

Trade Unions' Reactions to Wage Determination Processes in the Public Sector of Lagos State, Nigeria

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Abstract: The issues of wages in the public sector of the Nigerian economy often result in industrial conflicts in which trade unions confront employers or management. Successive governments have established several wage commissions. However, disagreements over the issue of wages are equally rife in the private sector of the economy, thereby opening up the need for more studies on the issue. Therefore, this study examined the influence of wage determination process on trade unions' reactions in the Public Sector. This study adopted a cross-sectional design anchored on survey research with the use of a structured questionnaire and in-depth interviews. A sample size of 399 was randomly selected from 112,217 staff in Lagos State public sector, based on stratified random sampling procedure. The reliability test of the research instrument was carried out with the aid of Statistical Packages for Social Sciences (SPSS) version 20.0. The Cronbach's Alpha for the reliability test is 0.796, while the validity was conducted through internal and external assessment by experts in the field of employment and labour relations. Also, correlation analysis was used to test the hypotheses at the 0.01 level of significance (2-tailed). The finding from the correlation analysis revealed a significant relationship between wage determination processes and trade unions' reactions in the public sector. A multiple regression analysis was conducted as a confirmatory test to the Pearson Correlation results. Based on these findings the study therefore, recommends that the interests of all the actors in industrial relations should be harmonized and considered in the determination of wages in order to promote industrial peace and harmony in the public sector of Lagos state, Nigeria.

Keywords: Wage Determination, Trade Unions, Collective Bargaining, Minimum Wage, Wage Commission, Administrative Wage

1. Introduction

Implementation of wage policy appears to have generated the frequent occurrence of industrial conflicts in Nigeria. Furthermore, government wage policies within the Nigerian Public Sector appear to have effect on actors of employment relations in the public sector.

Within the purview of employment relations in Nigeria, the Federal Government of Nigeria (FGN) is responsible for wage determination and as such decisions are expected to be implemented by both state and local governments. Some states, perhaps due to lack of adequate financial strength, appear to lack the capacity to implement the Federal

Government Wage Policy. The inability of some state governments to implement the federal government wage policy seems to account for pay differential between Federal Public servants and that of their counterparts in the state. For instance, in the year 2013, a collective agreement was reached between the Federal Government of Nigeria and the Nigeria Medical Association on the new Consolidated Medical Salary Scale. This was done without consultation with the various state governments. While Federal government implemented the new salary scale Lagos State Government refused to do so on the ground that it will cost 1.8 billion Naira to implement. Most state governments, in the same vein, drew from the example of the Lagos state

government because the new salary scheme was conceived as a huge burden they are not prepared to carry. This account, for the industrial actions embarked upon by Medical Doctors in Lagos State for over seven months (Oyebade, 2015)

Similarly, in the year 2000, some state governments failed to implement the minimum wage endorsed by the Federal Government leading to industrial conflict. The industrial actions began with workers in the employment of Lagos State Government and the strike actions spread to over twelve states of the federation. The reactions seem to affect the morale and productivity of workers in the public sector. The low morale can generate certain attitudes such as moonlighting, fraud and corruption which in the long run affect the productivity of the workforce in the public sector of Lagos State

Collective bargaining as machinery for wage determination in public sector appears to prevent the unilateral imposition of wages on the union by government and vice versa as the case may be. However, it is not often used by the Nigerian government to determine wages. Therefore, collective bargaining appear to ineffective as a potent tool for wage determination in Nigeria's public sector.

Previous studies in this area of research focused mainly on conceptual and theoretical explanation such as the study by Otobo (1987) on Bureaucratic Elites and Public Sector Wage Bargaining in Nigeria, and Ezeife (1987) on National Income Policy and Bargaining in the Public Sector. This study however, employed largely empirical analysis to explain the influence of wage determination processes on trade unions' reactions in the public sector of Lagos state. The broad objective of this study was to examine trade unions' reactions to Wage Determination Processes in the public sector of Lagos State. The specific objectives of the study are:

i. Investigate the reactions of trade unions to the implementation of the collective bargaining process in the public sector of Lagos State.

ii. Investigate the reactions of trade unions to the increase in minimum wage in the public sector of Lagos State.

iii. Discuss the reactions of trade unions to the degree of consultation before enactment of wage commission policy in the public sector of Lagos State.

iv. Examine the reaction of trade unions to the effectiveness of administrative wage policy in the public sector of Lagos State.

This study covers the influence of wage determination processes and the various forms of workers reactions in the public sector of Lagos State. The study investigates how wage determination machinery influence workers reactions in the public sector. The study is limited to the issues of wage determination and trade unions' reactions; hence, it does not cover all aspects of industrial relations. Also, the issues under investigation are only examined in Lagos State public Sector thereby excluding the public sector in other states of the federation and Federal Public sector. The rationale for the above delimitations is to enable the researcher focus on the data that can be effectively managed.

2. Review of Relevant Literature

The Trade Union Reactions to Wage Determination Policy

Industrial dispute is perceived as an inevitable course in an industrial setting due to differences in ideology and orientation between employers and employees. Differences in ideology and orientation create a continuous state of dynamic tension between actors in industrial relations. Wage related issues account for the state of dynamic tension and the inevitable conflict in industrial relations. Examining the study by Rhynes, Gerthat, and Minette (2004), on the centrality of pay on employee motivation, revealed that there is no relationship between pay and workers' reactions. Contrary to the study of Rhynes et al. (2004), the

study of Ayobami (2010), shows that there is a relationship between pay, motivations and employees reactions. Although, Ayobami (2010) is able to determine that pay relates to employees reactions, his study focuses more on individual reactions to pay and fails to investigate the influence of wage on trade unions' reactions.

Salawu, Hassan & Adefeso (2010) assert that the administration of industrial compensation in Nigeria is always associated with some problems such as industrial conflict in the form of a labor strike. Contrary to the conceptual analysis of Salawu et al. (2010), the empirical analysis provides by Ige, Adeyeye & Aina (2011) in their study of factors influencing industrial conflicts in Nigeria indicate strike actions significantly affect wages. In their conclusion, Ige, Adeyeye & Aina (2011) opine that strike actions are not affected by wages. The study by Ige et al. (2011) can be regarded as inconclusive for neglecting other aspects of trade union reactions to wages. Therefore, their conclusion may not be true when other aspects of trade unions reactions are factored into the strike-wage equation in the public sector. The study of Ige et al. (2011) also did not consider the possibility of a reversal in the strike-wage equation and the outcomes that it will produce.

Trade Unions' Reactions to the implementation of Collective Bargaining Policy

Collective bargaining refers to dispute in progress because conflict is usually inevitable at any stage of the collective bargaining process (Fajana, 2002). In the public sector, amendment of collective agreement during implementation stage accounts for most of the disputes that occur in the public sector. The study of Crampton, Gunderson & Tracy (1999), in examining the impact of collective bargaining process on strikes and wages revealed that collective bargaining influences strikes and wages. Though the study of Crampton et al. (1999) revealed that there is a relationship between

collective bargaining, strike and wages but failed to determine the possible outcomes of this relationship on the major actors in industrial relations.

Corroborating the findings of Crampton et al. (1999) Omisore (2011) observed that in Nigeria, events have shown that government has a poor attitude to workers' demands hence, it breaches collective agreement signed with labour unions, to him, this created the general belief that the only language government understands on labour matters is an industrial strike action. Aligning with Omisore (2011), Iwunze (2013) asserts that the current labour policy regarding the legal status of collective policy within the framework of the Nigerian law is potentially disruptive of industrial peace and harmony and seems to cause reactions from trade unions in the public sector.

Trade Unions' Reactions to Increase in Minimum Wage Policy

Industrial unrest usually accompanies minimum wage imposition in Nigeria due to problems of implementation. In many cases, states government renege to pay the legal minimum wage. This is contrary to some conclusions reached in the literature. For instance, the study of Dustman and Schonberg (2009) on training and union's wages revealed that union recognition through minimum wage policy and wage review increases training in apprenticeship programs and does not influence reactions from trade unions. Their study, however, only examined the effect of strikes on wages which is an aspect of conflict expressions or trade unions reactions. Trade unions reactions are not limited to the incidence of strike alone but include protest, demonstration, and petition. Contrary to the findings of Dustman and Schonberg (2009), Nwude (2013) asserts that trade unions' reactions are targeted at getting the government to negotiate a new minimum wage and general upward review of wages in Nigeria.

According Kester, Samuel and Bankole (2006), the problems wages has a deep – rooted cause of ever increasing rate of industrial unrest in the Nigerian economy.

However, empirical evidences have shown that there is positive relationship between Minimum wage increase and strike actions. For instance in the study of Kester, Samuel and Bankole (2006) shows that the use of strike weapon was significantly high in minimum wages determination process due to unilateral determination of wages by government.

Trade Unions' Reactions to the Degree of Consultation before Enactment of Wage Commissions Policy

Nigeria government often set up wage commission to restore pay equity and improve the productivity of the civil servants. In Nigeria, wage commission has been used arbitrarily in the past causing reactions from trade unions. Akinwale (2011) observed that the state power has been used arbitrarily whereas the Nigerian Labor Congress has remained adamant in its struggle for workplace justice. In the same vein, Neumark and Adams (2003), examines the impact of wage commission policy on Urban Poverty. Their study map out a moderate effect of wage commission policy on the employment rates of low-skilled individuals. Neumark and Adams (2003) study provides empirical explanation on the effect of wage commission policy on the reduction of poverty, but give no thought to the effect of wage commission policy on the reactions of trade unions.

Trade Unions' Reactions to the Degree of Effectiveness of Administrative Wage Policy

The administrative sub-system is made up of the Civil Service Rules which is found in all Civil Services (Fajana, 2000). The administrative wage policy reduces the type of issue that could be bargained upon in the public sector. As observed further by

Fajana (2000), issues such as car loan, basic transport allowance, rent, and so on, cannot be negotiated but are only regulated by administrative policy. The administrative rules that govern pay are rigid in nature and may not reflect the reality of the economic situations. As noted by Anyim and Elegbede (2012), the rigidity of administrative rules in the public sector accounts for the disparity in pay between public and private sector. Labor unions, in an attempt to ensure or restore equity react through strikes and other conflict strategies.

3. Research Method

This section shows the methodology of the study which includes; research design, the study population, sampling procedure, research instruments, validity and reliability of research instrument, method of data collection and method of data analysis.

Research Setting

The location of this study is Lagos State Public Sector, Nigeria. The choice of Lagos state public sector was because the trade unions reactions to wage determination processes experienced in Lagos State Public Sector appear to be replicated in public sectors in other states as well. Furthermore, Lagos State serves as the location of the study because it is the commercial hub of Nigeria.

Research Design

This study adopted a cross-sectional research design because it is based on observation that takes place within different groups at one time while research strategy adopted was survey research. Survey research is useful in collecting information and analyzing characteristics of large population (Barbie, 2006), and it also helps to gather data for targeted results which help to draw conclusions and make important decisions. Survey method also enables the researcher to collect original data for description and to analyze the reactions of trade unions to wage

determination processes in the Lagos state Public Sector.

Population of the Study

The population for study under investigation consists of all staff in the employment of Lagos State Government. The population of this study is 112,217 (Lagos State Ministry of Establishment, Training and Pension annual digest and bulletin; 2013) comprises of members of existing trade unions in Lagos State Public Sector such as Nigeria Civil Service Unions (NCSU) representing workers under the Civil Services Commission, Association of Senior Civil Servants of Nigeria (ASCN) representing senior civil servants under the Civil Services Commission and also in the Parastatals, Nigeria Medical Association (NMA) representing workers in the Health Service Commission, Nigeria Union of Teachers (NUT) representing workers in the Teaching Service Commission and Lagos State Universal Basic Education Board (SUBEB), National Union of Local Government Employees (NULGE) representing workers in the Local Government Service Commission.

TABLE 3.1 Study Population

S/N	Units	Trade Unions	Population
1	Health Service	Nigerian Medical Association	10,768
2	Teaching Service	Nigerian Union of Teachers	24,194
3	Civil Service	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	17,858
4	Local Government/	National Union of Local Government Employees	25,300
5	SUBEB	Nigerian Union of Teachers	26,393
6	Parastatal	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	7,704
Total			112,217

Source: Human Resource Unit, Lagos State Public Service office, 2015

Sample Size Determination

The sample size was determined from the population of the study using the Yamane (1967) formula as stated below:

$$n = \frac{N}{1 + N(e)^2}$$

Where n=sample size, N= total or grand population, e= 95% confidence level and p value of 0.05 are assumed
 $n = 112,217 / 1 + 112,217(e)^2$, $n = 112,217 / 1 + 280.54$
 $n = 399$

The Yamane (1967) sample size determination formula was used to minimise sampling error and ensure the quality of data collected.

Sampling Procedures

Owing to the nature of the composition of the Lagos State Public Sector, the study adopted stratified random sampling procedures. The stratified random sampling was used to divide Lagos state public sector into six strata; Health Service Commission, Teaching Service Commission, Civil Service Commission, Local Government Service Commission, State Universal Basic Education Board and Parastatals. This is because of the heterogeneity of the population. Stratified sampling technique helps to sample heterogeneous population into subpopulation (stratum) independently, (Kish (1965) and Barbie (2007).

Samples were allocated to each stratum using Yamane (1967) simplified formula for

proportion below: $n = \frac{n(N_1)}{N}$ where n= unit sample, n=sample size, N1= Unit population, N= Grand Population. Units sample size for health service commission can be determine as follows
 $n = 400(10768) / 112217$

n=38. By applying the Yamane (1967) formula to other units, sample size allocated to each units was determined as shown in the sampling frame in table 4.2

Table 3.2 Sampling Frame

SN	Units	Trade unions	Population	Sample Selected
1	Health Service	Nigerian Medical Association	10,768	38
2	Teaching Service	Nigerian Union of Teachers	24,194	86
3	Civil Service	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	17,858	64
4	Local Government/	National Union of Local Government Employees	25,300	90
5	SUBEB	Nigerian Union of Teachers	26,393	94
6	Parastatals	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	7,704	27
Total			112,217	399

Source : Field Survey, 2015

Research Instrument

Relevant data for this study were collected through the survey instrument. The questionnaire was used to solicit opinions of respondents and extract information on the relationship between government wage policy and trade unions' reactions in the public sector. The choice of the questionnaire as the major instrument of data collection was because it is an excellent vehicle for measuring attitudes and orientation in a large population and it help the researcher to collect data for describing the respondents which is difficult to observe directly (Barbie, 2007). In-depth interview was also conducted as follow-up with few individuals who participated in the survey and are directly responsible

for wage determination on behalf of government and trade unions in Lagos State Public Sector. In-depth interview help to improve and validate the quality of data collected through questionnaires

The questionnaire was structured into two sections; section A and B. Section A was used to seek biographical data of the respondents such as age, sex, salaries, employment status, length of service and positions in the organization. Section B was used to x-ray relevant information on government wage policy and trade unions reactions in the Lagos State Public Sector. Section B was further divided into sub-sections 1 to 5 and each of the subsection seeks information relevant to each of the formulated hypotheses to be tested. The statements in the section B of the questionnaire were derived from the study objectives, research questions, and the hypothesis. Wage Determination Process is the independent (predictor) variable, the independent variables (IVs) are Wage determination Policy, Collective Bargaining Process, Wage Commission Policy, Minimum Wage Policy and Administrative Wage Policy while Trade Unions' Reaction is the dependent (criterion) variable.

Test of Reliability and Validity of Research Instrument

The reliability of the research instrument was tested among selected trade unionists in Lagos State Public Sector through Pilot test and the result shows Cronbach's Alpha of 0.796. The validity of the questionnaire was assessed through internal and external assessment by experts in the field of employments and labour relations.

Method of Data Analysis

The data for this study were processed for analysis through software called Statistical Package for Social Sciences (SPSS 20.0). The socio-demographic characteristics of the respondents were analysed using frequency distribution and simple percentages while correlation analysis was used to determine the

associations between the independent variables and the dependent variable and to test the hypotheses.

Research Hypotheses

The following hypotheses were generated for the study:

- There is no significant relationship between the level of implementation of the collective bargaining process and trade unions' reactions in the public sector of Lagos State.
- There is no significant relationship between the increase in minimum wage and trade unions' reactions in the public sector of Lagos State.
- There is no significant relationship between the degree of consultation before enactment of wage commission policy and trade unions' reactions in the public sector of Lagos State.
- There is no significant relationship between the degree of effectiveness of administrative wage policy and trade unions' reactions in the public sector of Lagos State.

4. Findings

Table 4.1 Response Rate of Sampled Organizations

Organizations	Trade Unions	Sample/units	Response Rate/units	%
Civil Service Commission	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	64	60	94
Teaching Service Commission	Nigerian Union of Teachers	86	52	60
SUBEB	Nigerian Union of Teachers	94	70	75
Local Govt. Service Commission	National Union of Local Government Employees	90	88	97
Health Service Commission	Nigerian Medical Association	38	32	84
Parastatals	National Civil service unions of Nigeria and Association of Senior Civil Servants of Nigeria	27	27	100
Total		399	329	82

Source: Field Survey, 2015

Table 4.1 shows the distributions of response rate of sampled organization in the Lagos state public sector. The distribution shows response rate from National Civil Service Unions of Nigeria and Association of Senior Civil Servants of Nigeria representing workers in the civil service commission is 94%, Nigerian Union of Teachers representing workers in

the teaching service commission has 60% response rate and 75% among the same unions representing workers in state universal basic education board, 75% response rate was recorded from National Unions of Local Government Employees representing workers in local government service commission, Nigeria Medical Associations has 84% response rate while 100% response rate was recorded from National Civil Service Unions of Nigeria and Association of Senior Civil Servants of Nigeria in Parastatals.

Table 4.2 Respondents' Views on Wage Determination Process in the Public Sector

Wage Determination Process	SD		D		U		A		SA		M	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Government does not always consult trade unions before decision-making on wage	61	18.5	121	36.8	29	8.8	93	28.3	25	7.6	2.7	1.27
Implementation of collective agreement is satisfactory to workers	81	24.6	151	45.9	42	12.8	40	12.2	15	4.6	2.26	1.09
Workers are not adequately represented during minimum wage legislation	48	14.6	218	66.3	7	2.1	40	12.2	16	4.9	2.26	1.01
The wage commissions have reduced tension in the public sector	32	9.7	184	55.9	23	7.0	68	20.7	22	6.7	2.58	1.12
Administrative wage policy reduces tension in the public sector	29	8.8	203	61.7	18	5.5	67	20.4	12	3.6	2.48	1.02

Source: Survey, 2015

Note: SD = Strongly Agree; D = Disagree; U = Undecided; A = Agree; SA = Strongly Agree

The Respondents' View on Wage Determination Process in the Public Sector

As shown in Table 4.2, 55.3 per cent of the respondents disagreed that Government does not always consult trade unions before decision-making on wage while 35.9 per cent agreed. This was also reported in the interview conducted among selected respondents in the Lagos State Public Sector. The respondents reported that though government do consult unions on wage issues but were usually excluded from final decisions on wage issues. Historically, the provincial wage committee was reviewed as a result of workers' agitation. Also, the Whitley council and other bargaining formation in the public sector include workers representatives but government still maintained the prerogative on issues discussed and agreed by representatives of

government and trade unions, thereby attracting reactions from trade unions in the public sector.

From the total responses 70.5 per cent of the respondents disagreed that implementation of collective agreement is satisfactory in the public sector while 16.8 per cent of the respondents agreed that the implementation of collective agreement is satisfactory in the public sector. This shows the fact that implementation of collective agreement has not been satisfactory to majority of the workers in the public sector. In the interviews conducted most of the respondents were of the view that government is not always sincere with the implementation of collective agreement.

From the total responses 80.9 per cent of the respondents disagreed that workers are not adequately represented during minimum wage legislation, while 17.1 per cent agreed that workers are not adequately represented during minimum wage legislation. By implications from these distribution workers are adequately represented during minimum wage legislation.

From the total responses, 65.6 per cent disagreed that wage commissions reduce tension in the public sector, 27.4 per cent of the respondents agreed that wage commission reduce tension in the public sector. These distributions reveal that wage commission does not reduces tension in the public sector, though wage commission are set to dose tension as a result of workers agitation for improve conditions of work but decisions of the wage commissions most often result in workers reactions or disputes. Supporting this findings majority of respondents interviewed reported that most often the decision of wage commission caused tensions in the Lagos state public sector.

From the total responses, 70.5 per cent of the respondents disagreed that administrative wage policy reduces tension in the public sector. From these distributions, majority of the respondents disagreed that administrative wage policy reduces tension in the public sector. Respondents interviewed reported that administrative policy are rigid and often become obsolete and may not reflect the reality within the economy, therefore causing negative reactions from workers in the public sector.

Table 4.3 Respondents' Views on Trade Unions' Reactions to Wage Determination Processes in the Public Sector

Trade Unions' Reactions	YES		NO	
	Number of Respondents	Percent	Number of Respondents	Percent
Complaint about Wage Policy	308	93.6	21	6.4
Petition on Wage Policy	223	68	105	32
Issue of ultimatum to express dissatisfaction about wage policy	282	85.7	47	14.3
Strike as a result of wage or allowance	290	88.1	39	11.9
Sabotage to show disagreement with wage policy	212	64.4	112	35.6
Demonstration against unfavorable wage policy	297	90.3	32	9.7
Protest as a result of unfavorable wage policy	301	91.5	28	8.5
Acceptance of wage policy in good faith	223	68	105	32
Commendation of government for a good wage policy	176	54	152	46

Source: Survey, 2015

Table 4.3 shows respondents' views on trade unions' reactions to wage determination process in the public sector. From the distribution 93.6 per cent of the respondents claimed that reaction occurred by complaint about wage policy, 90.3 per cent of the respondents claim that reaction occurred by demonstration against unfavorable wage policy, 91.5 per cent of the respondents claimed that reaction occurred by protest against unfavorable wage policy while 88.1 per cent of the respondents claimed that reaction occurred by strike against wage or allowance. This distribution reveals different forms of trade unions' negative reactions including complaints (93.6%), protests (91.5%), demonstrations (90.3%), and strikes (88.1%) followed by issuance of ultimatum (85.2%), petition (68.0%) and sabotage (64.4%). Also, the trade unions' positive reactions included acceptance of wage policy in good faith (68.0%) and commendation of government for a good wage policy (54.0%)

4. 4 Hypotheses Testing

Table 6.1 Pearson Correlations MATRIX

		TRADE UNION REACTIONS	COLLECTIVE BARGAINING	MINIMUM WAGE	WAGE COMMISSION	ADMINISTRATIVE WAGE
TRADE UNION REACTIONS	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	329				
COLLECTIVE BARGAINING	Pearson Correlation	.219**	1			
	Sig. (2-tailed)	.000				
	N	329	329			
MINIMUM WAGE	Pearson Correlation	.288**	.406**	1		
	Sig. (2-tailed)	.000	.000			
	N	329	329	329		
WAGE COMMISSION	Pearson Correlation	.319**	.315**	.501**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	329	329	329	329	
ADMINISTRATIVE WAGE	Pearson Correlation	.345**	.438**	.327**	.431**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	329	329	329	329	329

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

Hypothesis one: The Pearson correlations result for hypothesis one at 0.01 level of significant (2-tailed). The results indicated that implementation of collective bargaining has 21.9% impact on trade unions reactions and $p\text{-value} < \alpha$. The result shows that there is a significant relationship between trade unions' reactions and implementation of collective bargaining in Lagos State Public Sector. This result is consistent with the findings from the study by Crampton, Gunderson & Tracy (1999) that there is a relationship between collective bargaining, strike and wages. Similarly, the findings provide empirical support to the theoretical study by Omisore (2011) and Iwunze (2013) that implementation of collective bargaining process influenced reactions from trade unions.

Hypothesis two: hypothesis Two was also tested using Pearson Correlations at 0.01 level of significant (2-tailed). The result shows that minimum wage policy has 28.8 % impact on trade unions reactions and $p\text{-value} < \alpha$. The result shows that there is a significant relationship between trade unions' reactions and minimum wage policy in Lagos State Public Sector. This finding is consistent with the finding from the result by Nwude (2013) that wage issue prompt reactions from trade unions in the public sector.

Hypothesis three: The Pearson correlations result for hypothesis three at 0.01 level of significant (2-tailed). The results indicated the degree of consultation before enactment of Wage Commission Policy has 31.9% impact on trade unions reactions and $p\text{-value} < \alpha$. The result shows that there is a significant relationship between trade unions' reactions and the degree of consultation before enactment of Wage Commission Policy in Lagos State Public Sector. This result is consistent with the findings from the study by Akinwale (2011) that arbitrary use of wage commissions influenced reactions from trade unions in the public sector.

Hypothesis four: The Pearson correlations result for hypothesis four at 0.01 level of significant (2-tailed). The results indicated the degree of effectiveness of administrative wage policy has 34.5% impact on trade unions reactions and $p\text{-value} < \alpha$. The result shows that there is a significant relationship between trade unions' reactions and degree of effectiveness of administrative wage policy in Lagos State Public Sector.

The finding from this study suggests that the wage determination adopted by the government influence trade unions reactions in the public sector. Wage-related conflict occur because wage determination related issues such as state renege on the implementation of minimum wage, government prerogative on collective agreement, and rigidity of the administrative wage instrument. Although these findings are contrary to the findings revealed in the study by Rhynes, Gerhart and Minette (2004) that there is no relationship between pay and workers reactions. However, other studies such as Ayobami (2010) and Salawu, Hassan and Adefeso (2010) revealed that wage determination relate to trade unions reactions. The result of the interview conducted among some trade unions official and top managers in Lagos state Public sector indicates that

the wage determination process account for most of the conflicts experienced in the public sector.

The first hypothesis indicates that there is a significant relationship between the level of implementation of collective bargaining process and trade unions' reactions in the public sector of Lagos State. In the public sector government reserves the right to amend, review and reject the collective agreement reached between representative of the government and the trade unions in the public sector, this account greatly for trade unions reactions in the public sector and most of wage-related conflict. This finding support the finding of Crampton, Gunderon and Tracy (1999) on the relationship between collective bargaining and trade unions' reactions. Similarly, Omisore (2011) determine that wages relate to industrial conflict in the public sector and Iwunze (2013) also determine that there is a relationship between wage determination processes and trade unions' reactions. In essence, amendment of collective agreement had in past resulted into disputes, for instance, the ASUU strike of 2013 on the failure of government to implement 2009 agreement. The Nigerian Medical Association was on strike on several occasions due to the government failure to implement collective agreement. On these findings, most of the respondents interviewed confirmed that government is not always sincere in the implementation of the collective agreement or collective bargaining outcomes.

The second hypothesis, indicate that there is a significant relationship between increase in minimum wage and trade unions' reactions in the public sector of Lagos State. It is imperative from the 2010 minimum wage policy that conflict occurs because of the use of minimum wage policy and also because most of the state governments renege from paying the minimum wage which generated controversies and disputes. This finding support the assertion of Nwude (2013) that trade unions'

reactions is targeted at getting the government to negotiate a new minimum wage and general upward review of wages in Nigeria.

The result from the third hypothesis indicates that degree of consultation before enactment of wage commission policy is significantly related to trade unions reactions in the public sector. This explains that most of the wage commission are established by the government to reduce tension in the public sector but failed to achieve the stated objectives. This finding supports the study by Akinwale (2011) that arbitrariness in wage commission policy is associated with industrial conflicts in Nigeria. In table 4.1.2, 65.6% of the respondents disagreed that wage commission reduces tension in the public sector. For instance, the Cameroon Carr committee (1919), Bratt Committee of 1919 and the Hunt Committee of 1934 were established to resolve agitations from workers but end up to generate more conflicts.. We can conclude here that wage commissions influence Trade Unions Reactions in the public sector.

The fourth hypothesis indicates that there is significant relationship between the degree of effectiveness of Administrative Wage Policy and Trade Unions' Reactions in the Lagos State Public Sector. We can conclude here that the rigidity and obsolescence of administrative wage policy in the public sector do influence the Trade Unions Reactions in the public sector. For instance, the agitation of University Staff to opt out of the UGSS in 1981 and Medical Doctors protest to opt out of UGSS because of decline in their status, prestige and earning power in 1990.

5.1 Theoretical Implication of the Study

The wage determination processes in the Nigerian public sector relies on collective bargaining, minimum wage policy, wage commission policy and administrative wage policy. The failure of this machinery influence reactions from trade unions.

This may generate certain outcomes and consequences for the industrial relations actors in the public sector. In most instances, government influence on these machinery undermine the effectiveness of some of these machinery in the Nigerian public sector. In effect, collective bargaining, minimum wage, wage commission and administrative wage policy are essential concepts and variables that likely impact on trade unions' reactions in the public sector of Lagos state.

Labour management relations (employers-employees relations) is very essential in the collective bargaining process, especially reaching agreement and implementation of procedural agreement, failure of which will generate dispute. Also, the bargaining power of the trade union is key to agreement reached otherwise the discussion during collective bargaining will be one sided if government possess high bargaining power than the union. In addition, trade union uses strike action to enhance their bargaining power and to enforce decisions if management fails to implement collective agreement.

The trade union can only leverage on their bargaining power and strike actions only if stability of their organization is guarantee. In addition, government reserved the right to amend, accept and reject any collective bargaining agreement reached between the trade unions and representatives of government. This prompted reactions from trade unions in the public sector and they often resorted to industrial actions to ensure implementation of the collective agreement. Minimum wage policy accounts greatly for most industrial actions especially at the state level because most the state governments usually reneged from implementing the minimum wage policy. The wage commission policy and administrative wage policy lack the flexibility of an effective wage policy. This is because wage commission and administrative wage policy failed to consider the rate of changes in the cost of living and the rate of inflation due to

rigidity of the bureaucratic apparatus in the public sector.

In the course of this study, collective bargaining process, minimum wage policy, wage commission and administrative wage policy were factored as machinery for wage determination processes that impacted reactions from trade unions in the public sector of Lagos state. In addition, the study put into consideration external and internal factors that may directly or indirectly affect wage determination processes with consequential effect in the form of trade unions reactions.

If all these factors are favourable, then wage determination become effective and trade unions will react positively but if otherwise, trade unions will react negatively. The negative reactions from trade unions usually generate negative outcomes and consequences for industrial relations actors. As shown from the outcome of the hypotheses tested, all these factors are statistically significant to trade unions' reactions in the public sector.

5.2 Practitioners Implication

This study provide both theoretical and empirical evidences and findings that will help practitioners to structure and restructure policies and decisions on wage determination and trade unions' reactions in Nigeria. Some of the practical implications of this study are as follows:

i. Trade unions in the public sector react to unfavorable wage policy since the colonial era till date. And governments at all level have always undermined the bargaining power of trade unions especially in wage determination processes. This account for government preferences for other wage determination machinery than collective bargaining. Trade unions should adopt the use of innovative strategies to ensure stability of their organization in order to possess high bargaining power during

collective bargaining representation. These innovative strategies include robust union pulse to be use as strike funds, provide incentives to members to encourage patronage and continuous membership, providing financial assistance to members, etc.

ii. Government representatives, agencies and establishment directly involve in wage determination processes in the public sector should consider collective bargaining as the first step in wage determination process in order to avoid frequent industrial actions as experienced in the Nigerian public sector. Workers will always react to poor conditions of employment and pay through strike actions.

iii. Negotiation principle should be introduced when making decisions on wage commission and minimum wage policy. Unions' representative should be involved at all levels of wage determination processes to ensure adequate consultation and to avoid unilateral decisions on wage issues.

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