Strike Action and Trade Union Objectives of Oil and Gas Servicing Companies Operating in Port Harcourt, Rivers State, Nigeria

George Soye Siyeofori and Dr. Chris Biriowu
Department of Management, Faculty of Management Sciences, Rivers State University, Nkpolu- Oroworukwo, P.M.B. 5080, Port Harcourt, Nigeria

Abstract: This study examined the relationship between strike action and trade union objectives of oil and gas servicing companies in Port Harcourt, Rivers State, Nigeria. The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through structured questionnaire. The population was made up of 100 employees from 4 selected oil servicing companies in Port Harcourt and the Taro Yamane’s formula was used to determine the sample size. From the population, the corresponding sample size at 5% margin was 80. The hypotheses were tested using the Spearman’s Rank Order Correlation Statistics. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. The study findings revealed that strike action significantly influences trade union objectives of oil and gas servicing companies in Port Harcourt, Rivers State, Nigeria. The result of the findings further revealed that strike action positively enhanced economic objectives, security objectives and social recognition objectives of oil and gas servicing companies in Port Harcourt, Rivers State, Nigeria. The study recommends that management of oil and gas companies should endeavor to keep to their own bargain of the terms of work with the employees as strike actions can affect the income generated by the organization and a breakdown in the general objective of the company at large. The management should also ensure they build a proper relationship with their employees, so that in times where they cannot meet up to their own part of the bargain or failing to pay or compensate the workers in any way, the employees will be considerate enough to wait patiently

Keywords: Strike Action, Economic Objective, Social Recognition, Security Objective Trade Union Objectives

INTRODUCTION

Strike action which is one of the indicators of industrial action or labour strike, it happens when workers boycott work. It is as a result of employee dissatisfaction that strike was adopted by workers at the advent of large scale industrial complexes and factories at the start of the industrial revolution, those who owned and established large scale industries held more power, though a reasonable amount of first world countries permitted various forms of industrial action during the end of the 19th and 20th century. Nnoyelu (2008) contends that strike became a method that employees adopted to ensure that government and owners of the means of production put in place favourable policies to the workers as failure to do that might lead to resistance and eventual destabilization of the work environment.

According to Ewurum (1996) since strike actions are the most important aspect of conflict within an industry, it can be difficult to also differentiate strike from other forms of expression of
dissatisfaction. It is imperative to see all actions as part and parcel of conflict within an industrial space as there is no way to state clearly the form of industrial action to be adopted by grieving workers, according to Kolade (1981) whenever there is strike or any other form of industrial action man hours are lost. For instance, in January 2012, the two major trade unions in Nigeria (the trade union congress and Nigeria Labour congress) organized its members for an all out shut down and protest against the abrupt removal of fuel subsidy which resulted in the increase of pump price of petrol from N65 to N145 per litre.

This strike destabilized the economy of the country. Trade at the stock exchange slumped to about 82 percent, flights within the domestic wings of airports stalled and despite it all, fuel subsidy was not returned and petrol price remained at N145. Every economic activity was grounded as a result, all banking operations fell drastically to a point of forced early closing hours and shut downs, the stock exchange managed to remain open but had so many bad deals as the entire nation was in disarray.

It is in against this backdrop that the research will explore union aims and objectives and how strike and other forms of industrial actions are used to achieve them. It seeks to review policies of management and how work place cooperation can be enthroned.

This study was guided by the following research questions:

i. What is the relationship between strike action and the economic objectives of oil and gas servicing companies operating in Port Harcourt, Rivers State?

ii. What is the relationship between strike action and the job security objectives of oil and gas servicing companies operating in Port Harcourt, Rivers State?

iii. What is the relationship between strike action and the social/ recognition objectives of oil and gas servicing companies operating in Port Harcourt, Rivers State?

**Fig.1:** Conceptual Framework for the relationship between strike action and trade union objectives

**Source:** Author’s Desk Research, 2020
LITERATURE REVIEW

Theoretical Foundation

Conflict Theory
Conflict theory which has been used to explain a wide range of social phenomena, including wars and revolutions, wealth and discrimination best explains disagreements between parties in industrial relations. For Sharp (2005) who embraced the works of Karl Marx (1818 – 1883), the central idea of conflict theory is driven by class conflict being that society is made up of individuals who compete for limited resources, competition over scarce resource is at the heart of all social relationships. Competition, rather than consensus, is characteristics of human relationship. Broader social structures and organizations reflect the competition for resources and the inherent inequality competition entails.

Some individuals and organizations have more resources (i.e power and influences), and use those resources to maintain their positions of power. Sears (2008) opined that societies are defined by inequality that produces conflict rather than order and consensus, thus conflict is based on inequality and can only be overcome through fundamental transformation of existing relations in the society and its product of new social relations.

He noted that human potential (e.g capacity of creativity) is suppressed by conditions of exploitation and oppression, which are necessary in any society with unequal division of labour. Human potential explains the relationship between the two mean parties of industrial relations, that is management and trade union, the interaction between these two parties brings about agreement and disagreement and often times conflict. This is as a result of both actors have diverging views. For Mills (1982) who has been called the founder of modern conflict theory social structures are created through conflict, one important factor to bear in mind is that conflict is unavoidable in any industrial relations system that is made up of groups that are antagonistic for Kolade (1981), conflict within work situation may arise over the native of task value and rate of remuneration, and also conflict may manifest in the form of peace bargaining and grievance, handing of boycotts or restriction of output.

Strike Action
According to Fashoyin (2014) the unpalatable side of industrial relations and one which the public often associates unions with is strike. The strike indicates a breakdown of cordial relationship between labour and management and is usually one aspect of industrial relations that invites the most negative commentary. However for Okene(2008) strike action, distasteful as it is performs various useful functions for the two sides of industry. When a union calls out its members on strike, it is in the belief that the strike will exert pressure on the employer to take desired action, such as conceding to a demand for improvement in terms of employment, or ameliorating an unsatisfactory working condition. All strike, fit into this description.

Most strikes involve attempts by either union or management to change bargaining position of the other party. “When properly used, a strike can force management to concede the demand of the union. It can impose exorbitant costs and thereby induce them to reach agreement. “Apart from the use of strike by the workers to win substantive demands, a strike may be used to effect
changes in structure of bargaining. It may also serve to lower the expectations of the rank and file” (Fashoyin, 2014:175).

Otobo (1981) contends that, in spite of the usefulness of strike option in the union – management relationship, it imposes costs on both sides of industry and the economy as a whole. The cost of strikes to the union and its members represents loss of income to both parties, in addition to social costs which would be incurred during the inevitable image repair processes that such action would impose on them. For Roper (1990) the union and its members agree to incur these costs in order to improve certain terms of employment. On the employers side, the costs of the strike is in terms of lost output and profit, as well as the social stigma if imposes on them. Roper (1990) also argues that for the economy, loss of productivity which affects the gross domestic product, constitutes the most significant loss to the society.

Admittedly, according to Yusufu (1992) not all strikes lead to a loss in productivity. For example, the impact of a strike that is anticipated by management will be reduced if the latter had increased output for storage before the strike action. Similarly, a strike organized during a slump or off season period may only lead to the postponement of production to a future date. In summary the worker who participates in a strike is consciously aware of the consequences of his action. Naturally, his or her primary concern is him or she, he or she is concerned about the economic and social consequences of the strike to him or her. He/she is however, equally aware that his/her action will have an impact on the community. Therefore, the workers’ decision to take part in a strike would be balanced between the eventual gain (or loss) accruing to him/her on one hand and the consequences of the action in the community.

**Trade Union Objectives**

Trade unions all over the world are known for the function or roles which they perform. The end result of these roles-negotiations, collective bargaining, worker's protection and employee motivation is usually better organization and more productivity. This is so because the trade unions recognize that they stand a better chance when productivity is increasing and the economy is buoyant. The functions of Trade unions are a lead way to which they carry out their objectives. Nnonyelu (2000) opines that trade unions perform three major functions which according to him are:

1. To bargain on behalf of the members for a better wage income and good working conditions in the work situation.
2. To persuade the government to pass or promulgate laws in favour of the working class.
3. To ensure that injustice inflicted on the employee (workers) is brought before an honourable court for fair hearing.

Akpala (1991) highlighted the following as the functions of trade union

a) Trade union affects the general level of wage in favour of their members in terms of obtaining higher pay.
b) The union proved to be useful in handling grievance arising from the unsatisfactory elements of the job.
c) The membership of the union helps counter balance the impersonality and anonymity of the job.

d) Trade unions represent the interest of various occupational groups.

In shedding light on the functions of trade union or the labour unions William (1974) highlighted the following:

1. The union offers the workers protection and status, as opposed to the more complex returns of job satisfaction and livelihood offered by the company.

2. The union helps seniority

3. The union is a restraint on the foreman, especially on a domineering foreman.

4. The union helps in the settlement of grievances

5. The union is a wage instrument.

Taylor et al (1969) opined that the unions perform the following functions;

- Unions advance the general welfare of the community by raising the standard of living of their members.
- Raise their intellectual moral and social conditions and make improvements in their arts.

Gutkind (1995), enumerated the roles or functions of trade unions in industrial relations as follows:

- Welfare of their members: unions advance the welfare of their members by seeking wage increase in the light of raising cost of living and better/improved working conditions. These result in improved services, organizational strength, enhanced fringe benefits, better job security and promotion prospects.

- Industrial peace: seeking co-operation and effective communication between unions and employers or management to ensure industrial harmony. This is the aim of every social partner.

- Democratic processes: union membership based on voluntary interest, engaging in collective bargaining and consultation, taking part in settlement of trade disputes, seeking to participate in decision making on matters of interest to them, both internally within the union and externally in the firm and society.

- Productivity: insisting on humane conditions of work, supporting change, observing terms of collective agreement, protecting workers against physical and other hazards in the industry.

For Roper (1990) the union objectives or goals have been widely debated, what they are, what they should be and sometimes, what they could be given opposing forces in the society.

The aims and objectives of unions vary according to the union's political ideology. For some unions, it is improve work culture and productivity and encouraging private initiative; for some others, it is to change the existing system of production; others to join with the political parties that form the ruling class.
Ananaba (1990) argued that Trade Unions engage in negotiation which involves bargaining and settlement reached, depends on the relative bargaining skills of the two parties. Negotiation takes place when two parties meet to reach an agreement. Negotiation could be on convergent process (willing buyer-willing seller situation), where both parties are equally keen to reach a win-win agreement, or on divergent process in which one or both parties aim to win as much as they can from the other while giving away as little as possible.

Negotiation skills are exercised in the process of collective bargaining. Within the process negotiation, bargaining takes place. Negotiation involves four stages: Preparing for negotiation; setting objectives, defining strategy and assembling data; Opening, Bargaining and Closing.

**Economic Objectives**

For Yusufu (1992) the end results of the function and roles of Trade union leads to -negotiations, collective bargaining, worker's protection and employee motivation is usually results in a better organization and more productivity. This is so because the trade unions recognize that they stand a better chance when productivity is increasing and the economy is buoyant.

To negotiate is to converse with a view to finding terms of agreement. The process of negotiation involves conferring with the hope of reaching agreement without resort to force.

Kolade (1980) argued that economic objective of Trade Unions include seeking for a wage level in favour of their members in terms of obtaining high pay, thus, the union is a wage instrument that gives workers a voice and offers protection in terms of job satisfaction and improved economic livelihood;

Voos (2009) suggests that the objectives of unions typically include:

Raise the wages of employees they represent

- Increase the fringe benefits of those same employees usually by a greater extent than they increase wages.

- Reduce income inequality within the represented firm by reducing differential between low paid and high paid employees, men and women, various racial ethnic groups, younger and older employees and so forth.

- Increase of non-union workers in occupation and industries with substantial union presence as non-union employers move close to union standards.

- Reduce income inequality in the wider society by reducing inequality not only within and between represented firms, but also across entire industries as non-union employer increases compensation to discourage unionization, all of which strengthen the middle class

Reduce employee turnover by lessening the number of quits (voluntary separations)
Job Security Objectives
This is the most important and one of the traditional aims of trade unions. It is aimed at protecting the workers from losing their jobs.

Jobs that always have very strong union presence are usually government and civil services jobs. Jobs in the education, healthcare and law enforcement agencies are said to be secure whereas private sector jobs offer lower job security even with the presence of union. For Murphy (1999) as the labour market becomes more flexible job security will be affected, unions usually ensures that members can cope effectively with any wind of change. According to Tuning (2014), trade unions usually negotiate through collective bargaining a robust due process rights of members in the hiring and firing process, employees get certain amount of leverages and cannot be disengaged without due process. In a case of disagreements the due process rights as posited by Perez (2010) include the

- right to have a union representative present where hearings and investigation as it concerns their employment status are done.
- make all disciplinary actions to be formal through hearings for it to be seen as fair.
- remain on paid leave until the every issue is resolved.

In all trade union plays a key role in guaranteeing employment security, making sure the rights and privileges of its members are secured and thus, protected against undue disengagement by employers.

Social and Recognition Objectives
According to Honneth (2012) recognition is to acknowledge the status, services or achievements of a person. He further stated that recognition is also when a person is accorded special classification. In organizations recognition is used among workers and managers to encourage employer/employee engagements.

Recognition comes with two dimensions normative and psychological. For Ricoeur (2005) the psychological aspect of recognitions deals with feedback, identity and acknowledgement of status which depends on the feedback gotten from interaction.

Brandom (2007) identified three (3) forms of recognition and they are as follows:-

- Elementary recognition:- This form of recognition comes into play to create and preserve identities noting the existence of a person and his status, and capacity to take various tasks.
- Respect:- With the universal enthronement of human rights universally, to accord equal dignity is thought to be an important part of recognition. For Scanlon (2000) respect is the expression of morality as it has to do with acting with principles that others will embrace or one that appeals to them.
- Esteem:- In most social struggles, groups or individuals demand to be recognized by specific aspects of what their identities tend to be which are often times neglected by the environment or society they live in.
Thus, the freedom to assemble freely and form association with a political party, Trade Union or any other association for protection of rights and privileges as enshrined by the Nigerian constitution is to be recognized. A trade union is however described by the Trade Union Act (as amended) as the voluntary combination or association of employees in the same industrial sector, this is to give members identity and legitimacy.

**Strike Action and Trade Union Objectives**

Adegun (1971) in Legal framework for Industrial Relations identified three parties to industrial relation system to include: the worker and their organization, the employer and their association and government and its agencies. According to him, these parties create the institutional frame work that develops a "web of rules" which governs the industrial relations system in any country. Kilman (1976:12) “defined the relationship between unions and management as central issue for the survival of the organization in order to achieve the purpose for which it was established” workers decision to take part in a strike would be balanced between the eventual gains (or loss) according to him on the one hand and the consequences of his action on the community is as follows:

1. **To the industrial striker, strike represents the exercise of his fundamental right to withdraw his services. Situation which appears to contradict his personal wish and aspiration or which threatens the fulfillment of the needs of the individual are being registered in the process of striking. More importantly, it is these individual rights that are harnessed by the trade union to embark on strike action. The union strength in an industry, therefore largely rest on the power of the strike. The strike is a very potent tool and can be very powerful if the workers on strike represent irreplaceable labour if the production lost incurred by the employer during the strike is very significant.**

2. **The strike also makes the management to union seriously in future negotiation; as such successful strikes enhance the bargaining position of the union for next negotiation.**

3. **The strike if successful, improves the economic wellbeing of the members of trade union as they can win salary increases as a result of strike action.**

4. **Striking workers also stand the risk of losing substantial income during the period of the strike. This is because the Nigerian employer may often invoke the no-work-no-pay law.**

5. **Leaders of unsuccessful strikes tend to be crushed by both the workers they represent and the management they negotiate with. The success of the strike itself is largely dependent on the leaders mobilizing efforts.**

What emerges from the above discussion is that interaction between management and trade union determines the survival of any organization thus there will be more co-operation and productively when trade union demands are met by management.

From the foregoing point of view, we hereby hypothesized thus:
**Ho1**: There is no significant relationship between strike action and economic objectives of oil and gas servicing companies operating in Port Harcourt, Rivers State.

**Ho2**: There is no significant relationship between strike action and job security objectives of oil and gas servicing companies operating in Port Harcourt, Rivers State.

**Ho3**: There is no significant relationship between strike action and social/ recognition of oil and gas servicing companies operating in Port Harcourt, Rivers State.

**METHODOLOGY**

The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through structured questionnaire. The population was made up of 100 employees from 4 selected oil servicing companies in Port Harcourt and the Taro Yamane’s formula was used to determine the sample size. From the population, the corresponding sample size at 5% margin was 80. The hypotheses were tested using the Spearman’s Rank Order Correlation Statistics with the aid of Statistical Package for Social Sciences. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

**DATA ANALYSIS AND RESULTS**

**Bivariate Analysis**

Secondary data analysis was carried out using the Spearman’s Rank Order Correlation at a 95% confidence interval. Specifically, the tests cover the hypothesis that was bivariate and declared in the null form. We have based on the statistic of Spearman’s Rank Order Correlation to carry out the analysis. The level of significance 0.05 is adopted as a criterion for the probability of accepting the null hypothesis in (p> 0.05) or rejecting the null hypothesis in (p <0.05).

Table 1 illustrates the test for the first three previously postulated bivariate hypothetical statements. The results show that for

**Ho1**: There is no significant relationship between strike action and economic objective of oil and gas servicing companies operating in Port Harcourt, Rivers State.

The correlation coefficient (r) shows that there is a significant and positive relationship between strike action and economic objectives. The rho value 0.839 indicates this relationship and it is significant at p 0.000<0.05. The correlation coefficient represents a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between strike action and economic objectives.

**Ho2**: There is no significant relationship between strike action and job security objective of oil and gas servicing companies operating in Port Harcourt, Rivers State.

The correlation coefficient (r) shows that there is a significant and positive relationship between strike action and job security objectives. The rho value 0.519 indicates this relationship and it is significant at p 0.000<0.05. The correlation coefficient represents a moderate correlation. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and
the alternate upheld. Thus, there is a significant relationship between strike action and job security objectives.

### Table 1: Correlations Matrix Between Strike Action and Trade Union Objectives

<table>
<thead>
<tr>
<th></th>
<th>Strike Action</th>
<th>Economic Objectives</th>
<th>Job Security Objectives</th>
<th>Social/Recognition Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman's rho Strike</td>
<td>1.000</td>
<td>.839**</td>
<td>.519**</td>
<td>.648**</td>
</tr>
<tr>
<td>Action Correlation Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Economic Objectives</td>
<td>.839**</td>
<td>1.000</td>
<td>.704**</td>
<td>.793**</td>
</tr>
<tr>
<td>Correlation Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Job Security Objectives</td>
<td>.519**</td>
<td>.704**</td>
<td>1.000</td>
<td>.886**</td>
</tr>
<tr>
<td>Correlation Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
<tr>
<td>Social/Recognition</td>
<td>.648**</td>
<td>.793**</td>
<td>.886**</td>
<td>1.000</td>
</tr>
<tr>
<td>Objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Correlation Coefficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>66</td>
<td>66</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data 2020 and SPSS output version 23.0

**Ho2:** There is no significant relationship between strike action and social recognition objective of oil and gas servicing companies operating in Port Harcourt, Rivers State.

The correlation coefficient (r) shows that there is a significant and positive relationship between strike action and social recognition objectives. The rho value 0.648 indicates this relationship and it is significant at p 0.000 < 0.05. The correlation coefficient represents a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between strike action and social recognition objectives

**DISCUSSION OF FINDINGS**

The findings revealed a positive significant relationship between strike action and trade union objectives using the Spearman rank order correlation tool and at a 95% confidence interval. The findings of this study confirmed that strike actions has a positive and significant relationship with
trade union objectives. This reinforces previous studies by study by Adegun (1971) identified three parties to industrial relation system to include: the worker and their organization, the employer and their association and government and its agencies. According to him, these parties create the institutional frame work that develops a "web of rules" which governs the industrial relations system in any country. Kilman (1976:12) “defined the relationship between unions and management as central issue for the survival of the organization in order to achieve the purpose for which it was established” workers decision to take part in a strike would be balanced between the eventual gains (or loss). Same applies to the study by Otobo (1981) who contends that, in spite of the usefulness of strike option in the union – management relationship, it imposes costs on both sides of industry and the economy as a whole. The cost of strikes to the union and its members represents loss of income to both parties, in addition to social costs which would be incurred during the inevitable image repair processes that such action would impose on them.

According to Otobo (1981) who posited that strike actions in spite of how useful it tends to be in the union – management relationship it usually imposes cost on both the industry and the economy as a whole. Same also apply to the work of Ubeku (1983) who contends that most strikes and threat to strike are intended to inflict a cost on the employer for failing to agree to wages, benefits and other conditions demanded by the union and the work of Fashoyin (2014) who argued that the decision to call a strike does not come easily, because union workers risk a loss in income for long periods. They also risk a loss in their jobs especially when replacement workers who are temporarily hired to continue operations during- the course of the strike may end up staying as permanent employees.

CONCLUSION AND RECOMMENDATIONS

The idea which necessitated this study was to examine the relationship between strike action and trade union objectives in selected oil and gas companies in Rivers State. From the data generated and analysed, it was empirically discovered that a strong positive and significant relationship between strike action and trade union objectives in selected oil and gas companies in Rivers State. Based on results and the findings of the present study, our study revealed that strike action affects trade union objectives in selected oil and gas companies in Rivers State. Labour law also significantly moderates the relationship between strike action and trade union objectives in selected oil and gas companies in Rivers State.

Based on the discussion and conclusion above, the following recommendations are hereby made

i. The management of these oil and gas companies should endeavor to keep to their own bargain of the terms of work with the employees as strike actions can affect the income generated by the organization and a breakdown in the general objective of the company at large.

ii. The management should also ensure they build a proper relationship with their employees, so that in times where they cannot meet up to their own part of the bargain or failing to pay or compensate the workers in any way, the employees will be considerate enough to wait patiently.
REFERENCES


Campbell, D.I (2000). The proactive employee, managing workplace initiatives. Academy of Management Executives


