Balanced Employee and Employer Relationship: A Mechanism for Industrial Development in Nigeria

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Abstract: Social relationship is one of the basic features of human beings. This is so because of the fact that life could not be convenient without living with fellow human beings in the society. However, it is important to note that social relationship has basic processes in which if not balanced could lead to social conflict. This is evident in all human social settings especially the industrial settings; the process of relationship between the employees and employers is usually referred to as employment relationship. Employment relationship is the communication that takes place between the representatives of employees and employers on the issue of work relations. Balanced employment relationship is indispensable to the stability of any industrial organizations; it also facilitates the growth and development of industries in any country. The maintenance of a good human relationship is the main theme of industrial relations because its absence may cause the whole organizational structure to crumble. Years back, efforts exerted by employees, employers and their representatives as well as government to balance employment relations have not yielded much results and most often resulted into various industrial conflicts which have caused lots of setbacks to industrial development in the country. It is against this background that attempt is made in this paper to examine the role of balanced employee and employer relationship in the development of industries in Nigeria.

Keywords: Employee; Employer; Employment Relationship; Industrial Development.

Introduction

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Nigeria has over the years witnessed great numbers of incessant industrial actions and this is a reflection of imbalanced employee and employer relationship in the nation's labour market. Employees and employers are indispensable actors of any industrial relations. One of the major concerns of industrial relations in any organisation is the pattern of relationship between the employee and employer within the workplace. Employment relationship is necessary for peace and harmony of the organization. But the selfish interests of both parties are making it difficult for the employment relationship to be balanced. This often results in the fact that employees from their own disposition often pressurise the employer to offer better working conditions and welfare provisions without considering the cost to the employer. The employer on the other hand also seeks to control cost and therefore tries to influence the unions not to ask for a lot. (Onasanya, 1999).

Meanwhile, Nigeria has not been able to attain acceptable international standard in industrial relations and this has created a gap between employees and employers. Power is concentrated in the hands of few employers, while the majority has been relegated to the insignificant position of mere wage earners. The employees have come to realize that most of their demands can be met if they resort to concerted and collective actions while the employers are aware of the fact that they can resist these demands. This denial or refusal to meet the genuine demands of workers often lead to dissatisfaction on the part of the employees, and this could even lead to violent activities such as picketing; lock-in; lock-out; work to rule and strike, all of which can hinder the production process and could cause harm to both the employees and the employers (Pandey, 2007).

Employees today have become demoralized by slowly rising salaries or, in some places, salary cuts. They have grown tired of being flexible and working long hours, and only get disappointed when that flexibility is not reciprocated by their companies in the way they want. Employees cannot be faulted for having certain expectations, and employers cannot be faulted for making business decisions that are required for them to stay afloat in the economy. In other words, employment relationship is often strained as employees expect better remunerations and the employers want higher profits (Melanie, 2009). In accordance with this, there is need for peaceful employment relations which cannot be achieved without balanced employee and employer relationships in any society that wants to develop industrially. In essence, the focus of this paper aims at explaining the need for balance industrial relations in Nigeria in order to attain industrial development of the country.

**Conceptual Clarifications**

In order to make this work more scholarly, there is the need to make clarifications of important concepts that are relevant to this work. One of such is the meaning of an employee.

**Who is an Employee?**

The word employee is a general term used for someone who is working for wages or salary. Employees can be seen as human beings motivated by intrinsic rewards and, by some, entitled to fairness and justice (John and Devasheesh 2008; Kaufman, 2005). Animashaun and Shabi, (1999) and Otobo (2000) see employee as someone who has nothing other than his labour power to sell in
exchange for a wage or salary. He lives essentially on basic income, which is the price puts on his labour power or enterprise.

According to International Labour Organisation’s (ILO) report (2006), the term employee is a legal term which refers to a person who is a party to a certain kind of legal relationship which should be referred to as employment relationship. The term employee is a broader term that can be applied to a person who performs services in an employment relationship. Other laws such as Nigeria Labour Act (1990) define the employee as a person who undertakes to place his or her professional activity in exchange for remuneration, under the direction and authority of an employer. The Act also specifies that neither the legal status of the employer nor that of the employee shall be taken into account in determining whether a person is an employee.

In another instance, an employee is defined as a person who works in conditions of dependency or subordination (Chile Labour Code, 2002). In Mexico, an employee is referred to as someone performing personal subordinate work (Mexico Federal Labour Act, 1995). In the opposite sense, countries where descriptive definitions are the rule, the legislation merely states that an employee is a person working for an employer (ILO, 2006). For example, in Lesotho, employee means any person who works in any capacity under a contract with an employer; in Thailand, a person who agrees to do work for an employer in return for a wage, regardless of the name given to describe that person’s status. In Australia, any person whose usual occupation is that of employee, but does not include a person who is undertaking a vocational placement (Lesotho Labour Code Order 1992, Thailand Labour Protection Act, 1998 and Australia Workplace Relations Act, 1997).

Employees are frequently conceptualized as an economic or a behavioural being (Kaufman, 1999). Since employees must take primary responsibility for their career development, they must also ensure that they are receiving candid and useful feedback from their employers. Before an employee could enjoy such rights he has to perform some duties, that is why Abdullah (2008) observes that the employee also have specific duties to perform, arising from the contract of employment. Such employee duties according to Abdullah (2008) include the following:

i. Duty to make his or her services available: - Every employee has a duty to make his or her services available to the employer as agreed upon in the employment contract. Thus his or her right to remuneration depends on the availability of his or her services.

ii. Duty to be competent on the work: - In employees application for employment, he or she tacitly guarantees that he or she will be able and competent to do the work required by the post. Every employee undertakes, by way of his or her employment’s contract, to exercise the necessary care and competence in performing his or her work. It is only when an incapacity is serious or continuing that termination is justifiable.

iii. Duty to act in good faith: - On the conclusion of a contract of employment, a relationship of trust comes into being between the employer and the employee. Therefore, the employee is required at all times to serve his or her employer honestly and to act in good faith.
iv. Duty to protect property and information: Employees may in confidence keep the property of their employers, and not to divulge confidential information of business secrets.

v. Duty towards good behaviour: Employees must refrain from committing acts of misconduct such as dishonesty, theft, intoxication, and the like.

vi. Duty to render services as subordinate of the head. Employees are expected to render their services in subordinate capacity, and to obey the lawful and reasonable instructions of the employer. They are also required to act respectfully to the employer and senior colleagues. An employer may only take disciplinary action against the employee if the employee’s refusal to carry out lawful instructions is intentional and of a serious nature.

The Meaning of an Employer

Employer is that person or persons who have contributed or committed their property or properties in a business venture with the intention of making profits (Fajana, 2003). An employer also comprise of the owners of a private, profit organization, or those who control a non-profit or public sector organization (Manning, 2003; Wachter, 2004). Employer is referred to a legal person for whom an employee performs work, or provides services within an employment relationship. Other scholars (Online Business Dictionary) also corroborates that an employer is a legal person that control and direct an employee or employees under an express or implied contract of employment and pays or is obligated to pay him or her salary or wages. Both recent and less recent legislations identify the employer as the person or enterprise employing the employee and the user of the person issuing the labour services. Although the meanings of an employer are varied based on countries; for instance, Mexico Federal Labour Act (1995) and Thailand Labour Protection Act (1988) classify an employer as a legal person, which uses its own equipment and personnel undertakes to carry out work or perform a service for the benefit of a third party.

In Spain, the law refers expressly to employers as lawfully engaging in labour. Any legal person, or joint ownership arrangement, receiving services performed by employees employed by another person for an enterprise or organisation, as well as persons hired in order to provide service under a legally establish temporary work enterprises (Spain Workers’ Charter, 2003). Some definitions of employer refer to the person signing the contract with the employee, and in this case may also include a person representing the employer. In Botswana Employment Act (1982) for instance, the employer is defined as any person who has entered into a contract of employment to hire the labour of any person, including the government or a public authority, or the person who owns or is carrying on for the time being or is responsible for the management of the undertaking, business or enterprise of whatever kind in which an employee is engaged. The employer is defined in terms of three functions: recruiting, employing and paying wages to an employee (Vietnam Labour Code, 1994). Ontario Workplace Safety and Insurance Act (1997) also added that an employer means anybody that is vicariously liable for injury sustained by an employee during the cause of service under a contract of service.
The employer has to persuade the employee to work. Accordingly, various decisions pertaining to employment relations must be taken by the employer to ensure the achievement of organisational goal. Hence the employer has a major role to play in industrial relations. Such responsibilities of the employer in industrial relations as stated by Araga, (2008) centres on the following areas:

(i) Establishing appropriate contractual relationship between the organisation and the employees.

(ii) Taking steps to grant recognition to Trade Unions which have been registered by the appropriate government agency.

(iii) Putting in place appropriate structures with which to manage the Trade Union activities in the organization.

(iv) Establishing conducive structure for and encouraging the practice of collective bargaining for resolving industrial conflict.

(v) Establishing appropriate structure for the management of employees’ grievances on individual basis as well as for group of employees.

(vi) Establishing appropriate policies and procedures for handling disciplinary issues in the organization.

(vii) Creating enabling environment for the employees to participate in management decisions which affect their lives at the workplace and the organization as a whole.

(viii) Produce and make available to the employees, organization manual that incorporates the conditions of service under which the employees have to work.

(ix) Fostering team building and interpersonal relations among the employees so as to engender mutual understanding among the employees.

(x) Recognizing and incorporating existing industrial laws and regulations in fashioning out industrial policies and procedures for dealing with industrial matters in the organization.

The Meaning of Employment Relations

A perfect employment relation is essential or germane to the smooth running of any organization. Employment relations can be referred to as employee-employer relations. This is so because of the fact that employment cannot exist in the absence of the two parties to the employment (employee and employer). According to Fajana (1995), the employment relationship has two parts, market relations and managerial relations. The former covers the price of labour, which embraces not only the basic wage but also hours of work, holidays and pension rights. In this respect, the similitude of labour is like any other commodity, that the satisfaction derived from it will be determined by its cost price. Blyton
and Turnbull (1998) suggest that employment relations encompass: focus on and define the distinctive characteristics of the employment relationship; to locate that relationship with the broader nature of economic activity; to analyze the structural bases of conflict and accommodation between employer and employee.

In other instance, Edwards (1999) in his contribution asserted that labour differs from all other commodities in that it is enjoyed in use and is embodied in people. A machine in a factory is also enjoyed in use and for what it can produce. Yet, how it is used is solely up to its owner. This shows that the employer has to persuade the employee to work. Employment relations are the relationships that define how the market relations set a price for a set number of hours of work. It also determine how much work is performed in that time, at what specific task or tasks, who has the right to define the tasks and change a particular mix of tasks and what penalties will be deployed for any failure to meet these obligations.

Employment relations is also a notion which creates a legal link between a person, called the employee, with another person, called the employer, to whom she or he provides labour or services under certain conditions in return for remuneration (ILO, 2006). John and Devasheesh (2008) posited that the employment relationship is the connection between employees and employers through which individuals sell their labour. Regardless of any, all employees and employers have fundamental interests they pursue through the employment relationship, all forms of this relationship are mediated by labour markets and states, and each instance of this relationship is governed by some form of a contract ranging from explicit union contracts and civil service rules to implicit expectations and understandings. Employer-employee relations refer to the communication that takes place between representatives of employees and employers (The Times, 2012).

ILO (2006) issued out a communiqué that employment or labour law seeks to address what can be an unequal bargaining position between parties to an employment relationship. The concept of the employment relationship is common to all legal systems and traditions, but the obligations, rights and entitlements associated with it vary from country to country.

Similarly, the criteria for determining whether or not an employment relationship exists vary across countries. Common notions such as dependency or subordination are found. Regardless of the criteria used, there is a shared concern among governments, employers and employees to ensure that the criteria used are sufficiently clear so that the scope of application of various laws and regulations can be more easily determined, and that they cover those who are meant to be covered, i.e. those who are in employment relationships (ILO, 2006).

The primary objective of employment relations is to bring about good and healthy relationship between the two partners in industry – labour and management. To drive home this point, Kirdadlay, as stated in Pandey (2007), asserted that:

"The state of industrial relations in a country is intimately connected with the form of its political government and the objectives of an industrial organization may change from economic to political ends."
Pandey divides these objectives into four: (a) improving the economic condition of employees in the existing state of industrial management and political government; (b) control by the state over industries to regulate production and industrial relations; (c) socialization or nationalization of industries by making the state itself an employer of employee; and (d) vesting the proprietorship of industries in the employees. According to Pandey (2007), the other objectives of industrial relationship are:

1. To safeguard the interests of labour as well as of management by securing the highest level of mutual understanding and goodwill between all sections in industry which take part in the process of production.

2. To avoid industrial conflicts and develop harmonious relationship, which are essential for the efficient productivity of employees and the industrial progress of the country.

3. To raise productivity to a higher level in an era of full employment by reducing the tendency to higher and frequent absenteeism.

4. To establish and maintain industrial democracy based on labour partnership, not only for the purpose of sharing the gains of organization but also participating in management decisions that the individuals’ personality may be fully developed and an enlightened citizen of the country.

5. To bring down strikes and lockouts by proving better and reasonable wages and fringe benefits to the employees and improved living conditions (Pandey, 2007).

From the foregoing, it is important to restate that the maintenance of a good human relationship is the main theme of industrial relations because its absence may cause the whole organizational structure to crumble. Employees constitute the most valuable assets of any organization. Any neglect of the important factor is likely to result in increased cost of production in terms of wages and salaries benefits and services, working conditions, increased labour turnover, absenteeism, indiscipline and cleavages, strikes and transfer on the ground of discontent and the like, besides deterioration in the quality of the goods produced and strained relations between labour and management.

**The Necessity of Balanced Employment Relationship in an Organisation**

Employment relationship cannot be said to be balanced until the parties to it are judiciously performing their responsibilities as deemed appropriate. In order to avoid imbalances in the employment relationship, employers need to know how to tap into the potential of the workforce, organizations need to be familiar with methods / ways of valuing their employees, helping balance employees’ personal needs and lives with work, and treating them as partners and an integral part of the business (Wheeler, 1994). To buttress this point, Anthonia (2011) stated that the major goal of an employee should be to help the organisation grow and improve on its rating. In doing this, the employee owes it a duty to eliminate trends lacking in integrity, especially if these have the tendency of impacting on the company.
A major issue is achieving a harmonious balance in an organization is that everybody wants more. Many employees today want a say in how work is assigned, assessed and rewarded. Employers similarly want more from employees in the form of productivity, mobility, more working hours and lesser pay – essential characteristics of how companies remain nimble and productive during economic upturns and downturns. This means that both employees and employers need to be flexible.

In order to balance employment relations, employers have to adjust their work culture to attract the best talent from the employees. Logically, an adjustment of the environment will make it imperative for the employees to expand their skills and focus on a successful achievement of the organisation goals (Melanie, 2009). This argument in our view can be linked to the contribution of Chioma (2012) which states that for any enterprise to succeed, both employers and employees have to see themselves as partners, stressing that one of the factors affecting employee and employer relations is that most employers aim at maximising profits as a result of which employees are underpaid. Based on this phenomenon, Chioma (2012) asserted that employees are less committed to their job.

The existence of a balanced employment relationship inhibits favourable assertions to organizations from the minds of both the employees and employers. Among these assertions postulated by Galinsky (1993) was that when there are good and supportive relationships with co-employees and between employees and their supervisors, employees experience less burnout in their jobs, are more loyal to their employers and are more committed to doing their jobs well. He also added that when employees believe that people of their race and gender have equal chances of advancing, they are more committed, loyal, innovative, and likely to want to stay in their companies. Hence, it can be asserted from the above discussions that balancing the employment relationship is not only imperative for the smooth running of an industrial organization but more importantly necessary for the industrial development of the country. In order to expatiate this further, this researcher has deemed it fit to explore a theoretical position to juxtapose the necessity of balanced industrial relations for the smooth running of the industrial organization. Human Resource Management theory is considered relevant to achieve this objective.

**Human Resource Management Theory**

Human Resource Management Theory is a theory that explains ways by which the employees and employers can concertedly act together towards the achievement of the goals of both the employees and the employers. Prominent among the proponents of this theory include Guest, (1989); Blyton and Turnbull, (1992); and Stone, (1995). Their assertion about this theory is that the employment relations choices are predicated on the belief that the forces uniting managers and employees are far stronger than the forces dividing them. It is the task of management to facilitate these unifying forces by establishing workplace conditions that encourage autonomous individuals, whether employees or management, to work collaboratively for the common good. This approach expects organisations to regard workplace relations holistically, whereby collaboration between management and employees is encouraged through the development of a unifying culture, strong and pervasive leadership, and a
clear vision of organisational goals. The employment relations aim of these techniques is to resolve internal tensions by breaking down workplace social classes, developing open lines of communication among different stakeholders, and promoting a collective understanding that the interests of all are better served by working together and avoiding conflict. Collaborative management practices in the form of workplace teams, as well as performance appraisals, performance related pay and individual contracts of employment are activities that are thought to give content to this approach (Beardwell et al., 2004; Ogunbameru; 2004).

In applying this theory, something about why employees are dissatisfied with existing work practices may be known. For instance, the theory in most cases do reveal if the evidence of prevailing recruitment and promotion practices, is at odds with the alternative practices and outcomes. Assuming the causal premises of the theory are correct, changing the existing recruitment and promotion practices to align with those suggested by the theory may offer a way to improve the workplace satisfaction of employees. So, the satisfaction of the workers (employer and employee) would bring harmonious relationship at the workplace and enhance positive changes that can lead to industrial development.

**Balanced Employee and Employer Relationship: A Mechanism for Industrial Development in Nigeria**

In industrial development, the significance of employee-employer relationship cannot be overestimated or underemphasized. The issue of employee-employer relationship is especially important in Human Resource Management as it covers key areas of Employment relationship, Collective Bargaining, performance, reward management as well as employee involvement which help to ascertain the nature of organisational commitment and performance towards Industrial development.

The mutual relationship between both parties increases motivation which in turn leads to increase productivity and profit maximization. Estenson (1999) describes employer-employee relations as a key ingredient in the implementation of quality improvement (Savolainen 2000).

Industrial development is a multifaceted concept depending on the people’s perception about it. Etymologically, industrial is referred to as the activities that revolve around the industry from both the employer and employees development. The Encyclopaedia Britannica (2005) defined development as:

>“integrated change of societal institutions -political, social, economic, cultural and educational which may be executed in an evolutionary or revolutionary manner through conscious human actions”.

The term development is being used in various contexts and is being qualified as: economic development, human development, international development, democratic development, and social development. Clark (1991) also contributes that development is also about the achievement of industrial, economic and other growths as well as improvement of human and environmental conditions under which people live and interact. The achievement of all these depend on the
improvement made and the use of a country's human, natural and institutional resources. Development connotes a transition and Olympia detachments from a state to another considered to be advancement and wherein there is sustained improvement in the quality of life. Consequently, one of the factors that accounts for progress in national output growth is the perception of employees on the adequacy or otherwise of the reward system (Usman, 2010).

It has been noted that organizations with good reward system often attract and retain the best in the society. As Eric Weber has pointed out, valuable employees (all things being equal) are normally indispensable (Weber, April 1991, p.52).

In a bid to ensure a balanced system of employment relationship towards Industrial development, several organizations or unions have emerged such as Academic Staff Union of Universities (ASUU) and Nigeria Labour Congress (NLC), among others. Therefore industrial development can be seen as integrated changes of industrial activities that bring about the economic growth, improvement of human and environmental conditions under which people work and interact. Industrial Development Design Standards & Guidelines (IDDSG) (2000) posited that industrial development is central to the process of structural transformation which characterises economic development. Industrial development is the key factor for attaining the overall development of the State. Meanwhile, the development and changes in industries all depend on what kind of industry it is. For example the technology industry is developing quite significantly as technology is becoming a utility everyone is using on a daily basis. A country grows faster if it begins each period with higher level of human capital. With a high level of educational attainment, labour is better equipped to adapt to new technologies and management skills developed elsewhere (Usman, 2010). The main focus of industrial development is to improve the services and productivities while the productivities cannot be enhanced without the harmonious relations of human capital involved.

Agarwal (1982) also stated that industrial harmony is inextricably linked with economic progress of the country. Industrial harmony brings about greater cooperation between employees and management which ultimately results to better production that lead to the economic progress and prosperity of the country. The Report of National Commission on Labour (1995) added that a quest for industrial harmony is indispensable when a country plans to make economic progress is bound up with industrial harmony inevitably leads to more cooperation between employer and employees, which result in more productivity and thereby contributes in all round prosperity of the country. It is an essential condition to maintain mutual trust and confidence between employer and employee to obtain the goal of rapid economic development and social justice (Wheeler, 1994). Therefore, the healthy and good industrial relations that will provide industrial harmony- which can only be achieved in an atmosphere of mutual trust and understanding between the management and the employees, is a vital necessity.

Recommendations
In order to balance employee and employer relationship, both the employee and employer representatives and government as well should abide by the following recommendations, so that the industrial development that the Nigerian government is clamouring for will come to reality.

i. Each party to employment relationship should give respect to the laws that bind their relationship and act with it accordingly.

ii. Management should recognize the rights of employees to self-organization. Their labour union activities must be respected and protected. Employees must also respect the employers and accord them the right to manage their business in a manner that is fiscally sound and recognized by the law.

iii. Collective bargaining restructuring between the employee and employer representatives should always commence before the lapse of the previous one. That is, the meeting should be schedule within the range of the current one, so that another agreement would have been agreed upon in order to avoid industrial actions.

iv. The performance and development of the industry should prioritize more than the pecuniary benefits of the industries, and the employers should pay adequate remuneration for the work done by the employees.

v. Employers should see employees as their partners and welcome their ideas, so they will also see the industry as their own.

Conclusion

In conclusion, this paper has examined the employee and employer relationship as path to industrial development in Nigeria. It has discussed the concepts of employee, employer and employment relationship. It has also shed light on the necessity of balanced employment relationship. Human Resource Management theory has been used to explain the process by which industrial harmony could be achieved in employment relationship. And industrial development was delved into in such a way to explain its dependence on nature of employment relations. Lastly, recommendations were given which if followed accordingly will not only minimize industrial conflicts but more importantly assist in the industrial development of the country.

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