

SOCIAL DIALOGUE AND INDUSTRIAL PEACE OF BREWERIES FIRMS IN RIVERS STATE

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ABSTRACT

This study examined the relationship between social dialogue and industrial peace in breweries firms within Rivers State, Nigeria. The research specifically investigated the relationship between negotiation and fair compensation, as well as the relationship between consultation and mutual trust. The study was anchored on Procedural Justice Theory. A correlational research design was adopted, and data were collected from 95 management staff members across 12 brewery firms using a structured questionnaire. The data were analysed using Spearman's Rank Order Correlation. The results revealed a positive and statistically significant relationship between negotiation and fair compensation. Furthermore, a strong and statistically significant positive relationship was found between consultation and mutual trust. The study concluded that effective social dialogue practices, particularly negotiation and consultation, are crucial for fostering industrial peace by ensuring equitable compensation and building trust through participatory decision-making. It was recommended that brewery firms institutionalize structured negotiation processes and actively involve employees in organizational decisions through consistent consultation to enhance harmony and productivity.

Keywords: Social Dialogue, Industrial Peace, Negotiation, Consultation, Fair Compensation, Mutual Trust, Brewery Firms, Rivers State.

Background to the Study

A healthy working relationship between employers and employees that minimizes conflicts and promotes cooperation to accomplish organizational goals is known as industrial peace. Effective methods that promote communication, negotiation, and justice in the workplace are equally as important as the absence of conflicts (ILO, 2023; Okon & Essien, 2022). Maintaining industrial peace is critical to providing uninterrupted operations, a consistent supply of products, and organizational productivity in brewing enterprises, where huge workforces and continuous production are necessary. Social dialogue through negotiation, consultation, and information sharing acts as a vital tool for addressing concerns connected to pay, working conditions, and employee welfare, hence lowering tensions and improving commitment (ILO, 2022; Emeh & Okorie, 2021).

In the Nigerian brewery sector, firms like Nigerian Breweries Plc and International Breweries Plc rely on social dialogue mechanisms such as collective bargaining and grievance procedures to foster mutual respect and job satisfaction (Adewale & Onuoha, 2020). However, challenges such as poor communication, inadequate welfare policies, and management's unwillingness to engage unions often undermine industrial peace, leading to grievances and unrest (Igbalaye & Akintayo, 2021). Organizations that institutionalize effective dialogue experience greater cooperation, higher morale, and sustained productivity, outcomes that are increasingly important given global and economic pressures (Obi & Ekwo, 2023; ILO, 2024). Consequently, this study aims to explore how negotiation, consultation, and information exchange as dimensions of social dialogue relate to industrial peace indicators such as fair compensation, mutual trust, and stable labour relations in brewery firms in Rivers State.

Statement of the Problem

Industrial peace is essential for stability and productivity in brewery firms, yet many breweries in Rivers State continue to face disruptions such as strikes, low morale, and strained labour–

management relations due to inadequate communication, mistrust, and weak social dialogue. Management practices often remain authoritarian rather than participatory, leaving employees feeling unheard and dissatisfied, which contributes to grievances, absenteeism, and reduced output. Although some firms have established collective bargaining structures, these mechanisms are frequently reactive and insufficient for fostering continuous cooperation. Moreover, limited empirical research exists on how specific social dialogue practices influence industrial peace in the brewery sector, creating a gap in understanding the roles of negotiation, consultation, and information exchange in promoting fair compensation, mutual trust, and stable labour relations. This study seeks to address this gap by examining how these dimensions of social dialogue relate to industrial peace in brewery firms in Rivers State.

Conceptual Framework

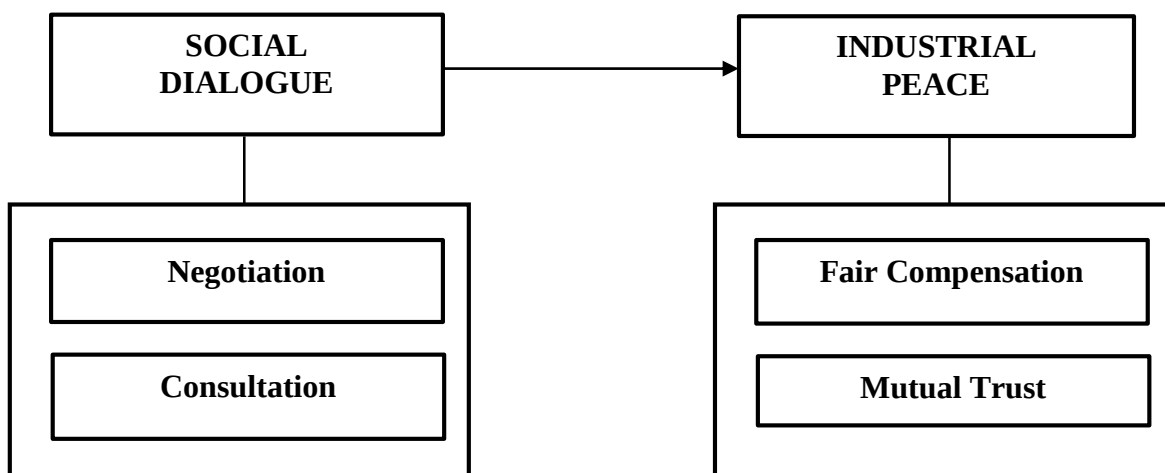


Fig. 1.1: Conceptual framework showing social dialogue and industrial peace.

Source: Dimensions of social dialogue were adopted from Essien, & Obi, (2021). While measures of industrial peace were adopted from Adetunji, & Eze, (2022).

Aim and Objectives of the Study

The aim of the study is to examine the relationship between social dialogue and industrial peace of Breweries Firms in Rivers State. Specifically, the study seeks to:

1. investigate the relationship between negotiation and fair compensation of Breweries Firms in Rivers State.
2. determine the relationship between consultation and mutual trust of Breweries Firms in Rivers State.

Research Questions

The following research questions guided the study:

1. What is the relationship between negotiation and fair compensation of Breweries Firms in Rivers State?
2. What is the relationship between consultation and mutual trust of Breweries Firms in Rivers State?

Research Hypotheses

The following research hypotheses guided the study:

- H0₁: There is no significant relationship between negotiation and fair compensation of Breweries Firms in Rivers State.
- H0₂: There is no significant relationship between consultation and mutual trust of Breweries Firms in Rivers State.

REVIEW OF RELATED LITERATURE

Concept of Social Dialogue

Social dialogue refers to all types of negotiation, consultation, or exchange of information between representatives of employers, employees, and sometimes government or other relevant stakeholders on matters of mutual interest inside the workplace (International Labour Organization [ILO], 2023). It is a crucial tool for fostering understanding between parties, collaborative decision-making, and the amicable settlement of disputes in labor relations. The concept is built on the values of inclusivity, equity, and respect for workers' rights, and it acts as a critical instrument for fostering decent work, social justice, and industrial peace (Ojo & Adewale, 2022). "Through social dialogue, organizations are able to strengthen communication channels, reduce tension, and foster an environment conducive to sustainable productivity.

The International Labour Organization identifies four main forms of social dialogue information sharing, consultation, negotiation, and tripartite cooperation all aimed at improving labour relations and workplace democracy (ILO, 2022). These forms of dialogue allow both management and workers to exchange views on key organizational issues such as working conditions, wages, safety, welfare, and productivity. According to Essien and Obi (2021), the existence of effective dialogue mechanisms in an organization minimizes the likelihood of strikes and lockouts, as grievances are addressed constructively before escalating into industrial crises. Therefore, social dialogue is not only a conflict management tool but also a proactive strategy for enhancing trust and collaboration among social partners.

Negotiation: Negotiation is a structured process of dialogue between two or more parties typically employers and employees or their representatives aimed at reaching a mutually acceptable agreement on matters related to employment conditions, rights, and responsibilities (Fajana & Ubeku, 2021). It is one of the most critical tools of industrial relations because it enables conflicting interests to be harmonized through discussion rather than confrontation. In the workplace, negotiation commonly occurs in the form of collective bargaining, where trade unions and management deliberate on wages, working hours, safety standards, and other employment conditions. According to Adebayo and Olojede (2022), effective negotiation ensures that both parties' needs are balanced, thereby promoting fairness, reducing grievances, and enhancing industrial harmony.

Consultation: Consultation is the process through which management seeks the opinions, suggestions, and feedback of employees or their representatives before making decisions that affect their work and welfare (Ibrahim & Osagie, 2021). It is a participatory mechanism within the broader framework of social dialogue that promotes inclusion, transparency, and collaboration in organizational decision-making. Unlike negotiation, which aims at reaching binding agreements, consultation focuses on exchanging ideas and ensuring that employees' perspectives are considered in managerial decisions. According to Akpan and Olowu (2022), consultation enhances industrial democracy by giving workers a voice in policies related to work schedules, safety standards, welfare programs, and organizational change. It bridges the communication gap between management and employees, fostering mutual understanding and trust.

In practice, consultation takes different forms, such as staff meetings, joint consultative committees, opinion surveys, or dialogue sessions between union representatives and management. These platforms allow employees to express concerns, offer solutions, and contribute to workplace improvements. Aina and Nwachukwu (2023) note that when consultation is genuine and continuous, it increases employees' sense of belonging, reduces resistance to change, and improves cooperation in implementing organizational policies.

Concept of Industrial Peace

Industrial peace refers to a state of harmony and stability in the relationship between employers and employees, characterized by the absence of strikes, lockouts, and other forms of industrial unrest (Adetunji & Eze, 2022). It signifies a balanced and cooperative atmosphere in which both management and workers pursue organizational objectives through mutual respect, understanding, and dialogue rather than conflict. Industrial peace is essential for enhancing productivity, employee morale, and sustainable growth in organizations, particularly in labour-intensive industries such as breweries. According to Bassey and Nwankwo (2021), the attainment of industrial peace depends largely on effective communication, fair employment practices, and the existence of conflict resolution mechanisms that ensure grievances are promptly and fairly addressed.

The concept of industrial peace goes beyond the mere absence of conflict; it embodies proactive measures and continuous engagement aimed at preventing disputes from arising in the first place. Organizations that prioritize workers' welfare, equity, and inclusion tend to experience long-term peace and cooperation (Ogu & Ahmed, 2023). In brewery firms, industrial peace is critical because production activities are highly interdependent, and any disruption in the workforce can cause significant operational and financial losses. Therefore, maintaining peace requires constant negotiation, consultation, and the exchange of information between management and workers. Regular social dialogue helps in identifying potential areas of tension early and facilitates collaborative problem-solving before issues escalate into industrial action.

Fair Compensation: Fair compensation refers to the equitable and just payment employees receive for their labour, skills, and contributions to organizational success (Okoro & Ibe, 2023). It encompasses not only wages and salaries but also benefits, incentives, and other financial or non-financial rewards that recognize employees' efforts and align with their performance. Fair compensation is grounded in the principles of fairness, transparency, and equity, ensuring that workers are paid in proportion to their qualifications, experience, and job responsibilities (Adeyemi & Bello, 2022). It plays a crucial role in maintaining employee satisfaction, reducing turnover, and promoting industrial peace, as workers who feel fairly treated are more likely to demonstrate loyalty and productivity.

In industrial relations, fair compensation serves as a central element of social justice and ethical employment practices. When organizations adopt equitable pay structures and clear reward systems, they reduce the likelihood of wage-related disputes and foster trust between management and employees (Nwachukwu & Hassan, 2024). Conversely, perceived unfairness in compensation often leads to grievances, low morale, and potential industrial conflict. In the context of brewery firms, where production depends heavily on teamwork and consistent employee engagement, fair compensation is particularly vital. It ensures that employees remain motivated and committed to achieving operational goals, thereby sustaining both productivity and industrial harmony.

Mutual Trust: Mutual trust refers to the confidence and belief that both management and employees have in each other's integrity, fairness, and commitment to shared organizational goals (Akinola & Ojo, 2022). It is a fundamental component of healthy industrial relations and a prerequisite for achieving sustainable industrial peace. When mutual trust exists, employees are more likely to accept management decisions, comply with organizational policies, and engage constructively in workplace initiatives. Similarly, management can rely on employees to perform their duties diligently and provide honest feedback, creating a cooperative and harmonious work environment.

In organizational contexts, mutual trust is built over time through consistent, transparent, and fair practices. According to Eze & Okeke (2023), actions such as honoring collective agreements, communicating openly about organizational changes, and involving employees in decision-making processes strengthen trust and reduce the likelihood of conflict. In the absence of trust, even minor disagreements can escalate into industrial disputes, negatively affecting productivity and morale. In

labour-intensive industries like breweries, where operations rely heavily on teamwork and coordinated effort, the presence of mutual trust ensures smooth collaboration and operational efficiency.

Theoretical Review

Procedural Justice Theory: Procedural Justice Theory was propounded by John Thibaut and Laurens Walker in 1975. The theory posits that fairness in processes (e.g., consultation, negotiation, grievance handling) enhances employees' perceptions of organizational justice and trust. When employees perceive decision-making processes as fair, they are more likely to accept outcomes and cooperate. Supports the link between fair, transparent social dialogue mechanisms and the achievement of industrial peace in brewery firms.

Assumptions of Procedural Justice Theory

1. **Perceptions of Fairness Matter:** Employees' reactions to organizational decisions depend largely on their perception of how fairly procedures were applied, rather than solely on the outcomes (Colquitt et al., 2001).
2. **Consistency of Procedures:** Procedures should be applied uniformly across all employees to ensure fairness and prevent bias. Inconsistent application undermines trust and organizational legitimacy.
3. **Transparency and Clarity:** Organizational procedures must be transparent, clearly communicated, and understandable, allowing employees to know how decisions are made and what criteria are used.

Relevance of Procedural Justice Theory to This Study

Procedural Justice Theory is relevant to this study on social dialogue and industrial peace in brewery firms. The theory provides a framework for understanding how fair and transparent processes in decision-making, consultation, and negotiation can influence employees' perceptions of justice within the organization. By ensuring that procedures related to wage determination, dispute resolution, and workplace policies are impartial, consistent, and participatory, brewery management can foster mutual trust, reduce grievances, and promote industrial peace. The application of this theory helps explain why structured social dialogue mechanisms, such as negotiation, consultation, and information exchange, are critical in maintaining a harmonious and productive workforce.

Empirical Review

Oluwaseun and Adeyemi (2022) examined the influence of social dialogue on industrial peace in the manufacturing sector in Lagos State, Nigeria. The study specifically investigated how structured communication and consultation between management and employees affect the maintenance of workplace harmony. The research was anchored on the Industrial Relations Theory. A descriptive survey research design was adopted, targeting 400 employees across four major manufacturing firms in Lagos. Using purposive sampling, 270 valid responses were retrieved and analyzed through multiple regression analysis with SPSS. The findings revealed that regular and participatory social dialogue significantly enhanced industrial peace. Management consultation and joint problem-solving sessions emerged as the most critical factors in reducing strikes and disputes, while timely information sharing fostered trust and cooperation among employees. The study concluded that institutionalized social dialogue mechanisms promote a stable and harmonious work environment. It was recommended that manufacturing firms in Lagos State implement continuous consultation frameworks and effective communication channels to strengthen industrial peace and organizational performance.

METHODOLOGY

The study adopted a correlational research design to examine the relationship between social dialogue and industrial peace in brewery firms in Rivers State. The population comprised 12 breweries firms in Rivers State. They were chosen based on the fact that they are registered in Corporate Affairs Commission. Also, they were accessible and functional as at the time of carrying out this study. The unit of analysis included managers and supervisors, with a total of 115 respondents selected using a census sampling technique due to the manageable population size. Data were collected using a structured questionnaire. The validity of the instrument was established through expert review, while reliability was determined using the test-retest method, yielding a reliability coefficient of 0.73, indicating acceptable consistency. Data were analysed and hypotheses were tested with Spearman's Rank Order Correlation at a 0.05 significance level. A total of 115 questionnaires were administered to management staff, of which 95 were successfully retrieved, representing an overall retrieval rate of 83%.

RESULTS

H0₁: There is no significant relationship between negotiation and fair compensation of Breweries Firms in Rivers State.

Table 1: Correlations between negotiation and fair compensation

			Negotiation	Fair Compensation
Spearman's rho	Negotiation	Correlation Coefficient	1.000	.228*
		Sig. (2-tailed)	.	.027
		N	95	95
	Fair Compensation	Correlation Coefficient	.228*	1.000
		Sig. (2-tailed)	.027	.
		N	95	95

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Field Data, 2025

Table 1 shows the Spearman's correlation between negotiation and fair compensation in breweries firms in Rivers State. The correlation coefficient is **0.228**, with a significance value of **0.027**, which is less than the 0.05 threshold. This indicates a **positive and statistically significant relationship** between negotiation and fair compensation. In practical terms, this suggests that effective negotiation processes are associated with fairer and more equitable compensation practices in the selected breweries firms, supporting the idea that negotiation contributes to better remuneration outcomes for employees."

H0₂: There is no significant relationship between consultation and mutual trust of Breweries Firms in Rivers State.

Table 2: Correlations between consultation and mutual trust

			consultation	mutual trust
Spearman's rho	consultation	Correlation Coefficient	1.000	.547
		Sig. (2-tailed)	.	.000
		N	95	95
	mutual trust	Correlation Coefficient	.547	1.000
		Sig. (2-tailed)	.000	.

N	95	95
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Source: Field Data, 2025

Table 2 presents the correlation between consultation and mutual trust. The correlation coefficient is **0.547**, with a significance value of **0.000**, indicating a **strong and statistically significant positive relationship** at the 0.05 level. This finding implies that consultation practices in the breweries firms are closely linked to the development of mutual trust between management and employees. Greater employee involvement in decision-making and transparent consultation processes enhance confidence, cooperation, and collaborative relationships within the organization.

Discussion of Findings

Negotiation and Fair Compensation

The findings show a positive and significant relationship between negotiation and fair compensation in brewery firms in Rivers State, indicating that structured and transparent negotiation processes enhance employees' perception of fairness in pay. This is supported by related studies such as Okolie and Nwachukwu (2021) and Eze and Ogbu (2020), which similarly found that negotiation and collective bargaining improve satisfaction and reduce disputes. Although the correlation coefficient of 0.228 suggests a moderate relationship implying that other factors like organizational policies and labor regulations also influence compensation negotiation remains an essential tool for ensuring equity, boosting morale, and fostering industrial peace. In practice, negotiation mechanisms such as bargaining sessions and discussions on allowances help align compensation with employees' contributions, supporting theories like Procedural Justice Theory that emphasize fair processes as drivers of trust and workplace harmony.

Consultation and Mutual Trust

The findings show a strong and significant positive relationship between consultation and mutual trust in brewery firms in Rivers State, with a correlation coefficient of 0.547, indicating that meaningful employee involvement in decision-making greatly enhances trust in management. This aligns with studies by Adeyemi and Adebayo (2021) and Chukwu and Onwumere (2019), which found that participatory practices and regular consultation improve trust, cooperation, and organizational harmony. While consultation plays a major role in trust-building, its impact is strengthened when supported by transparent communication, fair policies, and positive organizational culture. In the brewery context, engaging employees in discussions on workplace policies and operational decisions fosters perceptions of fairness and reliability, reduces conflict, and supports industrial peace. Overall, the results highlight consultation as a strategic tool for cultivating mutual trust and sustaining effective labour relations, consistent with Relational Coordination Theory.

CONCLUSION

The study concludes that industrial peace in brewery firms is strongly shaped by effective social dialogue practices, including negotiation, consultation, and information exchange. Negotiation enhances fair compensation by ensuring employees are equitably rewarded, while consultation builds mutual trust through participatory decision-making and transparency. Information sharing further strengthens labour relations by minimizing misunderstandings and promoting cooperation. Collectively, these mechanisms foster a harmonious and productive work environment. Breweries that institutionalize structured dialogue processes, equitable compensation systems, and open communication are better equipped to prevent conflicts, maintain stability, and enhance employee motivation and commitment. Overall, the study emphasizes that social dialogue is a strategic foundation for achieving sustainable industrial harmony in the Nigerian brewing industry.

RECOMMENDATIONS

The following recommendations was made among others that:

1. Breweries firms should institutionalize structured and regular negotiation processes between management and employees.
2. Management should actively involve employees in organizational decision-making through consistent consultation practices.

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