalisation of the labour union, the key role of the branch union is grievance settlement, interpreting and administering the collective agreement in the workplace. The National Union takes on the role of industry-wide collective bargaining for its affiliate unions. This has restricted the role of the branch unions in the collective bargaining process of the trade unions. The state council 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.

Most procedural agreements leave out some items (which are company-specific, such as heat allowance, inconvenience etc.) and compassionate issues, such as burial expenses and education allowances, for in-house collective bargaining. In addition, some discretionary items, such as canteen subsidies, company long service awards, and uniforms, are also reserved for in-house consultations/discussions. These measures are established to accord relevance/recognition to the trade union activities at individual company/enterprise units. However, it must be emphasised that in-house unions appear to be regaining prominence, as most company management has maintained a partnership relationship with them for the purposes of communicating and establishing strategic partnerships. This position has been the driving force of effective employee/employer communication initiatives in the enterprise sector.

The employers maintain a significant relationship with the employers’ association at the Enterprise level. The relationship is coordinated by the Executive Secretary of the Association, who maintains close relationships with the respective employers through the HR Practitioners forum – a consultative forum for sharing ideas and developments at plant levels. For example, in the Port Harcourt Geographic zone (in Rivers State), the employers’ association is made up of close to 100 employers cutting across multinational and indigenous organisations in manufacturing, oil drilling/services, construction, banking, shipping, beverages etc. and employing over 100, 000 employees. Despite the variety of businesses in the respective enterprise, the HR practitioners are conscious of the neighbour effect in employee relations management.

*Sectoral bargaining in Chemical and Non-Metallic Products Employers’ Federation, Lagos (Lagos State).*

Canmpef was established in 1978 by employers engaged in manufacturing a wide range of domestic and industrial chemical-based goods as a trade union registered under the Trade Union Act 1973, as amended by the Trade Unions (Amendment Act 1978 N022) is one of the largest single industry employers’ organisation with over 100 individual employers, multinational, medium and small providing employment to about 500,000 people across the country. Some of the key roles are: keeping members informed of all existing labour legislation and changes as well as assisting them in understanding how these affect their business undertaking, negotiating collective agreements on behalf of members with NUCFRLANMPE, CANMPSSA and LLRSSA on salaries and wages, fringe benefits and other national items, assisting members in the proper management of their industrial relations matters while helping to resolve disputes at the individual company level whenever the need arises. Moreover, providing information advice and guidance on terms and conditions of employment in the industry for members and other wide range of professional backup services.

The employers have established HR departments in their respective organisations to maintain a basis for interaction with the trade unions. Proper interpretation (and implementation) of the contents of collective agreements is necessary at the company level. All member companies of the Nigeria Employers’ Consultative Association (NECA) have recruited seasoned professionals for this role and, in many cases, have board representation of the HR function. The latter development is a confirmation of the strategic importance of the HR function in business management in many developing economies. Furthermore, the respective employers’ associations have established a body of HR Practitioners for the purposes of consulting and sharing developments within their respective companies. Therefore, this forum provides a basis for commonality in their interaction with the trade unions at both the in-house and at the national levels. This apart, all employer sector groups have engaged the services of an Executive Secretary. The main thrust of the job of the Executive Secretary is to serve as the central coordinating office of all the labour related activities of employers in each sector group as well as a liaison with NECA. The Executive Secretary also leads the negotiating team of the sector employers with the trade unions during the national collective bargaining process.

**Implications for Industrial Relations Practices**

The current developments point to some significant departures from past experiences in a couple of ways. In this section, the discussions are focused on describing the new patterns of industrial relations that are implied.

* Social dialogue: Social dialogue, which was considered a key instrument in employee engagement prior to the enactment of the trade unions act of 2005, is now strategically entwined with collective bargaining to build a consensus on broad issues (including economic issues) country is facing. It is one thing to be locked into collective bargaining machinery, but it is another to yield fruitful results from it. In essence, collective bargaining becomes a necessary form of social dialogue.
* Collective identity: Whilst the national unions are embraced from an industry perspective, the house unions are thriving on collective identity as a framework of aligning their interest with their respective employers, which becomes a trajectory for symbiotic agreements. In a way, it is not the membership of the industry group but the relevance to the local enterprise.
* Increased coordination and Involvement: There is evidence that various organisations are embracing joint consultative committees to address items of mutual benefits for both the junior and senior/management staff employees who hitherto were covered by separate and distinct collective agreements. Focusing on Nigeria (as an example), the discussion with HR practitioners point to the Trade Unions (Amendment) Act, 2005 as a significant factor in the collective bargaining process in Nigeria. The Act has propelled Nigeria towards creating and sustaining a pluralistic democratic approach to collective bargaining. The central issues are freedom of association, cessation of automatic check off and restriction on strike. Although the state has argued that the development is for the democratisation of the trade unions, many commentators argue that Nigeria does not seem ready for the sophistication of this advancement and that it could put collective bargaining in a state of flux. Many HR practitioners share the view that employers and trade unions seem to have established apathy towards this development. The possible return to multiple trade unions appears eminent though not desirable by all.
* The effects of collective agreements on wages and conditions of service: There is evidence that both at the sectoral and industry levels, the preference is for a new orientation that will give the local unions a further role on certain items of national bargaining. This suggests that collective bargaining may be encouraging the formation of internal labour markets and therefore encouraging more responsible employer policies towards relevant skills. However, there could be some moderation in the items that constitute national or enterprise collective bargaining, but the latter may be predominantly non-monetary compensation-related issues such as canteen subsidy and medical assistance. However, it is believed that centralising collective bargaining will enhance moderation in the system and protect the local companies who may become vulnerable to overzealous trade unionists at the enterprise level. Accordingly, the industry wide model of collective bargaining will most likely remain the probable bargaining outcome. The discussion of non-monetary items at the enterprise level also provides the opportunity for both the employers and employees to be more pragmatic in their collective bargaining due to their familiarity with the local conditions. The initial evidence for the support of a cooperative atmosphere in the workplace reinforces this positive evaluation.
* Nigeria Employers’ Consultative Association as an institute builder: The primary function of NECA is to protect employers’ interests and enthrone the private sector as a reliable engine of socio-economic development. This primary function is achieved by influencing economic agenda and policies through public advocacy and group representation to government; creating the forum for employers to consult and dialogue amongst themselves on issues of interest; providing the opportunity for employers to share information and create linkages that will enhance the growth of their businesses; defending and promoting the legitimate rights of member companies; providing on-hand assistance to Small and Medium-scale Enterprises and providing other consulting services to meet members specific needs ([Nigeria Employers' Consultative, 2016](#_ENREF_30)).

With the multiple and varied influences and the dynamic nature of these components, management’s impact on HRM is immense. One of the deficiencies in cross-cultural HRM literature has been a systematic approach to contextualisation and the value in understanding organisational behaviour. The various managerial strategies, placed in a contextual framework in several developing economies, provide an exceptional guide. The efficacy of the advancement of democratic structures in African societies (as an example) is distinctly related to the procedures and processes instituted at, for example, the company level. As an example, Nigeria provides an illustration of a country where individual companies have evolved participatory structures, allowing employees to exercise a modest influence. At the same time, the trade unions continue to drive towards a formal impact by employees through labour laws and regulations. The right for collective representation of employees through trade unions is a fundamental democratic feature and is by no means universal in developing economies.

**The Evolution and Challenges**

In a broad perspective, collective bargaining takes place on two levels; national and local. National level collective bargaining is carried out between the representatives of the employers’ association of the respective trade group and the executives of national trade unions of the respective trade groups in the country. The contextual issues which are central to the emerging collective bargaining in Nigeria (as captured in table II) are as follows:

*Procedural Agreement:*

This document spells out key articles of collective bargaining between the trade union and employers. It is the ‘first collective agreement’ between the two parties. It spells out the items for collective bargaining at the national and enterprise levels, the declaration of principles, grievance procedure, the constitution of the national joint industrial council, negotiating patterns, harmonisation principles and duration of agreements. Prior to the 1970 era, there was a multiplicity of unions, one level of collective bargaining (at enterprise levels), negotiations were tough, and cases of industrial actions were rampant, but management was in control of the basic cost of input into the business.

The post-1970/early 2000 era provided the first experience of national negotiations with nationwide binding to all unions with the respective industrial groupings. It thus provided jurisdiction for national and enterprise negotiations. As a result, it reduced the relevance of enterprise unions but less susceptibility of business to industrial action.

The post-2000 era has highlighted possible re-negotiation of the procedural agreements to complement national negotiations. But, again, this is driven by an ‘involvement policy’ leading to several symbiotic (‘sweet heart’) agreements.

*Contents of Collective Bargaining/Duration/Re-Opener Clause:*

Before the 1970 era, collective agreements were exclusively based on enterprise levels, so the contents were not subject to any external control/determination except by neighbourhood effects. The post-1970/early 2000 era has provided a delineation of contents of the collective agreement allowing for certain items to be reserved for national/enterprise negotiations but whether this is out of tune (in terms of union maturity and flexibility between employers and unions) as well as linkage of productivity/profitability to negotiation remains a flux. For example, the re-opener clause (which permits negotiation of any item within the life span of the agreement) can be mutually agreed upon or limited to extenuating circumstances.

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**What sort of collective bargaining is emerging in Nigeria?**

This takes us back to the starting point of this paper. After a period of colonial rule, which was followed by an extended period of military rule, the ushering of a democratic government seemed to have signalled a new era in industrial relations in Nigeria. Unfortunately, this seemingly fragmented democracy brought various intrigues that have impacted the efficacy of trade unionism. How does the shift in the political, economic or cultural context impact collective bargaining? Has the political class unduly politicised the role of the labour unions in the guise of promoting democratic unions weakened the strength of the unions to the detriment of a united front for the trade unions? Has the challenging economic situation shifted the boundaries between organisers of collective bargaining and representation with varying results and in some cases amounting to ‘collective begging’ instead of collective bargaining?

There is no question that these developments have encouraged the individualisation of collective bargaining in many industrial groups to some extent. While the single national employer is the general practice in Nigeria, there appears to be dispersing practice across western multinational organisations, multinational organisations from emerging economies and indigenous private sector enterprises. Evidence suggests that the new collective bargaining practices are having a substantial impact on employee emoluments, particularly fringe benefits. A form of collective bargaining appears to be emerging that recognises the respective strength of the individual organisation where the unions draw on the company financial ability and capability to agree on the items that should be reserved for local negotiations and the ones for national central bargaining.

**Conclusion**

The emerging collective bargaining has been illustrated with the ‘emerging model’ – Figure 1. The model highlights a strengthening of the link between individual needs and the individual, organisational relationship as a scenario, which once investigated thoroughly, becomes a pragmatic approach for improving workforce participation and thus the sustenance of collective bargaining whether at the national or national local level.

INSERT FIGURE I ABOUT HERE

The long-run implication for this emerging form of collective bargaining is that the unions would draw on the plant level power of collectivism to improve conditions. The employer, on the other hand, draws on the economic situation to improve managerial flexibility. The consequence is a gradual return to enterprise collective bargaining, encouraging symbiotic, otherwise referred to locally as ‘sweet heart’ agreements, thus weakening industry-wide collective bargaining and encouraging loose arrangements. Another consequence is the proliferation of strike actions, resolutions of industrial disputes, too many coactive agreements, and thus their legality becomes questionable. This, in effect, might challenge the state’s economic stability, which obviously calls for caution.

A compromise and pragmatic approach is inevitable, and this might call for an industry-wide review of procedural agreements – a document that spells out items for local and national negotiations. This approach, which can be termed an ‘involvement policy’, will improve creativity in the way in which organisations agree on terms/boundaries of collective bargaining. It will recognise the varying economic issues that each organisation faces together with any pertinent peculiarities. It will not in any way diminish the power of the national unions. However, it would instead create the opportunity of focusing on building the trade unions through training, and development, strategic alliances with the local unions and the state, investigating on courting the informal sector and SMEs and thereby building a virile and formidable trade union at both the national and plant levels.

The new generation of HR managers is taking an increasing interest in what appears to be an emerging form of collective bargaining, albeit at varying stages depending on the organisation’s background. However, it is yet to be seen whether this is the beginning of a trend before mutating into a system that will serve as a trajectory of what may be a stable feature of Nigerian industrial relations for the foreseeable future and becomes attractive to several developing countries. However, in a situation where the political class is ‘pussy footing’ in enacting relevant laws, where the office of the minister of the labour is politicised, the national labour unions are struggling for relevance, and the socio-economic situation does not seem to be abating, we may not expect less.

Many HR practitioners share the view that employers and trade unions seem to have established apathy towards centralising collective bargaining but providing more flexibility on items for enterprise negotiations. Accordingly, the industry-wide collective bargaining model will most likely remain the probable bargaining outcome but allowing discussions of non-monetary items at the enterprise level also provides the opportunity for both the employers and employees to be more pragmatic in their collective bargaining as a result of their familiarity with the local conditions. In addition, the initial evidence for the support of a cooperative atmosphere (also referred to as an involvement policy) in the workplace reinforces this positive evaluation.

This development is an important knowledge that will unlock the approach of policymakers, investors (including multinationals), researchers/academic community desirous of understanding the workings of collective bargaining in developing economies (such as Nigeria), which by their cultural underpinnings of collectivism embraces trade unionism. In essence, understanding the contextual issues associated with HR functions will provide the platform for concentrating on what matters, when it matters, where it matters and how it matters and thus help in directing future debates and research in these areas.

Finally, this paper analyses some aspects of the trajectory of collective bargaining evolution, albeit focusing on examining appropriate criteria of adopting a collective bargaining strategy, which provides the opportunity for both the employers and employees to be more pragmatic in identifying the contextual issues, intending to sustain and improve industrial harmony and company efficacy. Furthermore, it demonstrates that collective bargaining has specific country orientations, reflecting the cultural predispositions of each country and the cultural paradigms and the connectivity of these issues.

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**Table I: Chronology of Key Industrial Relations Developments in Nigeria**

| **Year** | **Event** |
| --- | --- |
| 1950 | Two central unions came together and formed the first Nigeria Labour Congress |
| 1957 | Nigeria Employers’ Consultative Association was formed. |
| 1966 | First military coup in Nigeria. |
| 1978 | The Trade Union Act was amended to permit the creation of 70 unions, made up of 42 industrial unions, 15 senior staff association, 9 employers association and 4 professional unions. |
| 1982 | A department of Industrial Relations and Personnel Management was established at Faculty of Business Administration, University of Lagos. This development highlighted the acceptance of industrial relations as an important discipline in the institutions of higher learning as well as industries in Nigeria. |
| 1996 | A committee of labour movement worked to restructure industrial unions further. The focus of the exercise was limited to reducing the industrial unions from 42 to 29. This grouping resulted into the enlargement of previous sector/industry groups along the lines of similar or related business activities. |
| 2000 | The government unilaterally increased minimum wage at the state and federal levels. The private sector employees clamoured for appropriate increase in wages to maintain the differentials that hitherto existed in pay levels between the public and private sectors of the economy. This led to unplanned wage increases by employers. An action that was ordinarily taken to wade off anticipated labour unrest. |
| 2001 | As at this date, Nigeria had ratified all eight core ILO labour conventions. |
| 2004 | The government published The Pension Reform Act. The government established the Act for the purposes of ensuring that employers have a scheme to cater for employees after separation or retirement from their employment. |
| 2005 | The Trade Unions (Amendment) Act, 2005 was passed into law by the national assembly. |
| 2006 | The national assembly passed the Labour Dispute and National Industrial Court Act 2006 into law. This Act now provides the proper legal backing for the National Industrial Court as a superior court for settling labour matters. |
| 2010 | Third alteration Act for the creation of National Industrial Court as superior court expanded to deal with any matter connected with the application of any international convention, treaty or protocol that has ratified relation to labour, employment, workplace or industrial relations. |
| 2014 | Pension Act requiring employers to contribute to employees’ pension remittances and uniquely requires employers to maintain group life insurance for all employees. |
| 2019 | National minimum wage Act has increased the minimum wage in Nigeria from N18, 000 (45 Euros) to N30,000 (75 Euros) per month. |
| Authors’ compilation (2020) | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table II: Evolution of collective bargaining/new scenarios and challenges** | | | | |
| Focus | Pre-1970 Era | Post 1970/Early 2000 | Post 2000/early 2010 Era | Post 2010/Early 2018 Era |
| Procedural Agreement | Enterprise Levels only | National Levels only | National Levels only | National levels/Enterprise Levels |
| Contents of Collective  Bargaining |  |  |  |  |
|  | Enterprise levels | National levels | National levels | Developing Scenarios: ENTERPRISE LEVELS |
| Financial | Financial benefits | Financial benefits | -        Involvement policies: |
| -        Salary Ranges | -        Basic salary | -        Like previous era | ·        Welfare issues |
| -        Allowances | -        Housing allowance |  | ·        Duration of agreements |
| -        Benefits | -        Transport allowance | Non-Financial | ·        Consultations |
| -        Vehicle loans | -        Leave days/allowance | -        Like previous era | ·        Non-Direct Financial issues |
| -        Other welfare issues | -        End of service benefits |  | -        Challenges |
| Non-Financial benefits |  |  | ·        Review of contents of procedural agreements |
| Discretionary matters | Non-Financial |  | ·        Strong Joint Consultative Committees |
| -        Meal subsidy | -        Leave days/benefits |  |  |
| -        Long service awards | -        End of service terms | Enterprise levels |
|  |  | -        Additions |
| Enterprise levels | \* Relocation allowance |
| Financial | \* Acting allowance |
| -        Heat allowance |  |
| -        Inconvenience allowance |  |
| -        Vehicle loan |  |
| -        Death benefits |  |
| Discretionary | Discretionary matters |
| -        Laundry supplies | -        Laundry supplies |
| -        Meal subsidy | -        Meal subsidy |
| -        Long service awards | -        Long service awards |
|  | | |
| Duration of Agreements | Staggered/Varied | National | National | Flexible |
| -        Tied down to various concluded agreements | -        2 years | -        2 years |
| -        Extenuating circumstance |  | |
|  | Enterprise | Enterprise |
|  | -        Varied but not less than 1 year | -        Varied but not less than 1 year |
|  | | | | |
| Re-Opener Clause | Mutual understanding | National/Enterprise | National/Enterprise | Flexible |
| -        Flexible | -        Extenuating circumstances | -        Extenuating circumstances |
| Authors’ Compilation (2020) |  |  |  |  |

**Figure I: Emerging Model**

**The State**

6

**National Negotiation**

**Involvement**

**Policy:**

* Strong enterprise unions/JCC
* Flexible duration of agreements

**Enterprise Negotiations**

**Trade Unions**

**Employers**

Authors’ Compilation (2020).

**Appendix 1: Details of interviewees**

**Notes: The names, companies/organisations listed below have been disguised for the sake of confidentiality.**

1. DD is Manager, Site/Field Human Resources (Itu Terminal of Zorex Oil Producing Unlimited). He was interviewed on April 18, 2018. Ref. 03.
2. EE is Company Industrial Relations Manager of Kwabever Nigeria Plc. He was interviewed on April 18, 2018 and April 24, 2019. 2019. Ref. 05.
3. FF is Human Resources Director of Rex Bottling Company Plc. He was interviewed on April 19, 2018 and April 24, 2019. Ref. 06.
4. GG is Human Resource Manager of Britannia Foods Plc. He was interviewed on April 20, 2018 and April 25, 2019. Ref 07.
5. HH is the Human Resource Director of Precious Bottling Company of Nigeria Plc. He was interviewed on April 24, 2019. Ref 09.
6. MM is the Human Resource Manager of UD Foundries Ltd and the Chairman of Personnel Practitioners of the Association of Rubber Products, Plastics and Polymer Employers’ Association of Nigeria (ARPPEN). He also chairs the National Joint Industrial Council of ARPPEN. He was interviewed on April 20, 2018 Ref. 10.
7. JJ is General Manager HR of Delta Aluminium Plc. He was interviewed on April 18, 2018 and April 20, 2018. Ref 11.
8. KK is Head of HR, Packaging Division of Crescent Aluminium Plc. He was interviewed on April 26, 2019. Ref. 12.
9. NN is National President of the Metal Products, Iron and Steel Employees Union of Nigeria. He was interviewed on April 20, 2018.
10. PP is Deputy General Secretary of the Metal Products, Iron and Steel Employees Union of Nigeria. He was interviewed on April 18, 2018.
11. CC is Head of Industrial Relations, Research and Information of the Greenland Employers’ Consultative Organisation. He was interviewed on April 18, 2018 and April 20, 2018. Ref. 02.