

INFLUENCE OF LABOUR RELATIONS ON ORGANIZATIONAL PRODUCTIVITY OF TERTIARY INSTITUTIONS IN RIVERS STATE, NIGERIA

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ABSTRACT

The study examined labour relations and organizational productivity of tertiary institutions in Rivers State. Descriptive survey research design was used in conducting the study. Two research questions and two hypotheses guided the study. The population of the study comprised of 50 management staff and 50 Academic Staff Union of Universities (ASUU) staff drawn from 2 public universities in Rivers State. The entire population size of 100 respondents was used for the study. The Instrument used for data collection was a structured questionnaire titled; "Labour Relations and Organizational Productivity Questionnaire" (LROPQ). The reliability of the research instrument was obtained using Test-retest method and application of Pearson Product Moment Correlation to establish a reliability coefficient of .89. The data retrieved was analysed using mean for the research questions and z-test analysis for the hypotheses at .05 level of significance. The results obtained revealed the various labour relations factors that affect organizational productivity. It also revealed that poorly managed labour relations issues to a high extent affects organizational productivity amongst public universities in Rivers State. Thus, the researcher recommended that strategic labour relations policies be put in place to drive organizational productivity amongst public universities in Rivers State.

Keywords: Labour Relations, Organizational Productivity, Employee.

INTRODUCTION

Labour Relations is one of the most pervasive techniques for improving employees' performance and enhancing organization productivity in the work place (Gupta, Bostrom, & Huber, 2010 as cited in Duah & Danso, 2017). It includes all aspects of labouring such as nature of employment contracts; work organization and worker participation; skills, training and motivation; wages, non-wage benefits and working conditions; and worker organization, workplace governance and labour-management relations. Labour Relations also provides proactive assistance to both employees and supervisors on the interpretation and implementation of policies, procedures, and the staff handbook directives (Locke, Qin & Brause, 2007); it is a study of the rules, regulations and agreements by which employees are managed both as individuals and as a collective group, the priority given to the individual as opposed to the collective relationship varies from company to company depending upon the values of management; it is concerned with how to gain people's commitment to the achievement of an organization's business goals and objectives in a number of different situations. Organizational Productivity can be conceived as the capacity of a firm or company or any corporation to realize the intended outcomes by use of minimum energy and in the shortest time possible using the least amount of money, manpower, and other inputs (Amah & Ahiauzu, 2013). Organizational productivity is the level of output recorded in achieving set objectives; it is the performance of the organization and is mainly improved through

efficiency. Productivity in business organizations is usually pegged on their profitability but Schulz, Chowdhury & Van de Voort (2013) opined that by cutting down on the costs of production, a business organization is able to increase its productivity. However, cutting down operational costs in most cases involves maintaining low wages and salaries this in turn leads to demands for wage increases by employees as it affects labour related issues. Where the business gives in to union pressure and increases the wages, it must recover by demanding more output from the employees.

Organizational productivity does not occur on its own or in a vacuum. In fact, there can never be organizational productivity without people. Thus, organizational productivity can therefore be considered the cumulative productivity of the individual members of an organization as asserted by Amah & Ahiauzu (2013). This is said to be influenced by labour related issues like salaries, welfare packages, time allocation, leave benefits, postings etc. If the personnel in the firm do not work productively, the general productivity of the organization will be affected negatively. On the other hand, if the members of the organization are motivated and work productively, the general productivity of the organization will improve (Schulz et al., 2013).

Employees are said to be the indispensable asset and key element of gaining competitive advantage of any organisation and good relations is an essential tool for its actualisation (Houger, 2006) and labour related issues must be carefully handled if high productivity is to be achieved. Good relations are required for staff to enable them work towards achieving organizational objectives and taking the organization to its expected destination. The impact of employee relations on organisational performance has been identified by various scholars and authors to be very crucial to an organisation and its effectiveness (Oluoch, 2014). It is against this backdrop of the relative importance of labour relations to organizational productivity that this study seems to address.

Hypotheses

The following null hypotheses were tested:

1. There is no significant difference in the mean ratings of the respondents on the labour relations factors that affect organizational productivity amongst public universities in Rivers State.
2. There is no significant difference in the mean ratings of the respondents on the extent to which poorly managed labour relations issues will affect organizational productivity amongst public universities in Rivers State.

Expectancy Theory

This study is anchored on expectancy theory - which states that a person's motivation towards an action at any time is determined by an individual's perception that a certain type of action would lead to a specific outcome and his personal preference for this outcome. Expectancy is the probability that particular action will lead to a desired reward. Employees are motivated to put more effort so as to produce better results because of the expected reward.

Concept of Labour Management Relation

Labour management relation is a strong indicator/yardstick of the industrial relations systems, whereby in itself is a subsystem of the national system. It is therefore important

to stress that any slightest differences or grievance between labour and management will not only jeopardize the industrial relations systems but the whole system at large. The promotion of an enduring relationship between labour and management is therefore essential for harmonious industrial environment Solaja, (2015).

There has been knowledge and communication explosion in the past decades which has resulted in nations of the world being a global village. However, instead of each organization or nation enriching the other with their civilization to achieve effective cooperation and mutual welfare, there is mistrust, dislike, and bitter antagonism, Chnder, (1993) cited in Osisioma (2005) among members of the organization. The problem with the organization is that the mistrust, dislike, and antagonism have given rise to conflicts here and there. Nations, communities, organizations and even family units are not spared from the overhanging Sword of Domiciles.

For organizations, when disputes are allowed faster, unchecked severe consequences arise as in the case of strike, lockout, layoff, shutdown, slowdown, go-slow, plant removal, fighting, and so on while the employee and organizational productivity suffers. At the peak of this, energies are being diverted to managing and resolving conflicts instead of focusing and improving employee productive efforts. Even such low levels of conflicts as "dislike" and "difficult in getting along with" seldom lead to decrease in productivity at all levels. Disputes also lead to low morale, heightened dissatisfaction, less commitment and increased turnover among employees. On the long run, the organization faces entropy as consequence of rebellion among staff.

Osisioma (2005) evolved what is in effect, a wholly new approach to many of the problems that face the administrator on the dynamic side of his work. Among many other things, she held that employers should not treat conflicts as something to be deplored or evaded but to learn how to make it constructive to improve the productivity of the employees and the organization. According to Osisioma (2005), dispute varies, in that it is at times minimal, at times immense, at times hidden, at times open, at times constructive and or destructive. Despite such variations this is sure and any time people or groups are bound together that their actions affect one another, conflict is natural and inevitable. But unless the two parties have identical needs and desires, their wishes must sometimes clash. Dispute happens between individuals, groups, organizations, between nations Myers, (1993).

Concept of Organizational Productivity

Productivity growth constitutes an important element for modelling the productive capacity of economies. It also allows analysts to determine capacity utilisation, which in turn allows one to gauge the position of economies in the business cycle and to forecast economic growth. In addition, production capacity is used to assess demand and inflationary pressures.

There are different measures of productivity and the choice between them depends either on the purpose of the productivity measurement and/or data availability. One of the most widely used measures of productivity is Gross Domestic Product (GDP) per hour worked. This measure captures the use of labour inputs better than just output per employee. Generally, the default source for total hours worked is the OECD Annual National Accounts database, though for a number of countries other sources have to be used. Despite the progress and efforts in this area, the measurement of hours worked still suffers from a number of statistical problems. Namely, different concepts and basic statistical sources are used across countries, which can hinder international comparability. In principle, the

measurement of labour inputs should also take into account differences in workers' educational attainment, skills and experience. Accordingly, the OECD has started to develop adjusted labour input measures. After computing the contributions of labour and capital to output, the so-called multi-factor productivity (MFP) can be derived. It measures the residual growth that cannot be explained by the rate of change in the services of labour, capital and intermediate outputs, and is often interpreted as the contribution to economic growth made by factors such as technical and organisational innovation.

Method

The study adopted a descriptive survey design. The population of the study was 50 management staff and 50 Academic Staff Union of Universities (ASUU) staff drawn from 2 public universities in Rivers State. The universities involved in the study were Rivers State University and University of Port Harcourt. The entire population size of 100 respondents was used for the study. The instrument used was a structured questionnaire titled "Labour Relations and Organizational Productivity Questionnaire" (LROPQ). The instrument provided response to the two research questions, using 10 Items weighted with a 4-point rating scale of Strongly agree (SA), agree (A), Disagree (DS), Strongly Disagree (SD) for items 1 – 5 while items 6 – 10 was rated using a 4-point rating scale of "Very High Extent" (VHE) – 4 points, "High Extent" (HE) – 3 points, "Low Extent" (LE) – 2 points, "Very Low Extent" (VLE) – 1 point. To establish the validity of the instrument, the questionnaire was subjected to face validity by two experts from the Department of Management and one from Measurement and Evaluation all of Faculty of Business Studies in Ignatius Ajuru University of Education. To ensure the consistency of the Test-retest method was used in application of Pearson Product Moment Correlation to establish a reliability coefficient of .89. The researcher with the assistance of trained Research Assistants administered the questionnaires to the respondents. Only 80 copies of the questionnaires were retrieved and used for the study. Data analysis was done using the mean and standard deviation to analyze the research questions while z-test statistics was used to test the hypothesis. The mean was obtained by the summation of all responses as assigned to a rating scale in an item divided by the total number of responses: $4+3+2+1/4 = 2.50$. The mean score of 2.50 and above was accepted, while those below 2.50 were rejected.

Result

Research Question 1

What are the labour relations factors that affect organizational productivity amongst public universities in Rivers State?

Table 1: Mean ratings on labour relations factors that affect organizational productivity amongst public universities in Rivers State N=80

S/N	Items	Mgt Staff (39)		ASUU (41)		Mean	Std. Dev.	Remarks
		\bar{X}	STD	\bar{X}	STD			
1.	Wages, non-wage benefits and working condition.	3.58	0.64	3.56	0.94	3.57	0.79	SA
2.	Skills training, staff development and motivation.	3.49	0.75	3.44	0.99	3.47	0.87	SA

3.	Work organization and workers participation.	3.52	0.72	3.51	0.95	3.52	0.84	SA
4.	Nature of employment contracts.	3.34	0.87	3.24	1.11	3.29	0.99	SA
5.	Worker organization and work governance.	3.44	0.80	3.42	1.04	3.43	0.92	SA
Total Mean/SD		17.37	3.78	17.17	5.03	17.27	4.41	
Grand Mean/SD		3.47	0.76	3.43	1.00	3.45	0.88	SA

Source: Field work, 2019.

The data presented in table 1 shows the responses of the respondents in the average mean scores of 3.57, 3.47, 3.52, 3.29 and 3.43 which implies that the respondents agreed to the point that wages, non-wage benefits and working condition; skills training, staff development and motivation; work organization and workers participation; nature of employment contracts and worker organization and work governance are major labour relations factors that affects employees in terms of productivity. The grand mean of 3.45 and grand standard deviation of 0.88 revealed that the above factors discussed are labour relations factors which affects the organizational productivity amongst public universities in Rivers State.

Research Question 2

To what extent will poorly managed labour relations issues affect organizational productivity amongst public universities in Rivers State?

Table 2: Mean ratings on extent to which poorly managed labour relations issues affect organizational productivity amongst public universities in Rivers State
N=80

S/N	Items	Mgt Staff (39)		Staff (41)		Mean	Remarks
		\bar{X}	STD	\bar{X}	STD		
6.	Poor management of workers agitation for increase wages.	3.60	0.62	3.56	0.94	3.58	VHE
7.	Neglect of staff welfare.	3.50	0.79	3.48	1.00	3.49	VHE
8.	Poor management of call by workers for review of unfavourable work conditions.	3.42	0.89	3.40	1.07	3.41	VHE
9.	Imposition of new policies perceived anti-staff.	3.44	0.81	3.41	1.03	3.43	VHE

10.	Poor management of promotion and upgrading exercises.	3.55	0.70	3.48	1.00	3.52	VHE
	Total Mean/SD	17.5	3.81	17.3	5.04	17.42	
		1		3			
	Grand Mean/SD	3.50	0.76	3.47	1.00	3.48	VHE

Source: Field work, 2019.

The data presented in table 4.5 shows the responses of the respondents in the average mean scores of 3.58, 3.49, 3.41, 3.43 and 3.52 which implies that the respondents agreed to the point that poor management of workers agitation for increase wages; neglect of staff welfare; poor management of call by workers for review of unfavourable work conditions; imposition of new policies perceived anti-staff and poor management of promotion and upgrading exercises will affect organizational productivity . The grand mean of 3.48 and grand standard deviation of 0.88 revealed that the above labour relations issues if poorly managed will to a high extent affect organizational productivity amongst public universities in Rivers State.

Hypotheses 1

There is no significant difference in the mean ratings of the respondents on the labour relations factors that affect organizational productivity amongst public universities in Rivers State.

Table 3: z-test result on labour relations factors that affect organizational productivity amongst public universities in Rivers State

Groups	N	Mean	Std. Dev.	Df	z- Cal Value	z- Crit Value	L/Sig	Decision
Mgt Staff	39	3.47	0.76					
				78	0.33	1.96	0.05	Accepted
ASUU	41	3.43	1.00					

Source: Field work, 2019.

Table 3 above revealed a z-calculated value of 0.33 which is less than the standard z-critical value of 1.96; thus, the null hypothesis was accepted. The result therefore is that there is no significant difference in the mean ratings of the respondents on the labour relations factors that affect organizational productivity amongst public universities in Rivers State.

Hypotheses 2

There is no significant difference in the mean ratings of the respondents on extent to which poorly managed labour relations issues will affect organizational productivity amongst public universities in Rivers State.

Table 4: z-test Result on extent to which poorly managed labour relations issues will affect organizational productivity amongst public universities in Rivers State

Groups	N	Mean	Std. Dev.	Df	Z- Cal Value	Z- Crit Value	L/Sig	Decision
Mgt Staff	39	3.50	0.76	78	0.25	1.96	0.05	Accepted
ASUU	41	3.47	1.00					

Source: Field work, 2019.

Table 4 above revealed a z-calculated value of 0.25 which is less than the standard z-critical value of 1.96; thus, the null hypothesis was accepted. The result therefore is that there is no significant difference in the mean ratings of the respondents on extent to which poorly managed labour relations issues will affect organizational productivity amongst public universities in Rivers State.

Discussion of Findings

One of the findings of this study showed that wages, non-wage benefits and working condition; skills training, staff development and motivation; work organization and workers participation; nature of employment contracts and worker organization and work governance are major labour relations factors that affects organizational productivity amongst public universities in Rivers State. This finding aligns with Duah & Danso (2017) who asserted that labour relations includes all aspects of labouring such as nature of employment contracts; work organization and worker participation; skills, training and motivation; wages, non-wage benefits and working conditions; and worker organization, workplace governance and labour-management relations. The study also revealed that poor management of workers agitation for increase wages; neglect of staff welfare; poor management of call by workers for review of unfavourable work conditions; imposition of new policies perceived anti-staff and poor management of promotion and upgrading exercises will affect organizational productivity . This agrees with Schulz *et al* (2013) who revealed that if the members of the organization are motivated and work productively, the general productivity of the organization will improve. The findings also aligns with (Houger, 2006) who asserted that employees are indispensable asset and key element of gaining competitive advantage of any organisation and good relations is essential tool for its actualisation and labour related issues must be carefully handled if high productivity is to be achieved.

CONCLUSION

Organizations all over the world go into business with the primary aim to make profit and succeed. Organizational set objectives are put in place to guide the activities of employees who are said to be an indispensable tool in achieving organizational productivity. Labour relations tends to cover employees' wages, employment conditions, welfare etc. is a

sensitive issue that all management should treat with utmost importance. However, our educational sectors continuous to experience strike actions which is a product of poor labour relations as shown in the study. This definitely affects the productivity level amongst the public universities in Rivers State.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations were made;

1. Organizations should ensure that strategic labour relations policies are put in place to handle arising labour related matters as to drive employee commitment and improve organizational productivity
2. Universities administrators should ensure they build on their bargaining skills and should encourage employee participation in labour related decisions as this will build a sense of belonging amongst employees and affect organizational productivity positively.

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