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# HARMONIOUS INDUSTRIAL RELATIONS AS A PANACEA FOR AILING ENTERPRISES IN NIGERIA

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## ABSTRACT

Organizational ailments and failures are common in Nigeria, and poor management style has contributed significantly to these failures. The paper is aimed at studying whether harmonious industrial relations can be used as a panacea for organizational ailments especially that relating to human resources management. The method and techniques employed in collecting data and information for this study include critical summary of some existing literature and data collection (questionnaire and oral interview). Our conclusion inter alia is that a harmonious industrial relation is indeed a most potent panacea for organization suffering from poor management, and that the support framework exists for the internalization as a management culture. The pivot is transaction theory and the theme is that collaboration will ensure positive change and team effort.

**Keywords:** Industrial relations, Ailment, Organization. JEL classification: J52.

## INTRODUCTION

Many organizations (no matter the type) in Nigeria are bedeviled by a myriad of problems and ailments caused by inefficient and ineffective management style or strained relationship between management and the labour union. There are other ailments that emanate from influence of external forces such as fiscal policy shocks, wrong government policies, environmental factors and the global economic recession, Management-labour disagreement remains crucial because it is firm-specific and therefore can be addressed by harmonious industrial relations. The aim of this article therefore is to identify major aspects of the organizational ailments plaguing Nigerian enterprises, and investigate harmonious industrial relations as a panacea. The rest of this article is divided into literature review, theoretical framework, methodology, application of harmonious industrial relations, and analysis of survey evidence and conclusion.

#### A Review of Literature & Theoretical Development

Management has been defined in a number of ways. What we call management today dates back to the decade of the 1880's to scientific management of the systematic study of work undertaken by Frederick Taylor (1911) and to the principles of functional organization developed by Fayol (1949). However, it was during the Second World War that modern management boom began. During that period, many of the approaches, which are utilized today, had already been partially developed by important companies like General Motors and Duppont and by students from different fields and disciplines. Thus Eton Mayo (1933) had developed industrial psychology and human relations. Other authors like Mary Follet (1924) and Chester (1938) began to work on various aspects of management. At the beginning of the 1940s, Dr. Drucker brought together all these views-and then invented what was missing - the mission of business, system of objectives, commercial strategy and organizational structure theory and practice of innovation, thereby creating the current discipline of management. According to him management is defining the mission of the enterprise and motivating and organizing human energies to accomplish it. Defining the mission is the entrepreneur's task and motivating and organizing human energies/resources constitute the leadership part and together they constitute management.

Schools of Management Theories: Notable management schools of thought are discussed below. Functional or process school according to Fayol (1949) is the study, analysis and teaching of management approached from its function. The **Behavioural school** such as Mumsterberd. (1962) which recognizes the centrality of individual in any cooperative endeavour. Elton Mayo's Western Electric Company studies in the United States of America sought to determine the impact of the physical environment on worker's productivity Mayo (1933). The Social School Management sees management as a system of cultural inter-relationships. The major contributors were Max Weber, Emile Durkhem and Wilfred Pareto (see Bateman and Snell (1999). Management Process School perceives management as a process of getting things done by people who operate in organized groups. Empirical School deals with management as a study of experience, sometimes with the intent to draw generalizations but often merely as a means of transferring this experience to practitioners and students; see Dalle (1966). The Decision Theory School concentrates on the rational approach to decision making. Management by Objectives is a result-oriented approach to management and effectiveness measured in terms of achievement of goats. Strategic Management entails the preparation of a mission statement based on the vision of the founders of the organization. Target Setting or Target Management has to do with each unit of a firm or an industry justifying its existence by comparing its performance with some certain desirable factors such as profit target, market share, sales revenue growth, percentage of expenditure to sales revenue, product quality, volume growth, or remedying defects in the structure of the organization. Management Science which involves problem solving and includes forecasting, networks, and modeling. Work-Study which has to do with studying the nature of work in order to find better ways of doing it within reasonable time limit. Organization and Method sometimes referred to as work-study is the study of methods of doing clerical and administrative work. Planning,

**Programming and Budgeting System** seeks to make as explicit as possible the costs and benefits of major choice in expenditure and to encourage the use of this information systematically in public sector decision-making.

Industrial Relations: Fajana (1995) defined work place industrial relations broadly as "the totality of orientations, policies, concepts, theories, procedure and sound practice of management conflict at work". According to him "the activities that are involved are very many, often times involving considerable Naira cost". At any rate, whether or not these financial costs and other side effects are seen as risks or losses depend intricately on the human resource orientations of managers. Onasanya (1999) defines industrial relations as concerning "the relationship between trade union and the employers in the industry, and the intervention of government in that relationship." He opines that the function involves the relations and interactions between employers or management and employees, either as individuals or as groups; between supervisors and workers and his trade union, and between one trade union and the other and covers employment problems and security; conditions of work; remuneration; labour and employment grievances and disputes: level of production efficiency; safety, health and welfare of worker; social security and employee development. Industrial relations is therefore viewed from two angles: the relationships of one worker with another in production or factory floor which is our major concern here and the relationship between labour union and management which is no less important and also a subject of analysis here in this paper.

The employer (private or government) is that person who has contributed resources to a business venture with the intention of making some profit; or providing social services to the people with profit goal secondary (public owned organizations). In modern industry and even- government, the employer is very likely to be faceless, obviously separated from the workforce (Fajana, 1995). Classical and Marxist theories of production in market economies describe the (owner) employer objective as the maximization of production through subordination of employees to long hours of work at minimum costs. It is theorized that for the employer or owner to succeed or survive stiff competition, he must treat his labour force as a resource, a cost to his business, like his non-human inputs, like raw materials. Some extreme theorists argue that the struggle to contain labour power 'that has been purchased' must be employer's main priority in the search for profit or capital accumulation (Braverman, 1974). Industrial relations according to Ackers (2002) has three faces: science building, problem solving and ethical. In the science building phase, industrial relations is part of the social sciences and it seeks to understand the employment relationship, and its institutions through high-quality, rigorous research. In problem solving phase, industrial relations seeks to design policies and institutions to help the employment relationship work better. In the ethical phase, industrial relations contains strong normative principles about workers and the employment relationship, especially the rejection of treating labour as a commodity in favour of seeing workers as human beings in democratic communities entitled to human right (Kaufman, 2004).

In similar vein, Stephen and Budd (2009) posit that the term industrial relations refers to the whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of modern industry. It is that part of management which is concerned with the management of enterprise – whether machine operator, skilled worker or manager. It deals with either the relationship between the state and employers and workers organization or the relation between the occupational organization themselves (Budd and Bhave, 2008).

Industrial relations involve a coherent approach to the problem of motivating and controlling employees, of handling grievances and conducting relationship with organized labour (Poole, 1986). He also put all these analytical blocks together to describe the industrial relations management. Labour union on the other hand is the umbrella body of workers in an organization. Tennenbaun (1965) defined trade union as organizations designed to protect and enhance the social and economic welfare of their members. A union attachment to an industry implies dependency since the union cannot exist without it. Customarily, these benefits are not offered willingly, the union must extract them. Thus the union is dependent on the organization and at the same time in conflict with it. The major task of the union is to maximize benefits from management. But it must do this without destroying the organization upon which it is dependent and within the limit of its own resources. Industrial conflicts represent the basic expression of the inability of the parties involved to mutually or reciprocally satisfy each other's needs. In expressing their union discontents, individuals and group exhibit different responses to the conditions or treatments causing them discomfort. Some individuals would be passive while others would be active in expressing dissatisfaction. Some conflicts may not even be expressed at all; they remain latent but quite volatile waiting to be ignited at the slightest further provocation (Fajana, 1995).

Conflict in organizations could be in intra or inter personality conflict and union management conflict. Conflict is a sign that something is wrong somewhere. Conflict is not an aberration from sociological perspectives, rather it creates or provides an opportunity for correction and reconciliation for the betterment of both the organization and the workers. The following are examples of ways by which protests can be shown by an individual worker or by the work group; absenteeism, labour turn over (resignation and dismissals), high accident rates, sabotage to employers' equipment, i.e. willful destruction of equipment and restriction of output. Forms of protests that are shown collectively by employees are exemplified by mass meetings, resolutions, demonstrations, the strike and lockout (by the employer). From motivation studies, we can infer that job or salary dissatisfaction is likely to result into certain outcome. A dissatisfied worker would prefer time off for alternative jobs thereby increasing his absence from work. Or he might just willingly, without official release, absent himself from work, especially where strong sanctions are not imposed to check frivolous absenteeism.

Yesufu (1984) said dissatisfaction with work is itself a manifestation of industrial conflict although such may have arisen out of peculiar experience of the individual employee at his work. But he said

that largely, job dissatisfaction could be experienced collectively by a group of workers who for example are faced with an autocratic and recalcitrant supervisor or manager. Johnson (1955) said manifestation of conflict especially at the individual level is high accident rates with direct financial costs. He identified restriction of output that may result directly from the cumulative effect or other expression of conflict. Consequently a worker who persistently absents himself from duty, and who records high rate of accident will only contribute little to output. This in our opinion is not good for both the organization and the individual worker.

Gouldner (1954) and Poole (1986), said the ultimate expression of individual employees' discontent in industry is his exit. Eventually a dissatisfied employee will quit because of the contradictions of the workplace's experiences with his own principle. Sometimes, this individual's right to withdraw one's service is exercised collectively and the organization is said to have a high turn over rate see (Kerr and Siegel, 1954; Otobo, 1978; Mauro, 1982; Fox, 1993). Yesufu (1984) categorized conflict into organized and unorganized conflicts. The findings of the meeting called resolution or trade dispute may invariably lead to one or more of the following types of industrial actions: demonstration, go-slow, slow-down, overtime ban, sit-in, work-in or the strike which is the most violent and destructive form of grievances.

Onasanya (1999) is very instructive. He states that trade union influences the employer to offer better conditions and welfare provisions without minding the cost to the employer, while the employer seeks to control costs by dampening workers' demand, restricting what is payable to the barest minimum, and disentangle itself from government legislations. He adds that the government in implementing its responsibility to the economy provides the framework to settle trade disputes and prevent restrictive practices. Generally, poor, management of industrial relations involves significant financial costs to the parties. Consequently alternative or conflict minimizing methods are normally instituted by the industrial relations actors so that conflicts do not result in destructive industrial actions or prolonged attempts at third party resolution Fajana (1995). Good industrial relations start from good human relations by supervisors and managers, and the aim is to ensure industrial peace or harmonious industrial relations so that the maximum level of productive efficiency can be attained, and the economic returns equitably shared by contributors.

**Organization:** is organizing human and non-human resources to achieve organizational goals. Management is a process by which certain coordinated activities are directed at organization resources with the aim of achieving organizational goals in an effective and efficient manner (Osamwonyi and Igbinosa, 2005). However, for the purpose of this article we accept the common definition that management is the coordination of all resources through the process of planning, organizing, leading and controlling towards achieving organizational objectives. Organization has been defined as a social unit deliberately created, established or designed to achieve some specific purpose. A social unit is made up of people and has a specific purpose. Examples of such organization are the prison with the purpose of keeping some kind of people away from the society;

a business enterprise financially set up to make profit; the university whose primary aims are to teach people, carry out research and disseminate the research findings. Commenting on why organizations are established and how these goals can be achieved, Rue and Byers (1979) concluded that managers of today and perhaps even more in the future must concentrate on where they and their organizations are headed. Keith (1974) has proposed some important role for teamwork in enabling organizations to attain the dream of effectiveness. An organization will be far from achieving effectiveness and growth when team members work at cross-purposes, sometimes emphasizing interest that have selfish connotations to the detriment of the organization. According to Davis "a group is able to work together as a team only after all the people in the group know the roles of all others with whom they will be interacting".

Vaid (2003) argues that the performance of the organization is often impeded by problems that could be successfully solved by tapping into their culture and the relationships between the workforce. Similarly Ghosal and Westney (2005) believe that organizational culture and harmonious industrial relations can help in ensuring order in the organization and cohesion of organizational members.

The organization exists in an environment upon which it depends for inputs and where output is disposed. Management has the objective of implementing certain programmes to ensure that the organization achieves its objectives. Worldwide recession has affected organization structures and practices while global management has brought organizations face to face with complex cross-cultural issues. To survive these unprecedented turmoil, most organizations embark on a number of measures including revitalization, renewal, repositioning, restructuring supported by management techniques to improve their operations.

#### Siege (1999) contend as follows:

As the world becomes more interconnected and organization more complex and dynamic, work must be meaningful. It is no longer possible to figure it out from the top and have everybody following the order of the grand strategist. The organization that will excel in the future will be the organization that discover how to top people's commitment and the capacity to learn at all levels in organizations.

**Organizational Ailments:** Organisational ailments refer to diseases, disorder inadequacy and other abnormal 'deformities' that can negatively affect the performance and corporate image of organizations, and even their survival. Some of the ailments causing corporate failure in Nigeria include poor management, goal displacement, fraud and corruption, peoples' problem (carry over of personal problem), and ethnocentric problems. Corporate failure can emanate quickly if internal problems already exist. Goal displacement means a situation where an organization is forced out of its mission and vision due to problems emanating from fiscal policies, competition and other

economic hardships. Fraud and corruption are very prevalent. Fraud is deceit, imposture and criminal deception with the intention of gaining an advantage like financial mismanagement and misappropriation. Corruption is involves but not limited to dishonesty, deceit, greed and other non-conventional management traits. Many organizations like the Nigeria Airways, Nigeria Telecommunications Limited (NITEL), Nigeria National Petroleum Corporation (NNPC) and the police have suffered numerous cases of corruption and fraud.

Peoples' problems have their origin from individual background and culture. These are problems affecting the individuals at home like family problems, stress, temperament, cultural traits and other intra and inter personal crisis. Ethnocentric problems include male-female chauvinism and rivalry. Other organizational ailments are finance and its disbursement, shareholders mistrust for management, faulty judgement, risk assessment, and budget control. All these can lead to disintegration of the organization, but the emphasis in this paper is on poor management which places a burden on the organization especially in the form of ineffective personnel and industrial relations management such as job definition, wrong assessment and promotion of workers. Major areas of conflicts in industrial relations identified by Onasanya (1999) are wages (to the worker wages represent satisfaction that should be maximized while to the employer wages are costs to be minimized); labour (seen by trade union as partner in production while management sees it as cost in production; job security (the worker expects it while management wants mobility to meet changing requirements); and management (employer see it as its prerogative and trade union feel it must have its say). To deal with this organizational ailment, good industrial relations, understanding and trust through dialogue are required to promote industrial harmony.

#### **Some Theoretical Underpinnings**

The review of the literature on management and industrial relations in organization reveals that there is basically more than one theoretical perspective for understanding industrial relations as a research topic. The presentation of this paper is based on the concept that the task of all managers is to design and maintain an environment conducive to the performance of individuals who are working together in groups toward the accomplishment of some preselected objectives of an organization. Within this context, we assume the theories below:

(a) We assume Social Exchange Theory. The assumption of the social exchange theory is that there is a price for every thing. Exchange theory maintains that to analyze people's behaviour towards one another, we must regard such behaviour as an exchange of tangible goods and services. People choose which exchange they will participate in after examining the costs and rewards of alternative exchanges. Peter Ekeh in his Social Exchange theory (1974) spoke of two traditions of the exchange theory namely: the collectivistic and individualistic traditions. The collectivist tradition emphasizes a moral obligation in social exchange between individuals or group of individuals. The individualistic tradition involves exchange in small groups with an emphasis on rationality, profit and fair exchange. But this tradition is not as concerned with integrating the social system as the

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collective tradition. In fact, under the individualistic tradition, actions and reciprocal actions are restricted to their original givers and receivers.

(b) This paper also assumes Symbolic Interactionism. The prime purpose of Sociology from the Symbolic interaction is to point out that essentially different processes are at work in interactionism. The interactionist's aims are different. These aims are in general, the application of a set of basic principles to specific cases of human action with the intent to understand the action somewhat as the participant himself understands it. While the participant in the action would probably use different language in describing his activities and feelings from that used by the Symbolic Interactionist, the general intent is to discover the actor's predicament and situation as he sees it. In learning how to act, the person acquires attitudes and behaviour patterns from others. These attitudes or the posture of the management team towards the other members of an organisation are reflected in the type of the relationship existing thereto. This in turn will to a large extent determine the level of morale of the employees who will actually feel humiliated for being fenced out from the scheme of things especially when crucial decisions affecting the organisation in general and their welfare in particular are being discussed. We believe that whether an organisation will succeed or not will ultimately be determined by the kind of relationships (strained, cordial or crisis ridden) between the management team and the other employees in an organisation.

## METHODOLOGY

The method and techniques employed in collecting data and information for this study are documentary studies and data collection through carefully implemented questionnaire and oral interview. The questionnaire was structured with open ended and closed-ended questions. One thousand and five hundred copies were administered to staff randomly selected from the ten major organizations in Benin City and Lagos metropolis. The companies are Nigeria Bottling Company Plc, Nigeria Petroleum Developments Company a division of Nigerian National Petroleum Corporation (NNPC), ail in Benin City. Others are National Electric Power Authority (NEPA) and Nigeria Ports Plc on Broad Street, Cooperative Development Bank Plc on Campbell Street, Nigerian Breweries Plc in Igammu, Afribank Plc head office, Nigeria Bottling Company Plc (NBC) plants A&B Ikeja, Besteve Associates Ltd., Titon Company Ltd, and Perfectu Ltd in Ikeja, all in Lagos, Nigeria.

The manufacturing and government parastatals are more in the sample because of their complexity in terms of staff strength, span of control and bureaucracy (see (Osamwonyi, 1984). Guinness, Nigerian Breweries and Nigerian Bottling Company Plc for example employ very large number of workers of diverse background, education, personality and nationality. Other important organizations are government parastatals like the Nigerian ports Plc, Nigerian Telecommunications Limited, and Nigeria National Petroleum Corporation. We decided to choose these organizations because of the roles they are playing in the lives of Nigerians, and Nigeria as a nation.

The banks and some other smaller companies were chosen because of their roles too in the lives of Nigerians and in the growth and development of the Nigerian economy. It is our opinion that many banks have experienced distressed partly due to the ineffective and defective management style apart from the now generally accepted reason of corruption and fraud. We employed stratified sampling method in choosing the respondents and adopted the existing structure within the organizations. The respondents were not allowed to seek help from colleagues when answering the questions. As part of data collection, we interviewed some senior members of management of some organizations on the basis of track record especially the chief executive officers. A total of 1,500 copies of the questionnaire were administered. Descriptive statistics were employed in the analysis.

### **Application of Harmonious Industrial Relations in Organisations**

Harmonious industrial relations refers to an industrial environment where workers along with their union and management understand and accept each other as partners in progress; that a cooperative attitude is mutually beneficial in terms of output, performance and rewards. It does not assume that conflicts do not exist but that effective and proactive collective agreements and grievance procedure exist that can prevent the conflicts from transforming into a crisis. Thus internalizing a harmonious industrial relations will eliminate poor management as it relates to human resources management. In the Nigerian environment, many problem enterprises result from executives, managers and employees who exhibit specific attitudes and behaviour patterns; these inhibit harmony and create ailments. From interviews and questionnaire administered (data analyzed in next section), these attitudes and behaviour patterns are summarized as follows:

- (a) Making decisions with little knowledge of the implication on the systems or the people who have to implement them.
- (b) Failure to communicate decisions effectively to those charged with implementation.
- (c) Working as individual rather than as a team. Most Nigerian managers believe too much in their ability and ego. They tend to know all about all. They believe in dishing out orders, directives and policies to the workers. Soon, they are isolated and hated by the workers.
- (d) Sometimes management does not act as they talk. Some managers are known to believe in the "do what I say not what I do".
- (e) Establishing measurable criteria for only short-term financial or people management. We are saying here that management has lost grip of the real situation and they lack foresight and proactiveness. They only believe and plan for short-term activities and policies.
- (f) Rarely enthusing the organization with the right leadership. Majority of the leaders (management team) have tended to be selfish, self centered and incapable in most cases of performing effectively.

Clearly management needs to find new ways of working and thinking. The old principle of command, control, compliance, "of they and we" must be challenged and abandoned. Modern business is too complex to profitably separate the thinkers and doers. Our society and social revolution also is attacking the principles of compliance, without which control and command cannot work. Therefore new ones based on teamwork, consensus and creativity to allow intelligent and ambition workers must replace old traditional principles.

**Managing Employees Productivity Using Transactional Analysis:** The place of employees in any organization (private or government) cannot be over emphasized. From sociological and management science point of view, society need of food and services do not come in ready-made form. People are employed and charged with the responsibility for their transformation, distribution and exchange. It is for this purpose qualified people or personnel are recruited to carry out designated tasks in an organization.

From sociological perspective organizations by extension are groups of individuals that agreed to work together for a common goal(s) through a clear fine of activity. Organizational goals vary from one organization to another. It is true that employees charged with the implementation of organization goals and aspirations must be result oriented. This is to forestall organizational ailments like corporate collapse, goal displacements, inefficiency, ineffectiveness, under production and also to ensure organizational effectiveness. Failure to effectively implement brilliant programmes due to individual problems lead to corporate collapse. People problems in the work place and society in general are the deadly killer diseases. They manifest in such areas as indiscipline, greed, apathy, corruption and envy. People problems have caused serious damages to the fabric of socio-economic and political sectors, people problems have stayed long with us in organization because of the missing ingredient of the 'personality' study in management called transactional analysis.

Now, what is Transactional Analysis? Transactional analysis is a communications based practical powerful tool to understand human behaviour. It analyses the transactions lo know and understand their origin and types, thus it makes behaviours to be result directed and oriented. Transactional analysis imparts the skill to understand behaviours in order to relate effectively to other people in the work place environment. Transactional analysis was developed by Eric Berne. (1910-1970) a famous America psychiatrist best known for his book "Games People Play". Transactional analysis is a positive toot of management that can be used to enhance life and work and move the organization forward. Transactional analysis lies in the fact that there is hardly any human relationship that is not transaction based. We see this clearly manifested in work places, homes and religious groups. It is thus a good tool for group effectiveness and teamwork. This makes transactional analysis indispensable for employees of any category charged with implementation of organizational programmes, policies and directives. It improves awareness, sharpens weak management skills responsible for incompetence. Transactional analysis says that we should

observe, recognize and analyze sources and types of transactions to enable employees (management and workers) discover and deal with people problem. Its use in organizations help to understand the links between human needs and behaviour and the ways the organization is effective in solving their customers' needs. It enhances productivity and growth.

**Stroking For Desirable Results:** Babies need physical touch for survival; as they grow older, people partially replace the need for physical touch with recognition by others. Here, both the needs of babies and adults can be seen as a 'hunger' for touch and recognition. This 'hunger' can only be satisfied by strokes. What is a Stroke? In transactional analysis strokes means any form of recognition. It can be physical touching, rocking, tapping on the back, and putting hands on the shoulder of the baby or any act showing that he/she is there. It means recognition as greetings, listening attentively to someone worth due respect and giving direct compliment secretly or openly.

Generally, people in various organizations need strokes. They in fact will not grow normally if parents or others do not touch them. There is a popular saying among transactional analysts that "if the infant is not stroked, his/her spinal cord shrivels up." This simply suggests that if infants are not touched, it is likely they may die or if they survive may be malformed. Certainly people at work places either in the private sector or government, need strokes to survive. The strokes given the employees will determine the desired results. There are two types of strokes, namely positive and negative. A positive stroke is a kind of positive recognition and may be in the form of verbal phrase, additional responsibility, and promotion, monetary incentive or any thing useful in recognizing some one positively. A negative stroke is a negative recognition, which is the same as rebuking someone, a cut in pay or demotion or both. It might seem here too simple and may seem the same as reward and punishment method, but it is not.

**Effective stroking skills:** A popular statement in transactional analysis is that "you get what you stroke." If you stroke the proper ego, state, desirable behaviour will emerge in the individual, even from the frustrated messenger, clerk, supervisor, manager, officer, chief executive, lecturer, student, religious leader, members of committee, husband, wife and child. Positive strokes make one feel good, alive, alert and significant. Strokes improve the sense of well being of people, especially if the stroking is authentic and from the right ego-state. Stroke validates people; it makes them feel confident of themselves and others. As a result, they become more effective on the job. It is advisable to learn the stroking skill or how and when to give stroke that validates them. Effective managers use positive strokes on target. Those who have gone through transactional analysis know the stroke they need and where to get them.

In these days of declining productivity largely because of "people problems" in work places and the society in general, transactional analysis is a kit for every administrator and manager and all those saddled with the responsibility of managing people and the affairs of the organization.

Transactional analysis will eliminate tension and the feeling of being sidelined neglected or not recognized by management. Management team on their part will feel accomplished to work with willing and cooperative work force because of positive strokes he now employs instead of the mistrust, skepticism, tension and rivalry associated with the compliance, command and the we-they style of management and supervision. Managers can be equipped with these powerful tools through education/training and development. In fact, for any human development initiative to make sense, it must be focused continuously: and the focus is primarily on training; need identification, preparing a training plan, implementing a training programme, evaluation and feedback. We believe competence in transaction analysis comes in various forms including skills, proficiency, experts and excellence.

# Analysis of Survey Evidences Supporting Harmonious Industrial Relations as a Panacea

Copies of the questionnaire were used to survey the opinion of people about the state of industrial relations in their enterprises and the internalization of harmonious industrial relations as a panacea for organizational ailments. The questionnaire was administered to a total of 1500 respondents in 10 organizations. Of the 1500 administered, only 1002 responded by returning the answered copies of the questionnaire. Two copies were rejected for mutilation. A total of 722 were males and 278 were females; 523 were junior staff (including supervisory and non-supervisory) and 477 classified as management. Among the 523 classified as junior staff. 400 were non-supervisory while 123 were supervisory. The survey ordered the causes of corporate failure as poor management 410(41%). fraud and corruption 200 (20%), ethnocentric and chauvinistic problems 150 (15%), people's problems 110 (11%), finance 80 (8%) and goal displacement 50 (5%). With poor management heavily indicated as a major cause of corporate ailment, therefore a harmonious industrial relations strategy becomes a viable panacea.

On the question of what motivate them most, most junior staff indicated money and dignity. The supervisory cadre will rather be promoted and treated with dignity while most; of the management staff indicated promotion as their greatest source of motivation. Thus divisive policy of management indicated in the interview with some junior staff in many organizations are counter productive. Of the 523 junior staff (including supervisory and non-supervisory staff), 75% rated the management style/approach in their organization very low. Among the management staff, 55% agreed with the view that the junior staff are not treated as they should. They agreed that they are often neglected in decision-making. Out of these 55%, 25% believe that the views of junior staff are not considered because they being blue-collar workers know little about the intricacies of high level, risky and complicated matters. The remaining 20% believe that junior workers can contribute intelligently to management issues. A junior manager in the brewery industry was emphatic on the need to accommodate the opinions of the junior staff. He believed that the British conservative life style and racial discrimination inherited from colonial masters by some managers are obstacles. However, when asked how they react to bossing supervisor, most junior staff said they either

frustrate or ignore such supervisor especially in the breweries where the position of supervisors is very prominent and crucial.

On the relationship between workers in organization, indicated was ethnic rivalry (when most managers and supervisors see their positions as opportunities to help their folks, members of their ethnic group or secret cult members). Ninety percent of the junior staff of all the organizations blamed management for the strained relationship and low productivity because of what they call divide and rule tactics of management, where workers are pitted against one another and where groups based on ethnic or club affiliations are encouraged and used as spy, pressure group and sometimes counter groups. The balance 10% indicated that the problem was caused by all levels of staff. One manager disagreed and dismissed the ethnic affiliation as nonsense, blaming managers who show undue loyalty and love to their member for such suspicion. All respondents agree that production will improve when workers are invited to a round table talk before decisions are taken. However, 78% of the managers interviewed ridiculed this suggestion because they believe it will be chaotic and time consuming. A manager with a major government agency argued that round-table talk between workers and management will erode the hierarchical ordering of things. Another manager in a different government organization suggested a monthly meeting of both management and workers to help solve organizational ailments, that junior staff are not of low intellect.

On adequacy of remuneration, 550 described it as poor while 85 indicated very poor on a five Likert scale; negative responses were 63.5% of total respondents. To see if they will understand if the poor remuneration has to do with poor output or performance, they were asked to indicate whether their companies were doing well or not. Four hundred and ten (41%) indicated not sure indicating a communication problem. On job security, 320 (32%) indicated fear of retrenchment, and they were all junior staff. On management respect for collective agreements, the result was quite good, 850 (85%) strongly agreed. It was the same for effectiveness of their trade unions, 890 (89%) agreed that they were effective but 78 (8%) complained that they now act as if they were more of the side of management; indicating weakening trade unionism. On violation of seniority rights, 300 (30%) indicated some form of violation; asked what was responsible, 200 (20%) indicated tribalism (not surprising) while the rest were not sure of the reason. On frequency of unjust treatments such as favouritism, tribalism, unfair discipline, and unnecessary transfers, 620 (62%) inclusive of some management staff accepted that such incidents were common. How often do they resort to strikes, all indicated very infrequently, yet 500 (50%) say that they have adequate reasons to go on strike. Suspecting less obvious type of rebellion, they were asked whether poor remuneration and unjust treatment have affected their attitude towards work, 85% of the 500 indicated yes, On effectiveness of grievance procedure, 389 (39%) rated it below fair in their organizations. The sum of all these is that industrial harmony is lacking with implication for organizational performance and health. On effective industrial relations as a panacea, 80% junior staff and 42% senior staff supported the strategy.

Since we are to test whether or not organizational ailments can be cured where management and workers cooperate to effect harmonious industrial relations, chi-square test can be useful. We hypothesize that harmonious industrial relations cannot eliminate the organizational ailment of poor management.

 Table-1.
 Responses to Whether Management-workers Cooperation can cure Organizational Ailments.

<b>Observed data (Responses)</b>	Frequency	%
For	620	0.62
Against	380	0.38
Total	1000	1.00

Calculated  $X_2 = 57.1216$  while observed  $X_2 = 3.84$ . Since our calculated  $X_2$  value is outside the acceptance region at 5% significance level, we reject the hypothesis and conclude that organizational ailments can be cured when management and workers cooperate. This conclusion is important because with the actors in the work place accepting the importance of cooperation, implementation will become easier.

On the issue of the style of management in their organization, people were interviewed if they would prefer democratic, autocratic or laissez faire for their organization. The data collected indicated that junior staff and management staff have different preferences for management style. To investigate whether this difference was significant or not, it is hypothesized that both senior staff and junior staff have preference for the same management style.

Table-2. Management Style in the Organizations.					
Respondents	Democratic	Autocratic	Laissez-faire	Total	
Junior Staff	475 (420)	25 (21)	100 (159)	600	
Senior Staff	225 (280)	10 (14)	165 (106)	400	
Total	700	35	265	1000	

Table-2. Management Style in the Organizations

Calculated  $X_2 = 74.339$  while observed  $X_2 = 7.81$ . Since our calculated  $X_2$  value is outside the acceptance region at 5% significance level, we reject the hypothesis and conclude that the senior staff and junior staff opinion about management style differs. This difference in opinion prevalent in the companies surveyed we believe has a far-reaching impact on industrial relationship and output.

The manager must be able to use persuasion, logic, weight and strength of facts and argument and good networking without hierarchical power to enhance business results or accomplishment or business projects. The Managing Director of a development bank agreed with the above requirement of a good leader and added the need for adaptive influence skills. Our recommendation is that organization should adopt a particular set of human resources practice depending on their strategic type or stage in the organizational life cycle. Human resources strategy can either be

planned or emergent. Its design and implementation can be affected by external variables such as the number of young people entering the job market, and the increasing level of education or new employment laws, and by internal variables such as corporate culture, leadership style and informal group.

### **DISCUSSIONS OF FINDINGS**

The results of the analysis of this study show that the deep seated animosity, rivalry and suspicion between the management and the workforce have been the bane of organizational development in the study area and Nigeria in general. The extent of the problem may largely account for the retrogressive performances of the ailing organizations surveyed in the study area. The lack of trust usually results in resentment of the management actions no matter how feasible and positive they are, by the workforce in the surveyed organizations.

This study reveals that a lot can be achieved when management and workers in organizations unite to collectively resolve to pursue a goal that will benefit all and move the organization forward. This is because when there is trust and unity, the labour unions will willingly forgo some rights and benefits and other entitlements accruing to them for the organization to recover from any problem. Harmonious industrial relations is a sure panacea for organizational ailments because any move, attempts, strategy and other operational options to get the organization back on its feet may not succeed if the unions/workers are suspicious and antagonistic about the move or intentions of the management. The current recession in some European nations like Spain, Greece and Portugal are classic examples and pointer to this fact. We believe the efforts of by management of most of the organizations and the genuine efforts of the Government of the aforementioned nations to revamp the ailing organizations and the economy are not yielding expected positive results because of the deep seated mistrust between the workers and the management the organizations and the nations in question like the global economic meltdown, but united workforce will easily overcome the problem than a feuding unions and management/Government.

When there is mutual trust and oneness of purpose by all concerned in an organization then the workers and even the management may willingly forgo certain rights and privileges as a result of any austerity measures aimed at restoring the organization to the right path or direction for the benefit of all and the overall good of the people, investors and stakeholders. Harmonious industrial relations is indeed a sure panacea for organizational ailments (Kaufman, 2004; Stephen and Budd, 2009). Management failures, fraud and corruption accounted for over 60% of corporate failures, rot and decay in the organizations surveyed in this study. Strikes and other industrial disputes are inimical to organizational goals and aspirations but they are avoidable and/or can be reduced to the barest minimum when management and workers cooperate and harmonise their efforts geared towards finding feasible and sustainable panacea to any ailment bedevilling any organization

## **RECOMMENDATIONS AND CONCLUSIONS**

Business has more to learn from the substantial number of great companies, which appear to sail severely through all storms of change. These organizations grow and encompass the changes around them without sacrificing or perhaps because of their original values and committed and seasoned management team. What many executives may still not understand is that when unions and management become locked in crises, it is to the detriment of customers and beneficiaries (both internal and external).

On achieving industrial harmony, all that have been pointed out so far, should make it clear (hat the development of a purpose statement and supporting principles and values is important. An organization cannot expect to release the potential of employees unless they can share the vision or purpose of the organization. We recommend that to ensure change, the manager will need to:

- (i) Encourage, open and frank discussion of the company's problems with the subordinates;
- (ii) Seek the opinion of those doing the job;
- (iii) Explain their discussion to those who have to carry them out;
- (iv) Recognize the contributions of all involved in the job;
- (v) Set collaborative goals to encourage team work instead of autocracy: and
- (vi) Listen to rather than talk at their subordinates.

We recommend that executives must take ownership of the new principles to the extent that they examine and amend all traditional procedures and practices. They must also turn their attention to the area like management style and worth of employees. In other words a participating and listening type must replace the traditional management system of command and control. As the findings of our survey revealed, employees as individuals can influence an organization. That level of influence will vary from one to another. The passive personalities will be delighted that the leaders seek their opinion from time to time whereas active personalities will want to be leaders. For the latter as the survey showed, delight will come from ability to act upon their own judgement. Releasing the potential of the workforce does depend on management sharing some control of the resources and empowering employees. We recommend however that this should be introduced in an evolutionary rather than a revolutionary manner.

Moreover, in the area of goal setting and recognition management should begin to think or ask to what extent their methods of rewards and goal setting actively promote mutual trust and collaboration as against management by objectives, individual payment by result or appraisal systems. Management will demonstrate its recognition of individual contributions by its commitment to change traditional practices and procedures for more dynamic and rewarding practice. Peer recognition is a powerful motivator, which provides self-esteem and confidence and should be encouraged along with mutual respect of each other. Good management that has earned employees' trust, openness, workers' participation in planning and management, fair remuneration,

informed participants in the industrial relation system, good collective agreements, adequate and realistic productivity agreement are important. We also recommend effective and understood grievance procedure that is simple, straightforward, flexible, proactive, responsive, devoid of protocol and time conscious is central to harmonious industrial relations.

Our conclusion therefore is that harmonious industrial relations are the most potent panacea for organizational ailments because it will only take the combine team of committed management with the technical know-how and resolved cooperating and understanding employees who believe they have a stake in the scheme of things to solve organizational ailments like ineffectiveness, inefficiency, fraud and under production, conflicts, etcetera. This option of concerted efforts by management and staff for a common goal of moving the organization forward we believe is far better and potent than rationalization, retrenchment, shut-down, even merger or acquisition. Employees will be ready to concede defeat, or sacrifice, and entitlement to ensure the organization is back on its feet.

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