

The Roles of Workers' Organizations and Employers' Associations in Regulating Employment Relations and Employee Performance in Nigeria

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Abstract

Workers' organizations and employers' associations play critical roles in regulating employment relations and enhancing employee performance in Nigeria. These institutions shape labour-management interactions, influence workplace policies, facilitate conflict resolution, and contribute to organisational productivity. This paper examines their roles in determining working conditions, promoting employee welfare, resolving industrial disputes, and fostering a conducive work environment that enhances performance and efficiency. The study further explores their contributions to human resource management functions such as motivation, employee participation, collective bargaining, training, and workplace discipline. Guided by Herzberg's Two-Factor Theory and Fayol's Administrative Theory, the paper adopts a descriptive design based on secondary sources. Findings reveal that while these institutions contribute significantly to industrial harmony and productivity, their effectiveness is constrained by weak institutional capacity, poor enforcement of agreements, and limited stakeholder collaboration. The paper concludes that strengthening these bodies will enhance industrial peace, employee commitment, and organisational productivity in Nigeria.

Keywords: *Workers' organizations, Employers' associations, Employment relations, Employee performance, Industrial relations, Productivity*

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Background to the Study

Employment relations refer to the complex and dynamic interactions that exist between employers and employees within the workplace, encompassing issues such as wages, working conditions, employee rights, productivity expectations, discipline, and dispute resolution mechanisms. These relations are shaped by a combination of legal frameworks, economic realities, organisational structures, and institutional arrangements that define how work is governed and managed. In modern industrial systems, employment relations are not merely bilateral agreements between employers and employees but are increasingly influenced by collective institutions, regulatory bodies, and socio-political forces that shape labour market outcomes.

In Nigeria, employment relations operate within a context characterized by a large informal sector, fluctuating economic conditions, high unemployment rates, inflationary pressures, and evolving labour legislation. These factors significantly influence the nature of employer–employee interactions, often resulting in tensions over wages, job security, and working conditions. The Nigerian labour market is regulated by statutory instruments such as the Labour Act, trade dispute regulations, and constitutional provisions that guarantee freedom of association and collective bargaining rights. However, the effectiveness of these frameworks is frequently mediated by the strength and capacity of institutional actors such as trade unions and employers' associations. Workers' organizations and employers' associations occupy central positions in the industrial relations system, serving as key intermediaries between labour and management. These bodies function as collective representatives of their respective constituencies, providing structured platforms through which negotiations, consultations, and dispute settlements are carried out. Workers' organizations, commonly referred to as trade unions, represent employees in negotiating better wages, improved working conditions, job security, and welfare benefits. Employers' associations, on the other hand, represent the interests of business organizations, focusing on productivity, sustainability, regulatory compliance, and operational efficiency.

Through collective bargaining and social dialogue, these institutions help to regulate employment conditions, reduce workplace conflicts, and promote industrial harmony. They also play a significant role in shaping human resource policies such as recruitment standards, training and development, workplace discipline, and employee motivation strategies. In many cases, they serve as stabilizing forces in the labour market by ensuring that disputes are addressed through structured mechanisms rather than disruptive industrial actions. According to Chukwu (2024), trade unions are essential in sustaining industrial peace and ensuring a fair distribution of economic benefits among stakeholders in the production process. Similarly, Otobo (2017) emphasizes that employment relations in Nigeria reflect broader socio-economic and political dynamics, including governance structures, economic inequality, and institutional capacity. These perspectives highlight the fact that labour relations cannot be fully understood without considering the wider developmental context in which they operate.

Key institutions such as the Nigeria Labour Congress (NLC) and the Manufacturers Association of Nigeria (MAN) play strategic roles in balancing employee welfare with organisational productivity (Fashoyin, 2018). The NLC, as the umbrella body for trade unions, advocates for improved wages, decent work conditions, and social justice for workers, while MAN represents industrial employers and seeks to promote competitiveness, policy stability, and a favourable business environment. Their interactions often define the tone of industrial relations in Nigeria, influencing policy formulation, labour reforms, and workplace practices. Despite their importance, employment relations in Nigeria are often challenged by weak enforcement of labour laws, limited institutional capacity, inconsistent compliance with collective agreements, and occasional mistrust between stakeholders. These challenges underscore the need for continuous evaluation of the effectiveness of workers' organizations and employers' associations in promoting stable and productive labour relations. Understanding the roles of these institutions is therefore essential for improving labour relations, enhancing organisational performance, and contributing to sustainable national development. Effective collaboration between labour and management not only reduces industrial conflicts but also enhances productivity, employee satisfaction, and overall economic growth.

Role in Determining Working Conditions

Workers' organizations and employers' associations play a fundamental and complementary role in shaping working conditions within employment relations. Their influence is exercised through formal and informal mechanisms such as collective bargaining, social dialogue, tripartite negotiations, and participation in policy formulation. While workers' organizations primarily focus on improving wages, welfare, safety, and job security for employees, employers' associations emphasize productivity, cost efficiency, regulatory compliance, and the sustainability of enterprises (Fashoyin, 2018). Together, these institutions help to establish workplace norms and standards that guide employment practices across different sectors of the Nigerian economy.

One of the most important mechanisms through which working conditions are determined is collective bargaining, where representatives of workers and employers negotiate terms of employment such as salaries, allowances, working hours, leave entitlements, and workplace safety standards. This process helps to institutionalize fairness in employment relations by ensuring that decisions affecting workers are not unilaterally imposed but mutually agreed upon. In addition, social dialogue provides a broader platform for continuous engagement between stakeholders, enabling early identification of workplace issues and reducing the likelihood of industrial conflict.

(a). Workers' Organizations (Trade Unions)

Trade unions function as the organized collective voice of employees, representing workers in negotiations with employers and advocating for improved labour standards. Their roles in determining working conditions are multifaceted and extend beyond wage negotiations to include broader issues of welfare, dignity of labour, and workplace justice.

- i). **Collective bargaining:** Trade unions engage employers in structured negotiations to determine key employment terms such as wages, benefits, working hours, job classifications, and conditions of service. Through collective agreements, unions help ensure that workers receive fair compensation and equitable treatment, while also promoting industrial stability.
- ii). **Protection of rights:** Unions act as protectors of workers against exploitation, discrimination, arbitrary dismissal, and unfair labour practices. They provide representation during disciplinary proceedings and industrial disputes, ensuring that workers' rights are not violated within the workplace.
- iii). **Occupational Safety and Health (OSH) advocacy:** Trade unions play a critical role in promoting safe and healthy working environments by identifying workplace hazards, reporting unsafe conditions, and pushing for compliance with occupational safety regulations. They also advocate for policies that address physical, mental, and emotional well-being of workers, particularly in high-risk industries.
- iv). **Industrial Action:** As a last resort, unions may resort to strikes, picketing, or protests when negotiations fail. Although disruptive, industrial action is a legitimate bargaining tool used to compel employers to address unresolved grievances and adhere to agreed standards.
- v). **Policy Influence:** Trade unions also participate in broader policy advocacy by engaging government institutions to enact or reform labour-friendly laws. This includes campaigns for minimum wage adjustments, improved pension schemes, maternity protection, anti-discrimination policies, and stronger social protection systems.

These functions are reinforced by legal protections under the 1999 Constitution of the Federal Republic of Nigeria, which guarantees freedom of association, as well as provisions of the Labour Act that prohibit victimization of workers for union participation. These legal safeguards provide institutional legitimacy through which unions operate in regulating working conditions.

(b). Employers' Associations

Employers' associations such as the Manufacturers Association of Nigeria (MAN) and the Nigeria Employers' Consultative Association (NECA) play a critical role in shaping working conditions from the perspective of employers and industry sustainability. Their contributions are largely focused on harmonizing labour standards, promoting responsible business practices, and ensuring that employment conditions remain consistent with productivity goals and economic realities. These associations participate actively in social dialogue processes, engaging with trade unions and government agencies to negotiate labour policies and industrial standards. Through these engagements, they help to prevent unilateral policy decisions that could destabilize industrial relations. They also contribute to the formulation of sectoral guidelines on wages, employment practices, training standards, and workplace discipline.

Furthermore, employers' associations support compliance with national and international labour regulations, including those relating to health and safety, working hours, and employee welfare. By providing guidance and coordination among member organizations, they help ensure consistency in labour practices across industries, thereby reducing disputes and enhancing predictability in employment relations. However, legal and institutional frameworks also place limits on employers' associations to ensure balance in industrial relations. They are not permitted to interfere with workers' rights to unionize or engage in lawful collective bargaining. This balance is essential to maintain fairness and prevent dominance by either party in employment relations.

(c). Challenges

Despite the significant roles played by workers' organizations and employers' associations in regulating employment relations, several structural, institutional, and economic challenges continue to limit their effectiveness in ensuring fair and decent working conditions in Nigeria. These challenges are outlined and explained as follows:

- i). Weak enforcement of labour laws and collective agreements: One of the most critical challenges is the poor enforcement of existing labour legislation and collective bargaining agreements. Although agreements are often reached between unions and employers, compliance is frequently weak or inconsistent. Some employers fail to fully implement agreed wage structures, welfare provisions, or safety standards. This weak enforcement undermines trust between labour and management, reduces the credibility of collective bargaining outcomes, and often leads to recurring industrial disputes.
- ii). Casualization and precarious employment practices: Casualization of labour has become widespread, particularly in the private sector, where many workers are engaged on temporary, contract, or outsourcing arrangements without access to full employment benefits. These workers often lack job security, pension rights, health insurance, and union representation. This practice weakens the bargaining power of trade unions, reduces employee commitment, and contributes to unstable and poor-quality working conditions. It also creates a dual labour structure between permanent and non-permanent workers within the same organization.
- iii). Limited institutional capacity of labour institutions: Both workers' organizations and some employers' associations face capacity constraints that affect their effectiveness. On the part of trade unions, challenges include limited financial resources, inadequate technical expertise in modern labour negotiations, and declining union membership in some sectors. Similarly, some employers' associations struggle with inconsistent coordination among member organizations, limiting their ability to enforce unified standards or negotiate effectively on behalf of employers.
- iv). Delays and inefficiencies in dispute resolution mechanisms: The institutional framework for resolving industrial disputes—such as mediation, arbitration, and adjudication through labour institutions, often experience delays. Slow resolution processes can escalate disputes, prolong industrial actions, and increase economic losses for both employers and employees. Inefficiencies in these mechanisms reduce confidence in formal dispute resolution channels and sometimes encourage

- adversarial approaches rather than cooperative dialogue.
- v). Economic pressures and labour market instability: Macroeconomic challenges such as inflation, high unemployment rates, currency instability, and rising cost of living significantly affect employment relations. These conditions weaken workers' bargaining power and make it difficult for employers to sustain improved wage structures or welfare packages. As a result, negotiations often become constrained by economic realities rather than driven by fairness or productivity considerations.
 - vi). Weak compliance culture and trust deficit: A broader challenge is the existence of weak compliance culture and mutual distrust between employers and employees. In some cases, employers perceive unions as disruptive, while unions view employers as non-compliant or exploitative. This trust deficit limits constructive engagement and reduces the effectiveness of social dialogue and collective bargaining processes.

Role in Conflict Resolution

- a) Workers' Organizations: Trade unions play a primary role in resolving industrial disputes through negotiation and collective bargaining. When disputes arise, structured mechanisms are followed, including mediation, arbitration, and adjudication by the National Industrial Court. Evidence shows that collective bargaining promotes industrial peace and reduces workplace conflict by encouraging joint decision-making and mutual understanding (Olotuah, 2023; Ideas RePEc, 2023).
- b) Employers' Associations: Employers' associations contribute by engaging in dialogue, supporting dispute resolution frameworks, and participating in tripartite mechanisms such as the National Labour Advisory Council. Their involvement strengthens cooperation and policy coordination in industrial relations.

Role in creating a conducive work environment

- a) Workers' Organizations: Trade unions contribute to a conducive work environment by advocating for decent work, fair wages, and improved welfare conditions. They also promote social justice and inclusive governance, linking workplace conditions to broader socio-economic development. Recent advocacy efforts emphasize the need to improve working conditions in undervalued sectors, such as care work, in line with decent global work standards.
- b) Employers' Associations: Employers' associations promote a conducive business environment by advocating for improved infrastructure, stable policies, and reduced operational constraints. They also emphasize workplace ethics such as discipline, teamwork, and commitment to enhance productivity. Globally, employer organizations supported by the International Labour Organization have contributed to business reforms and improved enterprise development frameworks.

Social Dialogue and Joint Contributions

Social dialogue refers to the continuous process of communication, consultation, and negotiation between workers' organizations, employers' associations, and, where applicable, government institutions. It serves as a key mechanism for fostering mutual understanding, reducing industrial tensions, and promoting cooperation in employment relations. Through structured engagement platforms such as bipartite and tripartite negotiations, social dialogue helps stakeholders address workplace concerns before they escalate into industrial conflicts.

A functional social dialogue system contributes significantly to industrial stability. When labour and management maintain a positive working relationship, it enhances employee engagement, strengthens organisational loyalty, and improves overall productivity. Employees are more likely to be motivated and committed when they perceive fairness, participation in decision-making, and respect for their rights. Conversely, weak or adversarial labour-management relations often result in low morale, high labour turnover, reduced productivity, and frequent industrial disputes, all of which negatively affect organisational performance and economic efficiency. In addition, social dialogue supports the development of trust and cooperation between stakeholders by creating a platform for regular consultation on issues such as wages, working conditions, occupational safety, and employment policies. It also enables early conflict detection and resolution, thereby preventing escalation into strikes or lockouts.

Theoretical Framework

1. Herzberg's Two-Factor Theory

Herzberg's Two-Factor Theory (1959) explains employee motivation using two categories: hygiene factors and motivators. Hygiene factors include salary, working conditions, job security, and organizational policies. Their presence does not motivate employees, but their absence leads to dissatisfaction. Motivators, such as achievement, recognition, responsibility, and career advancement, directly enhance job satisfaction and performance.

In the context of Nigeria's employment relations, workers' organizations mainly focus on improving hygiene factors by advocating for better wages, safer working conditions, and job security. However, while these reduce dissatisfaction, sustained productivity depends on motivators such as recognition and career development, which are often limited in many organizations (Nwankwo, 2020). Thus, the theory shows that both basic conditions and intrinsic motivation are necessary for effective employee performance.

2. Henri Fayol's Administrative Theory

Henri Fayol's Administrative Theory (1949) emphasizes management principles such as equity, discipline, unity of command, and initiative, which influence workplace efficiency and industrial harmony. Equity ensures fairness in treatment, while discipline promotes adherence to rules and order in the workplace. In Nigeria, employers' associations apply these principles by promoting fair labour practices, structured management systems, and employee participation in decision-making (Otobo, 2017). These principles help reduce workplace conflict, improve coordination, and enhance productivity.

Fayol's theory provides a managerial framework for understanding how fair and well-structured administration supports stable employment relations and improved organizational performance.

Key Indicators of the Roles of Workers' Organizations and Employers' Associations in Regulating Employment Relations and Employee Performance in Nigeria

The effectiveness of workers' organizations and employers' associations in regulating employment relations and enhancing performance can be assessed using the following key indicators:

1. Job creation and employment security: Measures the extent to which industrial relations contribute to stable employment opportunities and reduced job insecurity.
2. Compliance with labour standards: Evaluates adherence to national labour laws, collective agreements, and international labour conventions relating to wages, safety, and working conditions.
3. Workforce skills development: Assesses the involvement of both institutions in training, capacity building, and upskilling of employees to improve productivity and adaptability.
4. Organisational productivity and employee engagement: Examines improvements in efficiency, output levels, motivation, and worker participation in organisational processes.
5. Promotion of decent work principles: Reflects the extent to which employment relations uphold fair wages, safe working conditions, social protection, and respect for fundamental labour rights.

Conclusion

Workers' organizations and employers' associations remain fundamental institutions in the regulation of employment relations and the enhancement of employee performance in Nigeria. Through mechanisms such as collective bargaining, conflict resolution, and social dialogue, they contribute meaningfully to industrial harmony, improved working conditions, and organisational productivity. However, the effectiveness of these institutions is limited by persistent challenges, including weak enforcement of labour laws, inadequate institutional capacity, casualization of labour, and inconsistent compliance with negotiated agreements. These constraints weaken trust and reduce the overall impact of industrial relations mechanisms.

To achieve sustainable improvements in employment relations and national productivity, there is a need to strengthen institutional frameworks, ensure strict enforcement of labour regulations, enhance the capacity of both workers' and employers' organizations, and promote genuine collaboration through effective social dialogue. Such measures will contribute to industrial peace, improved employee commitment, and long-term economic development in Nigeria.

Policy Recommendations

Based on the analysis of the roles of workers' organizations and employers' associations in regulating employment relations and enhancing employee performance in Nigeria, the following policy recommendations are proposed to strengthen industrial harmony, improve compliance, and enhance productivity:

- 1. Strengthening Enforcement of Labour Laws and Collective Agreements:** Government should strengthen the capacity of labour regulatory institutions such as the Ministry of Labour and Employment and the National Industrial Court to ensure strict enforcement of existing labour laws and collective bargaining agreements. Sanctions should be applied consistently to employers or institutions that violate agreed terms, while compliance monitoring mechanisms should be made more transparent and effective.
- 2. Institutionalizing Effective Social Dialogue Mechanisms:** There is a need to deepen bipartite and tripartite social dialogue structures involving government, workers' organizations, and employers' associations. These platforms should be institutionalized at national, sectoral, and organizational levels to ensure continuous consultation on wages, working conditions, and productivity issues, thereby reducing the likelihood of industrial conflicts.
- 3. Regulation of Casualization and Precarious Work:** Government should develop and enforce clear policies that regulate casualization, contract staffing, and outsourcing practices. Workers performing permanent job functions should be entitled to full employment benefits, including job security, pension rights, and union representation. This will promote fairness and strengthen collective bargaining systems.
- 4. Capacity Building for Labour Institutions:** Both workers' organizations and employers' associations should be supported through capacity-building initiatives. Trade unions require improved technical, legal, and negotiation skills, while employers' associations need enhanced policy advocacy and industrial relations expertise. Government and development partners can support training programs to strengthen institutional effectiveness.
- 5. Strengthening Dispute Resolution Mechanisms:** The efficiency of labour dispute resolution institutions such as mediation panels, arbitration tribunals, and the National Industrial Court should be improved to ensure timely resolution of industrial conflicts. Expedited procedures should be introduced for urgent labour disputes to reduce downtime and economic losses.
- 6. Promotion of Trust and Ethical Industrial Relations Practices:** Employers and employees should be encouraged to adopt trust-based industrial relations through ethical compliance, transparency, and mutual respect. Codes of conduct should be strengthened within organisations to discourage unfair labour practices, victimization, and breaches of agreement.
- 7. Encouraging Productivity-Linked Collective Bargaining:** Collective bargaining frameworks should be restructured to incorporate productivity-linked agreements, where wage increases and benefits are aligned with organisational performance. This will help balance employee welfare with business sustainability and enhance overall efficiency.

- 8. Strengthening Tripartite Collaboration for National Development:** Government should enhance collaboration with the Nigeria Labour Congress (NLC), Trade Union Congress (TUC), Manufacturers Association of Nigeria (MAN), and NECA in developing national labour policies. This will ensure that labour reforms reflect the interests of both workers and employers while supporting economic growth and industrial stability.

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