

Trade Union Practices and Corporate Survival in the Oil and Gas Firms in Port Harcourt, Rivers State

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Abstract

This study investigated the relationship subsisting between trade union practices and organizational survival in selected oil and gas firms in Port Harcourt, Rivers State. This research inquiry adopted cross-sectional survey. This study utilized three research questions and accompanying tripartite research hypotheses. The population of this research is 150. The sample size of 130 was obtained using purposive sampling technique. Structured questionnaires were administered to elicit responses from the respondents. The collated responses were analyzed using the statistical package for social Sciences, SPSS version 20. The analysis of the data shows that there are significant relationships existing between trade union practices, its measures and the trio of the dimensions of corporate survival. The policy purport of this paper is that trade unionist, Human resources managers and practitioners and industrial Relations Experts should be very diligent and selective in their trade union practices so that it will contribute positively to the survival of their organizations. This is particularly expedient in the face of the economic recession plaguing the Nation, Nigeria at the moment.

Keywords: *Trade union practices, Accommodation, Mobilization, Corporate survival, Adaptability, Dynamic capability*

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Background to the Study

In virtually all medium-sized and large organizations, trade unionism have found an enduring place in operations of enterprises. The practice of trade unionism in organizations have contributed to the sustenance of the practice of trade unions in organizations (Hyman, 1975, Krans, 2007, Kerr, 1998, and Fashoyin, 2002). The Webbs (1974) define trade union as “ a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment” (Webbs, 1894 cited by Hymn, 2001). Trade union is therefore the platform on which employees (wage earners) come together for the purpose of maintaining and enhancing the service conditions in their employment relations.

Trade unions alongside the employers and the state constitute the industrial actors of any democratic and progressive society. They have become virile and so potent in a hybrid of developed and developing nations that they are deemed as integral part of the civil society and are deemed as a new that have risen in the world (Onuora, 1999). The above categorically pinpoints the progression in the incursion of trade unions as well as its potency. Trade unions and their members are often referred to as the “creators of Nation's Wealth” even in emerging economies of the world. In developed countries of the world, the trade unions and their members share amply in the benefits and profits of their labour. This is not exactly the same in developing nations of the world (Frank-Oputu, 1999). Trade unions are cardinal platforms in the general struggle for the sustenance of the civil society and the values they present. Trade unions also serve as the bedrock for the contention of the welfare of their members and by extension the civil society. This is occasioned by the might of the employers and the near helplessness of single individual employees in the bid to confront the employer (Fashoyin, 1980). Organizations are goal directed, systems which tend to be effective or ineffective with regards to acquire and utilize scarce and valued resources in their operating environment as expeditiously as possible in their pursuit for their operations and operational goals (steers, 1997).

Kendal (19975) posits that employee's decision to align themselves in a union is indicative of a class consciousness with the intention to organize pragmatically on their behalf for enhanced conditions this he asserted contributed in organizational stability, enhanced productivity and the concomitant improvement in the level of profitability. Cross-sectional studies aimed which are (Georg Ellis and large, 2010; Torrington, Hall and Taylor, 2005, Waddington, 2003, Taxler, 2000, Waddington, 2000) indicates that employees join unions for instrumental rather than ideological considerations. The converse is the case in Australia where individuals who hold a reformist ideology and support socialist political parties are more likely to become members of Trade unions (Deary and Declaric, 1991; Moeti-Lysson and Ongori, 2011) indicates effectiveness in representing workers in Botswana. The theory that underpins this study is the social exchange theory. This theory explains the give and take in the relationship between the variables studied.

Albert these studies exists, there is paucity of studies in Nigeria on trade union practices and organizational survival in oil and gas firms in Rivers state. This is the gap in literature which triggers the mind of the researchers and which this study intends to fill.

Objectives of the Study

The objective of this study is to investigate the relationship between trade union practices and organizational survival in selected oil and gas firms in Port Harcourt, Rivers State. The specific objectives of the study are to:

1. Determine the relationship between trade union practices and dynamic capability in selected oil and gas firms in Port Harcourt, Rivers State
2. Investigate the relationship between trade union practices and organizational adaptability in selected oil and Gas firms in Port Harcourt, Rivers state.
3. Ascertain the relationship between trade union practices and Service Quality Improvement in selected oil and Gas firms in Port Harcourt, Rivers State.

Research Questions

This study seeks to elicit answers to the following research questions:

What is the relationship between trade union practices and dynamic capabilities in selected oil and gas firms in Port Harcourt, Rivers State?

What is the relationship between trade union practices and organizational adaptability in manufacturing firms in Port Harcourt, Rivers State?

What is the relationship between trade union practices and service quality improvement in selected firms in Port Harcourt, Rivers State?

Research Hypotheses

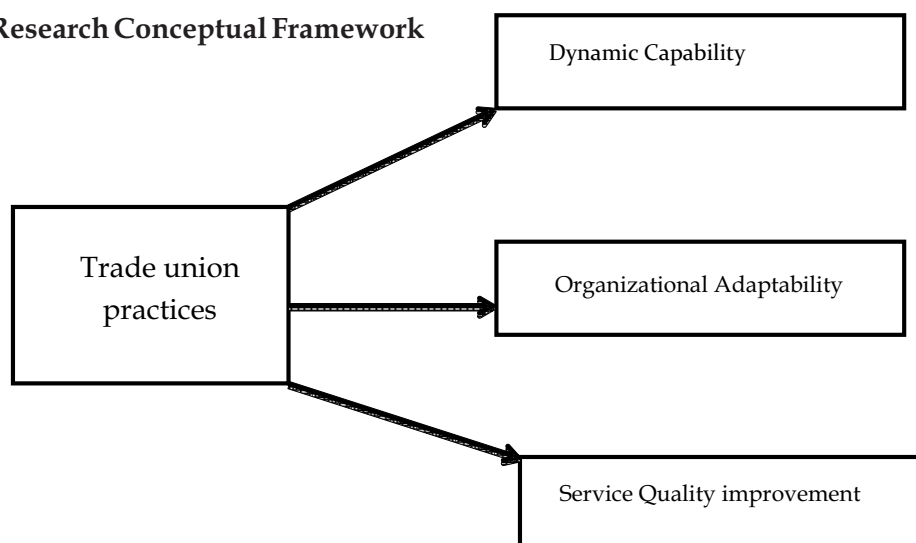
Drawing from our research questions the following research hypotheses are proposed.

Ho1: There is no significant relationship between trade union practices and dynamic capability in selected oil and gas firms in Rivers State.

Ho2: There is no significant relationship between trade union practices and organizational adaptability in selected oil and gas firms in Rivers State.

Ho3: There is no significant relationship between trade union practices and service quality improvement in manufacturing firms in Rivers State.

FIG. 1 Research Conceptual Framework



This model expounds on the relationship between trade union practices and the three dimensions of corporate survival. This model presupposes the relationship between trade union practices and defined dimensions of organizational survival.

Conceptual/Empirical Review of Extant Literature

Review of extant literature is an overview of existing literature on the area of study. This imports that understanding the previous scholarly efforts of intellectuals and their contributions in the expansion of the frontiers of knowledge in this identified area of study. It serves as springboard on which contemporary investigations can be based and anchored.

A trade union 'is defined as organization of workers whose principal purpose entails' the relations between workers of one or more descriptions and employers and employers' associations' (Trade Union Labour Relation Consolidation Act, 1992). A trade Union is body of workers or employees who muster their efforts together to achieve common goals in areas such as working conditions and promoting their mutual interest through collective action. It is imperative to state that a trade union through its leadership negotiates with the employer or the management on behalf of the workers who are union members. The practices of the union in course of carrying its statutory duties are trade unionism. The process of negotiating, wages, work rules complain procedure and workplace safety is termed collective bargaining.

Empirical works of Moeti-Lysson and Onogori (2011) indicated that trade union indicated that Trade unions are effective in representing workers Botswana. It also indicates that the effectiveness of representation is hinged on union density (membership) which is great source of strength for trade unions generally.

Shrestha (2012) asserts that the effect of trade union in PAM has active role in maintaining the quality life of the workers and its members. It is also contended that joining the union provides a forum the interest of wage earners (workers) to be protected and promoted in their respective organizations..

Service Quality Improvement

Service quality is construed to purport the ability to get the services from the chosen provider at the right price (Keller, 2007). This is as a result of the imperativeness of desire of a customer. It is considered that consumers ultimately wants lower price, improved choice of services, better value for value, acceptance, quality and readily available services.

Service Quality entails that there is a relationship subsisting between customers and an organization and between expectations for excellent services and perceptions of service delivered (Lacobucci, 1995).

Dynamic Capability

Dynamic capability is the fence ability to integrate, built and reconfigure internal and external competencies to address rapidly changing environment (Teece, Pisano and Shuen, 2014). Dynamic capability refers to "the capacity of an organization to

purposefully create, extends or modify its resource based" (Helfat et al, 2007). The basic assumption is anchored on the assertion that "core competence should be used to modify short term competitive position that can be used to build stronger term competitive advantage".

Organizational Adaptability

This refers to the degree to which an organization (firm) or a group of collaborating organizations can adjust its structure and business processes and successfully achieve its goals in accordance with the peculiar characteristics of dynamic environment, a process (Strempek, 2010). Adaptability is the "ability to adapt to changing conditions in an underling premise of the strategic choice perspective (child, 1972).

Materials and Method

Research design is the arrangement for conditions for collating and analyzing of data in a manner that aims to combine relevance of the research purpose with economy in procedure (Kothari, 2006).

Research design is a framework or plan used to guide a research in collecting and analyzing the data for a study(Baridam, 2008). It is therefore expedient that solid and proper framework is laid for the carrying out, collating and analyzing data for this study. Accordingly, a cross sectional study is adopted in carrying out this research investigation. It is the blueprint for conducting the study that maximizes control over factors that could interfere with the validity of the findings. Design for a study helps the researcher to plan and implement the study in a way that will help the investigator to obtain intended results thus increasing the chances of obtaining information that could be associated with the situation (e Burns and Grove, 2001).

Population of The Study

Population is an aggregate or totality of all the objects, subjects or members that conform to a set of specification (polit and Hungler, 1999).

The population of this study is 150 managers of the oil and gas firms in Rivers State

Sample and Sampling Procedure

Sampling is "the" process of selecting a portion of the population to represent the entire population (Labiandor Wood and Haber, 1998, polit and Hungler, 1998). The sample size for this study is 130. This is obtained using the Krejice and Morgan Table of Sample Determination

Test of Reliability

Reliability is "the" degree of consistency with which the instrument measures an attitude (Polit and Hungler, 1999). It is also the extent to which independent administration of the same instrument fields the same result under comparable condition" (Devos, 1998). The reliability of the study was affected by utilizing croach Alpha Coefficient

Validity of Research Instrument

The validity of the instrument was affected by experts in the field of study. This to ensure that the study variables measure what it is supposed to measure This makes it expedient for research to always subject the research instrument to the validation the experts in any field of study.

Results for the Analysis

Demographic level of Analysis

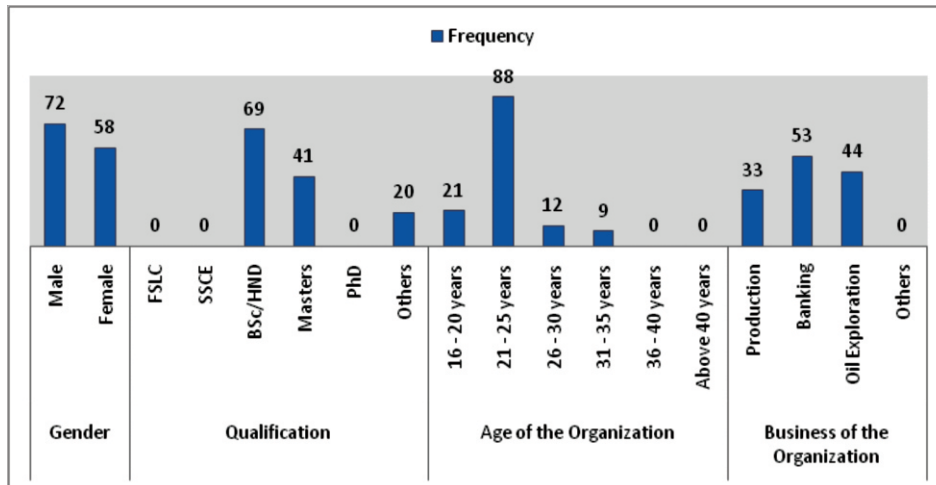


Figure 2: Demographic data distribution for the study

Figure 2 above depicts the demographic distribution of the study. The data describes the characteristics of the sample based on the identified demographic categories. The evidence reveals that a higher proportion of the participants are male, and most of them have attained first degree certifications (BSc/HND). Furthermore, most of the respondents attest to their organizations having an operational age of between 21 - 25 years and within the banking sector.

Primary Level of Analysis

Table 1: Distribution for dimensions of trade union practices

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Trade1 | 130 | 1.00 | 5.00 | 3.9692 | .99564 |
| Trade2 | 130 | 1.00 | 5.00 | 4.0154 | 1.00375 |
| Accomodation1 | 130 | 1.00 | 5.00 | 4.0769 | .94513 |
| Accomodation2 | 130 | 1.00 | 5.00 | 4.1385 | .96251 |
| Mobilization1 | 130 | 1.00 | 5.00 | 4.1000 | .89659 |
| Mobilization2 | 130 | 1.00 | 5.00 | 4.0308 | .87991 |
| Mobilization3 | 130 | 1.00 | 5.00 | 4.0538 | .87437 |
| Valid N (listwise) | 130 | | | | |

Table 1 above illustrates the distribution for the data related to participants' feelings and experiences of the manifestations of the variables: Trade union activities, accommodation, and mobilization.

Data reveals that on the average a substantial number of respondents affirm to their experiences of the three variables within their various organizations. The evidence suggests that workers within these organizations have at various points in time experienced and even participated in trade union activities, accommodation and mobilization within their organizations.

Table 2: Distribution for dimensions of corporate survival

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Adaptability1 | 130 | 1.00 | 5.00 | 4.1154 | .82250 |
| Adaptability2 | 130 | 1.00 | 5.00 | 4.1462 | 1.01242 |
| Adaptability3 | 130 | 1.00 | 5.00 | 4.1000 | 1.04065 |
| Dynamic1 | 130 | 1.00 | 5.00 | 4.1000 | .99495 |
| Dynamic2 | 130 | 1.00 | 5.00 | 4.0154 | .83513 |
| Dynamic3 | 130 | 1.00 | 5.00 | 4.1000 | 1.00271 |
| Quality1 | 130 | 1.00 | 5.00 | 4.0923 | .91876 |
| Quality2 | 130 | 1.00 | 5.00 | 4.1615 | 1.01770 |
| Valid N (listwise) | 130 | | | | |

Table 2 above illustrates the data for the distribution of participants with regards to their perceptions of the survival capacity and tendencies of their various organizations. The evidence presented affirms substantially that most of the respondents are of the view that their organizations hold capacities which with regards to adaptability, dynamic capabilities and quality service improvement. Data indicates that most of the respondents agree to their organizations capacities for prolonged operations and continuity based on their observations of these factors.

Table 3: Summary for Trade Union Practices

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Trade | 130 | 1.00 | 5.00 | 3.9923 | .95232 |
| Accommodation | 130 | 1.00 | 5.00 | 4.1077 | .91496 |
| Mobilization | 130 | 1.00 | 5.00 | 4.0615 | .80778 |
| Valid N (listwise) | 130 | | | | |

Table 3 illustrates the summary for trade union practices within the examined organizations. The summaries for the dimensions: trade union activities, accommodation and mobilization further serve to indicate the average opinion of the participants with regards to trade union practices. The evidence affirms to trade union practices within the examined organizations.

Table 4: Summary for Corporate Survival

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|-----|---------|---------|--------|----------------|
| Adaptability | 130 | 1.33 | 5.00 | 4.1205 | .88143 |
| Dynamic | 130 | 1.00 | 5.00 | 4.0718 | .87159 |
| Quality | 130 | 1.00 | 5.00 | 4.1269 | .90715 |
| Valid N (listwise) | 130 | | | | |

Table 4 above illustrates the summary for corporate survival with respect to the examined organizations. The data reveals evidence which supports the view that the organizations possess substantial capacities for adaptability, dynamic capabilities and quality. The summaries for the dimensions of corporate survival indicate that all three variables are in strong manifestation based on the perceptions and feelings of the participants of the study.

Summary of Primary Level of Analysis

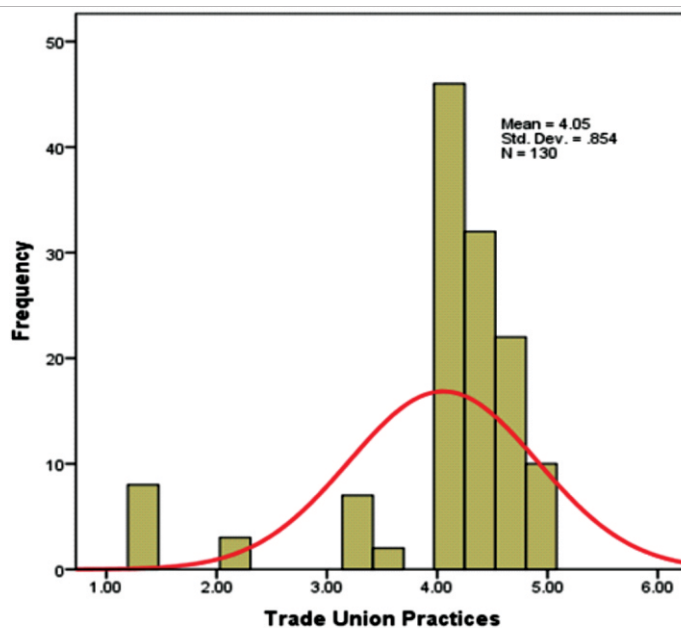


Figure 2: Summary for trade union practices

Figure 1 above depicts the summary for the predictor variable (x) of the study. The evidence presented is based on the summaries of its dimensions (trade union activities, accommodation and mobilization).

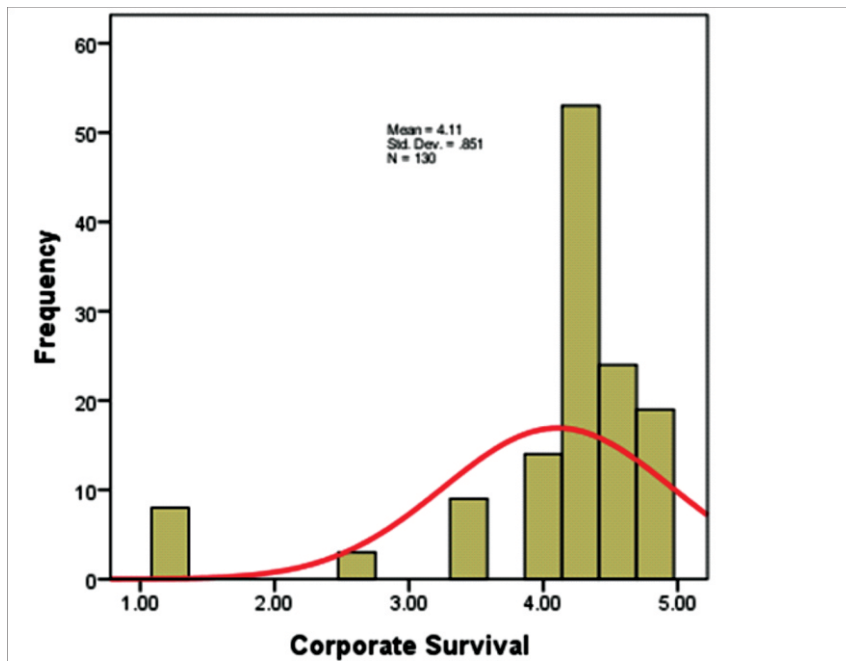


Figure 3: Summary for corporate survival

Figure 2 above depicts the summary for the criterion variable (y) of the study. The evidence presented is based on the summaries of its measures (dynamic capabilities, adaptation and quality service improvement).

Secondary Level of Analysis

Table 5: Hypotheses 1 - 3

| | Trade | Adaptability | Dynamic | Quality |
|----------------|-------|--------------|---------|---------|
| Spearman's rho | 1.000 | .518 | .751 | .488 |
| Trade | . | .000 | .000 | .000 |
| | 130 | 130 | 130 | 130 |

Depicted in table 5 is the result for the hypotheses one (H_{O_1} : There is no significant relationship between trade union activities and adaptability); two (H_{O_2} : There is no significant relationship between trade union activities and dynamic capabilities) and three (H_{O_3} : There is no significant relationship between trade union activities and quality improvement). The evidence from the study reveals significant relationships in all three instances as trade union activities is revealed to significantly impact of adaptability ($\rho = .518$; $P = 0.05$) dynamic capabilities ($\rho = .751$; $P = 0.05$) and quality improvement ($\rho = .488$; $P = 0.05$). Hence, all three null statements are rejected.

Table 6: Hypotheses 4 - 6

| | Accommodation | Adaptability | Dynamic | Quality |
|------------------------------|---------------|--------------|---------|---------|
| | 1.000 | .655 | .603 | .562 |
| Spearman's rho Accommodation | . | .000 | .000 | .000 |
| | 130 | 130 | 130 | 130 |

Depicted in table 6 is the result for the hypotheses four (HO₄: There is no significant relationship between accommodation and adaptability); five (HO₅: There is no significant relationship between accommodation and dynamic capabilities) and six (HO₆: There is no significant relationship between accommodation and quality improvement). The evidence from the study reveals significant relationships in all three instances as accommodation is revealed to significantly impact of adaptability (rho = .655; P = 0.05) dynamic capabilities (rho = .603; P = 0.05) and quality improvement (rho = .562; P = 0.05). Hence, all three null statements are rejected.

Table 7: Hypotheses 7 - 9

| | Mobilization | Adaptability | Dynamic | Quality |
|-----------------------------|--------------|--------------|---------|---------|
| | 1.000 | .573 | .652 | .466 |
| Spearman's rho Mobilization | . | .000 | .000 | .000 |
| | 130 | 130 | 130 | 130 |

Depicted in table 7 is the result for the hypotheses seven (HO₇: There is no significant relationship between mobilization and adaptability); eight (HO₈: There is no significant relationship between mobilization and dynamic capabilities) and nine (HO₉: There is no significant relationship between mobilization and quality improvement). The evidence from the study reveals significant relationships in all three instances as mobilization is revealed to significantly impact of adaptability (rho = .573; P = 0.05) dynamic capabilities (rho = .652; P = 0.05) and quality improvement (rho = .466; P = 0.05). Hence, all three null statements are rejected.

Conclusion

This paper concludes that trade union practices contribute to corporate survival in the oil and gas firms in Rivers state. This is designed to ensuring the stability of the organizations under study. The dimensions of the trade union practices correlate positively with the measures of corporate survival. This is imperative in order to ensure the stability of the industry. The choiceful and selective application of trade union practices is expedient in order to ensure and maintain industrial harmony in the very sensitive sector of the oil and Gas.

The positive correlation of the trade union practices in the oil and gas firms in Rivers state is indicative that if trade unionism is practiced properly and controllably, the attendant outcome is that it will also culminate into equipping the organizations in this subsector of our economy to adapt to variables that are likely to impinge survival. It will also

culminate into equipping the organizations in this subsector of our economy to adapt to the variables that are likely to impinge on the survival of the organizations. It will also affect service quality improvement in that industry.

Recommendations

From the foregoing, this study recommends as follows:

1. That trade union practices in this volatile industry should be employed to ensure corporate survival.
2. That trade union practices should be utilized to ensure dynamic capability in the studied organizations.
3. That trade unions practices should be utilized to bring about organizational adaptability in the firms investigated.
4. That trade union practices should be employed to bring about improvement in the selected oil and gas firms.
5. That trade union practices should be utilized as a strategic and virile management tool designed to aid corporate success and sustainability in the oil and gas firms in Port Harcourt, Rivers State.

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