

**CONCEPT OF MANAGEMENT LABOUR RELATIONSHIP AND ITS IMPACT ON ORGANIZATION'S PRODUCTIVITY**

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***ABSTRACT***

*This study examine the concept of management labour relationship and its impact on organization's productivity. Two specific research objectives were formulated to guide the study. The research design was survey research design and 100 respondents being full time employees of Inter-Distribution Co-Limited, Uyo, Akwa Ibom State, made up of 15 Management Staffs, 30 Senior Staffs and 55 Junior Staff. The respondents were selected using Random sampling technique before being used for the study. Structured and unstructured, close and open ended questionnaire type and Oral interview were used to collect the data from the respondents. The questions in the questionnaire were framed in such a way that it elicits reliable responses and test-retest model of reliability was used to justify the use of the instrument. The findings revealed that there is significant effect of mutual cooperation on business productivity and there is significant influence of employee participation in business decisions on business productivity. One of the conclusions was that there is significant effect of mutual cooperation on business productivity and one of the recommendation was that government and management of private organizations should ensure that mutual cooperation is emphasized in work place in order to bring about high productivity of the business.*

***KEYWORDS: Labour Management, Mutual Corporation, Employee Participation, Business Productivity***

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**INTRODUCTION**

Labour Management Relations (LMR) is one of the prime determinants of a nation's productivity and then Higher Standard of Living (HSL). As a matter of fact it is one of the three guiding principles (other two are fair distribution of productivity gains and increase employment) being followed by Japan productivity center for socio-economic development. Miyai (1995) points that productivity improvement cannot be achieved without a sound and constructive labour management relationship. Healthy labour climate has been placed second out of the fifteen productivity promoting factors by Suri (1995) for public, private sector and small scale enterprises as well.

Management and labour constitute the kind of private government of the work place which to some degree may affect our lives and the lives of those who have no direct dealings with either management or labour. Hence, the need for a scientific study to investigate the concept of management labour relationship and its impact on organization's productivity.

**Statement of the Problem**

Every business organization is made up of people who work to make things happen rather than watch things happened. The wise saying "United we stand, divided we fall" is central to our

exposition of labour – management relationship in Nigerian business enterprises. In other words, hardly would any organization survive without cordiality of relationship existing between management and labour (or employees). Thus for effectiveness and efficiency, management must work with and through its workers to achieve corporate goal(s) in which productivity is the core, however if the relationship between both parties is frosty, there will be strife, strike and organizational conflict that will hinder the attainment of set organizational goal(s). This study is an effort to investigate and examine the effects of mutual cooperation and employee participation in decision making on an organization's productivity.

### **Objectives of the Study**

The main objective of this study is to examine the concept of management labour relationship and its impact on organization's productivity. The specific objectives of the study are as follows:

1. To examine the effect of mutual cooperation on business productivity.
2. To examine the effect of employee participation in decision making on productivity.

### **Research Questions**

The following research questions will be answered:

1. Does mutual cooperation affect business productivity?
2. Does employee participation in business decision making influence productivity?

### **Statement of Hypotheses**

The following hypotheses will be tested:

1. There is no significant effect between mutual cooperation and business productivity.
2. There is no significant effect between employee participation in decisions making and productivity.

## **LITERATURE REVIEW**

### **Effect of Mutual Relationship between Workers and Management on Productivity**

Productivity is one of the major concerns of managers in the 21st century. This is the concern in many parts of the world. Even Japan, which is admired for productivity improvement, is now concerned about remaining competitive in the world market. Productivity implies measurement, which in turn is an essential variable in organizational performance. Performance is a measure of how resources are brought together in an organization and utilized for accomplishing a set of result, performance can be effective and efficient only if there is a mutual relationship between workers and management. There is always a condition of services in every organization, together labour and management should determine the terms and condition under which employees will work, how much employees are paid, when they must come to works, when to leave and how promotion are done, if both parties fulfill their own part there will definitely co-exist peacefully.

A Managing Director of an Energy Firm in Nigeria (PHCN) in 2003, went around to personally acknowledge and appreciate the staff contribution to the management's success. In 2004, he went round again and even went a step further to write letters to the field staff in which he highlighted management achievements, commitments and projections. His effort to relate to workers delighted many workers, money alone can only buy machinery, tools, man's physical presence in an organization, but cannot buy initiative, loyalty and enthusiasm. Cooperation on both sides will lead to better wages, good condition of work, increased productivity, industrial peace and harmony and most importantly improve performance.

## **Labour Management Relations and Employee Participation in Decision Making**

Workers participation in decision making in an organization promotes good industrial relations, improves commitment and projection. Empowerment in the work place is allowed and employers and employees are seen as partners. Management see participation as a way of increasing the commitment and control of workers, trade unions see it as a way of increasing workers influence and control in the workplace, workers see it as a way of overcoming employer-employee conflict and of achieving co-operation between management trades union and works.

Net (2002) opined that industrial democracy is important to workers because it results in an increase share in the control of organization to the economy and community as a whole. According to Pons and Dele (1998), industrial democracy refers primarily to participate in management and decision making process by the workers in an organization. In the same vein, Eliot (1998) as quoted in Swanepol et al (2000) defined participation in decision making as affecting their work lives. Industrial democracy is a compelling aspect of management decision making. The reason for the involvement of workers in decisions affecting the affairs of the organization is premised on the fact that the workers are regarded as partners in progress by management, it is also important for management to involve workers in decision in order to ensure high level of morale and performance.

Net (2002) assert that employees should be afforded the opportunity to directly or indirectly participate in decision making. Employees will work hard to achieve an objective knowing if they were involved in its formulation; a means of participation not only increases employee's contribution to problems analysis, but also enhances their ability to make important operational decisions.

## **RESEARCH METHODOLOGY**

### **Research Design**

A research design is the frame work of plan that is used as a guide in collecting and analyzing the data for the study. (Baridam 2001). The survey research design was considered the most appropriate in this study because a variety of data gathered from the respondents were through survey methods which questionnaires and discussions were considered.

### **Population of the Study**

The population of this study comprises one hundred (100) full time employees of Inter-Distribution Co-Limited, Uyo, Akwa Ibom State. Out of this population of study, fifteen (15) were management staff, thirty (30) were senior staff and fifty-five (55) were junior staff also constituting the sales force respectively. (HR, Inter Distribution, 2017).

### **Sample and Sampling Technique**

The random Sampling Technique was used to conduct a survey on the staff of Inter-Distribution Co. Limited, Uyo. The technique allowed for the probably sampling to make each item in the population have equal chance of being chosen.

### **Sources of Data**

For the purpose of this study, the researcher employed both the primary and secondary sources of data. The primary sources relied extensively on personal observations, interviews and questionnaires administration. The study also relied immensely on secondary sources of data; these include Journals, Papers, Articles and Internet Publications in Organizational Behaviour,

Industrial Relations and Personal Management.

**Data Collection Method**

The method of data collection employed in the study was logically based on four different techniques which includes: **Questionnaire:** The study employed the structured and unstructured, close and open ended questionnaire type, to elicit precise and accurate opinion and responses from the respondents. The questions or items on the questionnaires were carefully drafted to allow room for consistency. **Oral Interview:** The researcher adopted a face to face interview with the Branch Manager of Inter Distribution Co. Limited, Uyo and the Head of Human Resources Department respectively. Several other senior and junior staffers of later Distribution Co. Limited were also engaged in a telephone conversation to further authenticate the information.

**Administration of Research Instrument**

The researcher personally administered the survey instrument, conducted personal observation and interview to obtain the primary data during the conduct of the study. The researcher also stood-by to provide explanations on issues that were considered complex to understand. This way the respondent provided more valid and reliable data for the study. Personal interview as a complement to the questionnaires was also relied upon to help uncover relevant information which were not covered by the questionnaire.

**Validity of Reliability of the Research Instrument**

The questions contained in the questionnaire were framed in a way that it elicits reliable responses. Specifically, the Test–Test Model of Reliability were used. For the purpose of the study, face validity was used to establish the validity of the instrument. The questionnaires were sent to experts in the field.

**Data Analysis Techniques**

Data collected during the study was presented using tables analyzed by means of percentages and interpreted. The researcher also used inferential statistical method by using chi-square.

**DATA ANALYSIS AND RESULTS**

**Answering the Research Questions**

**Research Question One**

The research question sought to find out the extent to which Mutual cooperation affects business productivity. To answer the research question, percentage analysis was performed as can be seen in table 1.

**Table 1**

**Percentage analysis of the extent to which Mutual cooperation affects business productivity**

Mutual Cooperation and business productivity	FREQ	PERCENTAGE
HIGH EXTENT	71	88.75
LOW EXTENT	9	11.25
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

**SOURCE: Field survey**

From the result of the above table 1, it was observed that 71 (88.75%) of the respondents affirmed high extent of the effect of Mutual Cooperation on business productivity while 9(11.25%) of the respondents rather affirmed low extent of the effect of Mutual Cooperation on business productivity.

**Research Question Two**

The research question sought to find out extent to which employee participation in business decisions making influence business productivity. To answer the research question, percentage analysis was performed as can be seen in table 2.

**Table 2**

**Percentage analysis of the extent to which employee participation in business decisions making influence business productivity**

Employee participation in decision making and Business productivity	FREQ	PERCENTAGE
HIGH EXTENT	76	95
LOW EXTENT	4	5
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

**SOURCE: Field survey**

From the result of the above table 2, it was observed that 76 (95%) of the respondents affirmed high extent of the effect of employee participation in business decisions making on business productivity while 4(5%) of the respondents affirmed low extent of the effect of employee participation on business productivity.

**Hypotheses testing**

**Hypothesis 1**

The null hypothesis states that there is no significant effect of mutual cooperation on business productivity. To test the hypothesis, goodness of fit chi-square analysis was performed on the discrete data (See table 3).

**Table 3**

**Chi-square analysis of the effect of mutual cooperation on business productivity.**

Extents	Observed Freq	Expected Freq	X <sup>2</sup>
HIGH	71	40	48.05*
LOW	9	40	
<b>TOTAL</b>	<b>80</b>	<b>80</b>	

**\*Significant at 0.05 level; df = 1; Critical = 3.48**

Table 3 shows the calculated X<sup>2</sup>-value as (48.05). This value was tested for significance by comparing it with the critical X<sup>2</sup>-value (3.48) at 0.05 levels with 1 degree of freedom. The calculated X<sup>2</sup>-value (48.05) was greater than the critical X<sup>2</sup>-value (3.48). Hence, the result was significant. The result therefore means that there is significant effect of mutual cooperation on business productivity.

**Hypothesis 2**

The null hypothesis states that there is no significant influence of employee participation in business decisions on business productivity. To test the hypothesis, goodness of fit chi-square analysis was performed on the discrete data (See table 4).

**Table 4**

**Chi-square analysis of the influence of employee participation in business decisions on business productivity**

<b>Extents</b>	<b>Observed Freq</b>	<b>Expected Freq</b>	<b>X<sup>2</sup></b>
<b>HIGH</b>	76	40	
			64.8*
<b>LOW</b>	4	40	
<b>TOTAL</b>	<b>80</b>	<b>80</b>	

**\*Significant at 0.05 level; df = 1; Critical = 3.48**

Table 4 shows the calculated X<sup>2</sup>-value as (64.8). This value was tested for significance by comparing it with the critical X<sup>2</sup>-value (3.48) at 0.05 levels with 1 degree of freedom. The calculated X<sup>2</sup>-value (64.8) was greater than the critical X<sup>2</sup>-value (3.48). Hence, the result was significant. The result therefore means that there is significant influence of employee participation in business decisions on business productivity.

**Discussion of Findings**

The results of the data analysis in tables 3 were significant due to the fact that the calculated X<sup>2</sup>-value (48.05) was greater than the critical X<sup>2</sup>-value (3.48) at 0.05 level with 1 degree of freedom. The result implies that there is significant effect of mutual cooperation on business productivity. The result therefore was in agreement with the research findings of a write up of the Managing Director of an Energy Firm in Nigeria (PHCN) in 2003 who that state that “corporation on both sides (Directors and Staffs) will lead to better wages, good condition of work, increased productivity, industrial peace and harmony and most importantly improve performance. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

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whole. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

**Conclusions**

Based on the findings of the research work, it was concluded that there is significant effect of mutual cooperation on business productivity and there is significant influence of employee participation in business decisions on business productivity and there is significant effect of strike on productivity in business enterprises.

**Recommendations**

The following recommendations are deemed necessary:

1. Government and management of private organizations should ensure that mutual cooperation is emphasized in work place in order to bring about high productivity of the business.
2. Management should encourage collective agreement and staff participation in decisions making by giving certain powers and some privileges to staff, but not to the detriment of the organization so that it can help employees in increasing their productivity.

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