

The Effect of Trade Unions on Workers' Welfare and Productivity in Nigeria

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Abstract

This study examines the effectiveness of trade unions in promoting workers' welfare and organisational productivity in Nigeria. Trade unions constitute an important component of human resource management through their roles in collective bargaining, employee relations, conflict resolution, occupational safety, motivation, and the protection of workers' rights. Despite these functions, many Nigerian workers continue to experience poor remuneration, unsafe working environments, limited career development opportunities, and inadequate welfare packages, all of which negatively affect employee morale and productivity. The study adopted a descriptive research design relying on secondary sources of data, including textbooks, scholarly journals, government publications, and reports from the International Labour Organization (ILO). Findings revealed that trade unions have significantly contributed to improving labour-management relations, job security, and employee commitment, thereby enhancing productivity in organisations. However, their effectiveness is constrained by political interference, weak labour law enforcement, economic instability, and poor institutional support. The study recommends stronger labour policies, increased union independence, and improved collaboration between management and employees to enhance workers' welfare and organisational productivity in Nigeria.

Keywords: *Trade unions, Workers' welfare, Human resource management, Employee relations, Organisational productivity, Collective bargaining*

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Background to the Study

Trade unions remain one of the most important institutions for protecting workers' rights, promoting employee welfare, and fostering productive labour-management relations in modern organizations. Across the world, trade unions serve as collective representatives of employees, providing a platform through which workers can negotiate better wages, improved working conditions, job security, and other employment benefits. Through collective bargaining, advocacy, and social dialogue, trade unions contribute significantly to industrial harmony and organizational effectiveness. The International Labour Organization (ILO) recognizes trade unions as fundamental institutions for promoting decent work, social justice, and equitable employment relations in both the public and private sectors.

In the field of human resource management, trade unions play a crucial role in balancing the interests of employees and employers. They facilitate communication between management and workers, represent employees in negotiations, resolve workplace disputes, advocate for occupational health and safety, and promote policies aimed at improving employee welfare and organizational productivity. According to Armstrong and Taylor (2023), effective employee relations are essential for organizational success, and trade unions remain important stakeholders in ensuring fair treatment, employee motivation, and workplace stability. Workers' welfare refers to the range of services, benefits, facilities, and conditions provided to employees to enhance their physical, social, economic, and psychological well-being. It encompasses fair remuneration, safe working conditions, healthcare services, housing support, retirement benefits, career development opportunities, and other measures that improve employees' quality of life. Research has consistently shown that improved welfare conditions contribute positively to employee satisfaction, commitment, motivation, and productivity. Employees who perceive that their welfare is adequately protected are more likely to demonstrate higher levels of performance and organizational loyalty. In Nigeria, trade unions have historically played a significant role in advocating for workers' rights and influencing labour policies. Prominent labour organizations such as the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC) have been actively involved in negotiating wage increases, resisting anti-labour policies, promoting social justice, and defending workers against exploitation. Their contributions have been particularly evident in campaigns for minimum wage adjustments, pension reforms, improved working conditions, and protection of workers' rights during periods of economic uncertainty.

Despite these efforts, the welfare conditions of many Nigerian workers remain a source of concern. Contemporary labour reports indicate that many employees continue to experience inadequate remuneration, poor working environments, delayed salary payments, limited career advancement opportunities, and insufficient welfare packages. Rising inflation, economic instability, unemployment, and the increasing cost of living have further eroded workers' purchasing power and overall well-being. These challenges have raised questions regarding the extent to which trade unions have been effective in achieving their primary mandate of improving workers' welfare and protecting labour interests.

Furthermore, the effectiveness of trade unions in Nigeria has been constrained by several institutional, political, and economic factors. Studies have shown that labour unions often face challenges such as political interference, weak enforcement of labour laws, fragmentation within the labour movement, declining membership participation, and limited bargaining power in certain sectors. In many instances, agreements reached between unions and government authorities regarding wages, welfare packages, and working conditions are either partially implemented or not implemented at all. This persistent gap between negotiated outcomes and actual improvements in workers' welfare undermines the credibility and effectiveness of union activities. Recent scholarship also highlights the impact of globalization, technological transformation, informal employment, and changing labour market dynamics on the relevance and effectiveness of trade unions. As organizations increasingly adopt flexible employment arrangements and digital work systems, unions face growing challenges in organizing workers and protecting their interests. Consequently, there is a need for trade unions to adapt their strategies and strengthen their institutional capacities to remain effective in representing workers in an evolving employment environment.

The continued existence of poor welfare conditions among many Nigerian workers, despite the presence of active labour unions, suggests a disconnect between the expected roles of trade unions and the realities experienced by employees. This situation underscores the need for a critical assessment of the effectiveness of trade unions in promoting workers' welfare and enhancing organizational productivity in Nigeria. Understanding the extent to which trade unions have fulfilled their responsibilities, as well as the challenges limiting their performance, is essential for developing appropriate policy interventions and strengthening labour-management relations. This study examines the effectiveness of trade unions in promoting workers' welfare and productivity in Nigeria. The study seeks to evaluate the contributions of trade unions to employee welfare and organizational productivity, assess the extent of their success in achieving their objectives, identify the challenges affecting their effectiveness, and propose strategies for strengthening their capacity to better serve the interests of Nigerian workers in a rapidly changing socio-economic environment.

This study adopts a descriptive research design and relies primarily on secondary sources of data. These include textbooks, peer-reviewed journal articles, government publications, policy documents, and reports from international organizations such as the International Labour Organization (ILO). Data collected from these sources were analyzed using qualitative and descriptive methods to provide a comprehensive understanding of the effectiveness of trade unions in promoting workers' welfare in Nigeria.

Literature Review

The role of trade unions in promoting workers' welfare has remained a central focus in industrial relations and human resource management literature. The International Labour Organization (ILO, 2023) emphasizes that trade unions are fundamental institutions for achieving decent work, as they enhance wages, improve working conditions, and strengthen social protection through collective bargaining and social dialogue mechanisms. In contemporary labour systems, trade unions serve as essential intermediaries between employers and employees, ensuring fairness, equity, and industrial harmony.

Trade unions exist primarily to safeguard the welfare and interests of workers. They achieve this through collective bargaining, dispute resolution, advocacy for improved wages, protection of labour rights, and promotion of occupational health and safety standards. Recent studies have reaffirmed that stronger and more independent trade unions are strongly associated with improved worker welfare outcomes and higher productivity levels (OECD, 2024). In essence, trade unions function as a balancing force in employer–employee relations by reducing power asymmetry in the workplace.

In Nigeria, the major trade union federations include the Nigeria Labour Congress (NLC), established in 1978 as the umbrella body for industrial unions, and the Trade Union Congress (TUC), which primarily represents senior staff and professional workers. In addition, sector-specific unions such as the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) operate within specialized industries to protect the interests of workers in those sectors. These unions have historically played significant roles in wage negotiations, industrial actions, and policy advocacy. Classical scholars such as Sydney Webb and Beatrice Webb conceptualized trade unions as continuous associations formed to improve the economic and social conditions of workers. Their work highlights collective action as a mechanism for correcting inequality in labour markets and strengthening workers' bargaining power. This classical perspective remains relevant in contemporary industrial relations, particularly in developing economies where workers are often vulnerable to exploitation.

Contemporary scholarship further supports the relevance of trade unions in improving labour welfare. Fajana (2022) argues that trade unions in Nigeria, particularly the NLC and TUC, have made significant contributions to wage advocacy and improved working conditions. However, he notes that their effectiveness is constrained by political interference, weak enforcement of labour laws, and macroeconomic instability. Similarly, Otobo (2023) observes that while trade unions remain important actors in industrial relations, globalization, informal employment growth, and declining union membership have reduced their bargaining power in recent years. Recent empirical studies also indicate that the effectiveness of trade unions is closely linked to institutional strength and government support. The World Bank (2023) and OECD (2024) emphasize that countries with strong labour institutions and effective social dialogue systems tend to achieve better outcomes in terms of worker welfare, income distribution, and industrial peace. In contrast, weak institutional frameworks often result in poor implementation of collective agreements and limited improvements in workers' living conditions. The literature suggests that while trade unions remain indispensable for promoting workers' welfare, their effectiveness depends on several contextual factors, including the strength of labour laws, the degree of union independence, the level of government support, and broader socio-economic conditions. Despite extensive literature on trade unions and workers' welfare, there remains a limited focus on evaluating the actual effectiveness of trade unions in achieving their intended objectives in Nigeria. Most existing studies emphasize the roles, functions, and historical contributions of trade unions, with less attention given to performance outcomes and measurable impact on workers' welfare.

Effectiveness of Trade Unions in Promoting Workers' Welfare and Productivity in Nigeria

Empirical studies on trade unions in Nigeria have largely focused on two main outcomes: workers' welfare (wages, job security, pensions, training, and working conditions) and labour productivity (output, efficiency, and organizational performance). Findings across studies show a mixed but generally significant influence of trade unions depending on institutional and political conditions.

Trade Unions and Workers' Welfare in Nigeria

Empirical evidence consistently shows that trade unions play an important role in improving workers' welfare through collective bargaining and advocacy for better working conditions. For instance, a study on civil servants in Akwa Ibom State found that union activities significantly influence wage negotiations, with over 80% of respondents acknowledging the role of unions in salary improvements (Ejere & Etim, 2022). However, the same study revealed that unions have limited impact on broader welfare dimensions such as healthcare, promotion, and workplace safety, as most respondents reported dissatisfaction with these conditions (Ejere & Etim, 2022). This suggests that while unions are effective in wage bargaining, their influence on non-monetary welfare outcomes is weaker.

Similarly, Okolie and Afonughe (2024) found that labour unions contribute to improving job security, training opportunities, and pension administration, but their effectiveness is constrained by political interference and weak enforcement of labour agreements in Nigeria's public sector. They argue that ineffective unionism in Nigeria is largely a result of institutional weaknesses rather than lack of union effort (Okolie & Afonughe, 2024). Okolie (2023) further confirms that union efforts in Nigeria have led to improvements in welfare-related areas such as training and retirement benefits, but these gains remain inconsistent due to unstable industrial relations and weak governance structures. Empirical literature suggests that trade unions have a moderately positive effect on workers' welfare, especially in wage determination, but broader welfare outcomes remain uneven.

Trade Unions and Labour Productivity

The relationship between trade unions and productivity in Nigeria is more contested in empirical studies. Akinola (2018) found that trade union activities have both positive and negative effects on productivity. While unions promote workforce training and enforce better working conditions, they may also reduce productivity through strikes and industrial disputes. The study further shows that union-induced strikes and poor labour-management relations often negatively affect productivity in public institutions, outweighing their positive contributions in some cases (Akinola, 2018). Similarly, Awe and Ayeni (2013) found that industrial disputes and work stoppages significantly reduce national productivity in Nigeria, with negative effects persisting over time (Awe & Ayeni, 2013). This implies that industrial conflict is a major channel through which unions may indirectly reduce productivity. On the other hand, some studies argue that when unions collaborate with management, they contribute positively to productivity by improving morale, reducing turnover, and encouraging skill development (Hassan, 2014). This suggests that the productivity effect of unions is context dependent.

Constraints to Trade Union Effectiveness in Nigeria

Empirical literature on industrial relations in Nigeria consistently identifies several interrelated constraints that limit the effectiveness of trade unions in promoting workers' welfare and productivity. These constraints are structural, institutional, and organizational in nature, and they collectively weaken the bargaining power of unions and reduce their developmental impact in the workplace.

1. Political Interference in Union Leadership

One of the most frequently cited constraints is political interference in trade union leadership and operations. Empirical evidence shows that government involvement in union affairs often undermines internal democracy and weakens union autonomy (Akinola, 2018). In many cases, political actors influence the selection of union leaders or apply indirect pressure to align union activities with government interests. This interference reduces unions' ability to independently negotiate for better wages and working conditions. It also creates internal divisions, as leadership struggles may become politicized rather than based on workers' welfare concerns. Over time, this weakens member confidence and reduces collective solidarity, which is essential for effective bargaining.

2. Weak Enforcement of Labour Laws

Another major constraint is the ineffective enforcement of labour legislation and industrial relations frameworks. Okolie and Afonughe (2024) observe that although Nigeria has relatively comprehensive labour laws, enforcement remains weak due to administrative bottlenecks, corruption, and inadequate institutional capacity.

As a result, employers often violate labour agreements with limited consequences, especially in areas such as wage payments, pension remittances, and job security. This weak enforcement environment limits the effectiveness of trade unions, as negotiated agreements are not always implemented fully or consistently. Consequently, unions expend significant energy on enforcement struggles rather than proactive welfare improvements.

3. Employer Resistance to Union Demands

Empirical studies also highlight persistent resistance from employers, particularly in both public and private sectors. Ejere and Etim (2022) note that employers often perceive trade unions as disruptive rather than cooperative partners, leading to adversarial labour relations.

This resistance is commonly expressed through delayed negotiations, refusal to implement agreements, or efforts to weaken union influence through outsourcing, casualization, or contract employment. Such strategies reduce union density and weaken collective bargaining power. In extreme cases, employers may also attempt to bypass unions entirely, thereby undermining their institutional relevance.

4. Frequent Industrial Disputes and Strikes

The literature also identifies frequent strikes and industrial disputes as both a symptom and a constraint of ineffective unionism. Awe and Ayeni (2013) argue that recurrent work stoppages

in Nigeria reflect unresolved tensions between labour and management, particularly regarding wages, allowances, and working conditions.

While strikes are a legitimate union strategy, their frequent occurrence often has negative consequences for productivity and economic stability. Extended industrial actions disrupt service delivery, reduce output, and sometimes lead to loss of income for workers themselves. Over time, this can weaken public support for unions and reduce their negotiating legitimacy, especially when disputes become prolonged or poorly managed.

5. Weak Institutional Capacity of Trade Unions

Another critical constraint is the limited institutional capacity of trade unions themselves, including weak funding, inadequate training, and poor organizational structures. Okolie (2023) observes that many unions in Nigeria struggle with financial dependence on membership dues, which are often irregular due to unemployment and informal employment structures. This financial limitation affects unions' ability to conduct research, legal representation, capacity building, and effective mobilization of members. In addition, some unions lack technical expertise in modern labour negotiations, especially in emerging sectors such as ICT, oil and gas, and private services. Weak institutional capacity therefore reduces unions' effectiveness in responding to complex labour market challenges.

The above assessment shows that trade union effectiveness in Nigeria is constrained by a combination of political interference, weak enforcement of labour laws, employer resistance, frequent industrial disputes, and limited institutional capacity. These challenges interact to weaken union bargaining strength and reduce their ability to consistently improve workers' welfare and productivity outcomes. Empirical evidence indicates that trade unions in Nigeria are moderately effective in promoting workers' welfare, particularly in wage negotiations and job security advocacy. However, their impact on productivity remains ambiguous, as unions can both enhance productivity through training and reduce it through industrial conflicts. The overall effectiveness of trade unions therefore depends largely on the quality of industrial relations, governance structures, and enforcement of labour laws.

Findings from qualitative assessment

The study reveals that trade unions play a significant role in promoting workers' welfare in Nigeria, although their effectiveness remains mixed and context dependent.

The key findings include:

1. Trade unions have contributed to improvements in wages and employment benefits through collective bargaining processes.
2. They have played a role in enhancing occupational safety and improving workplace conditions in several sectors.
3. Trade unions provide representation and support in resolving disputes between workers and employers, thereby promoting industrial harmony.
4. Despite these contributions, their effectiveness is limited by political interference, weak enforcement of labour laws, economic instability, and declining union strength in some sectors.

These findings indicate that trade unions have made meaningful contributions to workers' welfare, particularly in wage negotiations and labour rights advocacy. However, structural and institutional challenges continue to limit their overall effectiveness in Nigeria's evolving labour environment.

Conclusion

The findings of this study indicate that trade unions have made important contributions to improving workers' welfare in Nigeria, particularly in areas such as wage negotiations, working conditions, and employee representation. However, their effectiveness is constrained by several challenges, including political interference, weak enforcement of labour laws, low worker participation, and limited institutional capacity.

These challenges provide a clear justification for the recommendations of this study. For example, weak enforcement of labour laws highlights the need for stronger regulatory mechanisms, while political interference underscores the importance of ensuring union independence. Similarly, low worker participation demonstrates the need for increased awareness and engagement in union activities. Therefore, addressing these challenges through targeted reforms will significantly enhance the effectiveness of trade unions in Nigeria. A stronger, more independent, and better-supported trade union system will contribute to improved workers' welfare, higher productivity, and greater industrial harmony. Ultimately, the effectiveness of trade unions is not determined merely by their existence but by their ability to adapt, respond to emerging labour challenges, and effectively represent workers in a dynamic socio-economic environment.

Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the effectiveness of trade unions in Nigeria:

1. Strengthening labour laws and enforcement mechanisms: Although labour laws exist, weak implementation limits their effectiveness. Stronger enforcement will ensure compliance by employers and enhance union effectiveness.
2. Reducing political interference in trade union activities: Ensuring the independence of trade unions is essential for maintaining their credibility and strengthening their bargaining power.
3. Encouraging active worker participation in union activities: Increased membership and engagement will enhance the bargaining power of unions and improve their ability to negotiate better wages and conditions.
4. Improving the collective bargaining process: There is a need for transparent, structured, and inclusive negotiation processes to ensure sustainable agreements between employers and unions.
5. Strengthening government support for labour institutions: Government should provide an enabling environment for trade unions through effective policies, enforcement of agreements, and promotion of industrial harmony.

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