

# Dispute Resolution and Industrial Harmony of Multinational Oil and Gas Companies in Rivers State

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**Abstract:** *This study investigated the relationship between dispute resolution and industrial harmony in multinational oil and gas companies in Rivers State. The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through a structured questionnaire. The population of this study was the five (5) multinational Oil and Gas producing companies in Nigeria and operating in Rivers State. Due to the fact that the number of the population was small and can easily be covered, a census method is used and as such accordingly represents the sample for the study. However, for the purpose of data collection, in distributing the questionnaire as an instrument, the researcher distributed fifty (50) copies of questionnaire which will be distributed to managers. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman's Rank Order Correlation Statistics. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. The study findings revealed that there is significant relationship between dispute resolution and industrial harmony multinational oil and gas companies in Rivers State. The study recommends that employees of multinational oil and gas companies are encouraged to join trade union. Through, employees will be able to gain more benefits such as; trade union negotiate for better pay and workplace protection, employment terms and condition, clear job description and workplace protections.*

**Keywords:** *Dispute Resolution, Industrial Harmony, Absence Of Unrest, Reduced Level Of Grievance*

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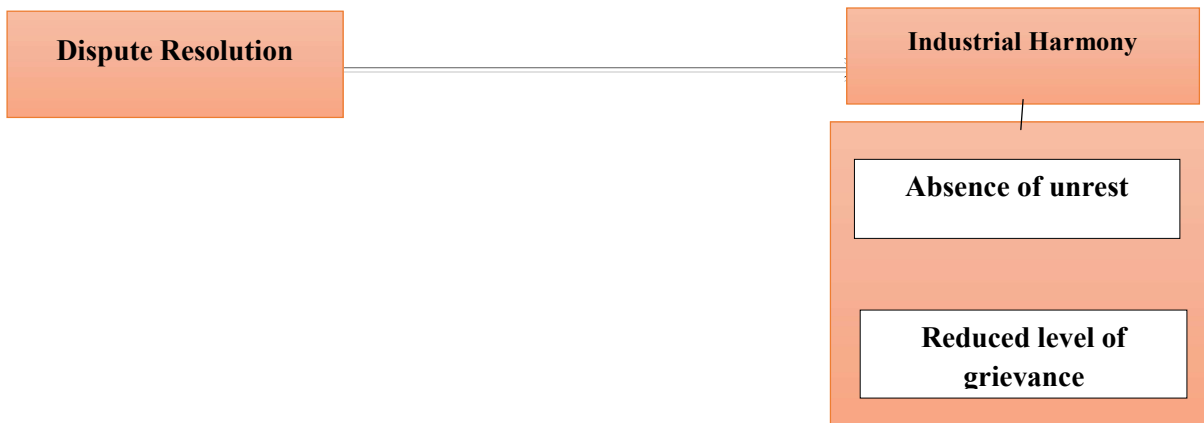
## INTRODUCTION

Over the years, industrial harmony has been the concern of organizations, researchers, employees and other stakeholders because of its importance on productivity (Fajana, 2012). Industrial harmony is important because it promotes employees' commitment which enables the achievement of organizational goals. Organizations are portrayed by controversies, for execution of collective agreement, superseding bargaining force over unjustifiable work practices, for example, casualisation, outsourcing, and contract staffing and different types of work adaptability (Ogbeifun, 2008). Expanding industrial activities have been ascribed incompletely as casualisation of specialists (Kalejaiye, 2014). The success or failure of an organization largely depends on the efficiency of human capital. This has made the human resource management function key in

achievement of organizational goals. The Human resource management function is responsible for the maintenance of human relationships and managing the physical wellbeing of employees to enhance their productivity and efficiency at work (Appleby, 1994). It is argued that a motivated employee is a productive employee. Motivation is the process through which people choose between forms of behaviour in order to achieve goals (Cole, 2002). It is the guiding principle and force that pushes individuals to focus on a particular path to achieve a set goal or desire.

A trade union is an organization of workers or employees who have come together to achieve common goals such as working conditions and protecting and promoting their mutual interests through collective action. A trade union, through its leadership, bargains with the employer or the management on behalf of the union members (Row 2010). Trade unions are an organization of employee's made to negotiate with employers through management (Worden, 2009). They are an organization of workers set up to improve the status, pay and conditions of employment of their members and associations of workers who by means of collective bargaining seeks to improve their working conditions and social positions (Koumenta, 2011). The purpose of this paper therefore was to examine the relationship between dispute resolution and industrial harmony of multinational oil and gas companies in Rivers State. The specific objectives of the study included:

- i. What is the relationship between dispute resolution and reward and absence of unrest of multinational oil and gas companies?
- ii. What is the relationship between dispute resolution and reward and reduced level of grievance of multinational oil and gas companies?



**Figure 1: conceptual model for the relationship between dispute resolution and industrial harmony**

**Source:** Desk Research (2023)

## **LITERATURE REVIEW**

### **Theoretical Foundation**

#### **Unitarist Theory**

The unitarist theory is a basis of the relationship between management and trade unions in particular or employees in general as stated/originated from (Fox's, 1966). According to Armstrong (2006) the unitary view is typically held by management who saw their function as that of directing and controlling the workforce to achieve economic and growth objectives. To this end, management believed that it is the rule making authority. Management tended to view the enterprise as a unitary system with one source of authority itself and one focus of loyalty to the organization. It extolled the virtue of teamwork, where everyone strives jointly to a common objective, everyone pulls their weight to the best of their ability, and everyone accepted their place and function gladly, following the leadership of the appointed manager or supervisor.

To a unitarist, an organization is an integrated, friendly and collaborative whole. They believe that loyalty to such an organization would detract from employee loyalty to a company (disrupting the bond between employer and employees). The Unitary Model is without doubt the least sympathetic to the presence of trade unions or collective bargaining in the workplace, which are regarded as interference in the efficient performance of the managerial functions and unnecessary for the protection of employee interests (Farnham, 2000). It embodies a central concern of HRM, that an organization's people, whether managers or lower-level employees, should share the same objectives and work together harmoniously. From this perspective, conflicting objectives are seen as negative and dysfunctional. Consequently, trade unions activities are deemed as unnecessary since the loyalty is between the industries. Salamon (2000) states that the unitary perspective assumes the organization is or should be an integrated group of people with a single authority/loyalty structure and a set of common values, interest and objectives shared by all members of the organization. Management prerogative is regarded as legitimate, natural and accepted and any opposition to it formal or informal, internal or external is seen as irrational. Consequently, trade unions are deemed unnecessary and conflict is perceived as disruptive and pathological. According to Cooper et al. (2011), the unitary perspective views the organization as pointing towards a single or unified authority and loyalty structure. Emphasis under the unitary perspective is placed on common values, interest and objectives. Those subscribing to this view see all organizational participants as a team or family thereby implicitly emphasizing on shared values, shared goals and common destiny. Unitarism in essence implies the absence of factionalism within the enterprise (Fajana, 2000).

#### **Dispute Resolution Activities**

Labor disputes are disagreements arising between workers and management/employers regarding matters related to interests and rights (Khanka, 2005). Alternative dispute resolution is a range of processes and techniques used in resolving disputes without the need for litigation in court. Alternative dispute resolution processes have been increasingly used in resolving employment disputes, particularly in non-union workplaces (Colvin et al, 2006). Malekela (2015) conducted a study on labor disputes prevention mechanisms and industrial relations. Findings revealed that in wood industry labor disputes was based on unfair termination of employment contracts, under payment of wages and there was little labor disputes prevention measures. Emal (2011)

conducted a research on labor management relation in small business in the absence of union representation in Addis Ababa. Findings revealed that small business use open door policy as the major alternative for dispute resolution technique to solve conflicts and use of open communication and cooperation between the management and employees.

Work place conflicts arise due to scarcity of freedom, position and resources (Hotepo, Asokere, Abdul-Azeez and Ajemunigbohun, 2010). Kazimoto (2013) state that workplace conflict is the presence of disagreement that occurs when goals, interests or values of different individuals or groups are incompatible and frustrate each other's attempt to achieve objectives in an organization. Ramani and Zhimin (2010) noted that conflicts can lead to disputes, grievances, lawsuits, complaints, strikes, and disciplinary actions.

### **Concept of Industrial Harmony**

Industrial amicability alludes to a situation of peace in relative sense in any industrial organization, which includes; nonappearance of strikes, and doubt among work gatherings or unions, tranquil relationship amongst unions and administration of the organization, and additionally representative positive view of his or her commitment as member not as subject inside the organization. Industrial harmony is an exceptionally basic element of organizational profitability and execution. Industrial agreement in its optimal structure, presupposes an industry in a state of relative balance where relationship amongst people as well as gatherings are heartfelt and profitable. Sayles and Strauss (1981) noticed that with the unavoidable contrasts among gatherings inside an organization, struggle and varying destinations saturate cutting edge organizations. This kind of contention keeps the presence of industrial agreement which mirrors a condition of authoritative shakiness (Sayles and Strauss, 1981). Furthermore, as Hanson (1972) noted, industrial agreement speaks to nonappearance of conflict by industrial unions which will undoubtedly bring about viable and proficient organization.

### **Measures of Industrial Harmony**

#### **Absence of Incidence of Strike**

To the industrial striker, strike speaks to the activity of his major right to pull back his administrations. Circumstances which seem to negate his own desire and yearning or which debilitates the satisfaction of the requirements of the individual are being enrolled during the time spent striking. All the more vitally, it is these individual rights that are outfit by the exchange union to set out on strike activity. The union quality in an industry, in this manner generally lay on the force of the strike. The strike is an extremely strong apparatus and can be intense if the workers on strike speak to key work or if the creation lost brought about by the business amid the strike is exceptionally huge. The strike likewise makes the administration to unite genuinely in future transaction; in that capacity, effective strikes improve the dealing position of the union for next arrangement. The strike if effective, enhances the financial prosperity of the individuals from exchange union as they can pay increments as a consequence of strike activity.

Striking workers additionally stand the danger of losing considerable wage amid the time of the strike. This on account of the Nigerian business may frequently summon the no-work-no-pay law. The Nigerian Government has reliably constrained the privilege to assault in the oil

business. A portion of the applicable enactment could be located in the Trade disagreement Acts of 1969, 1976, and 1996. The Trade Unions (Amendment) Decree of 1996 made trade union registration contingent on a "no strike" proviso all through the lifetime of an aggregate understanding. Without a doubt, it unmistakably expressed that businesses were not allowed trade union levy to the trade union concerned, unless union individuals consented to this 'no strike' statement.

### **Absence of Grievance Frequency**

Grievance manifests in employment relations when employees or union perceive ill-treatment or violation of terms of contract agreement by employers (Bemmels & Foley, 1996). Grievance relates to a feeling that infringement has occurred in contract relationship. In such instance, three options are available for employees. These include: the worker may choose not to report grievance officially, in which case, he wallows in his pains and frustration; or quit the job; or courageously report his grievance officially following an official laid down procedure in defiance of any consequence (Pettersen & Lewin, 2000).

Hirschman (1970) postulated exit, voice and loyalty theory. The crux of this theory is that the tendency for an employee who officially reported grievance to get positive response or management retaliation in terms of job relieve is predicated on his loyalty or importance and the criticality of his job to the organization. What this means is that an employee who feels his job is not critical to his employer may be constrained from initiating grievance filing even when unfair treatment is present. In a unionized workplace, grievance procedure serves as official platform for aggrieved employees to report perceived unfair treatment and seek redress. The procedure outlines steps and stages which should be followed in order to effectively manage conflicts (Colvin 2003; Lewin, 2005).

### **Dispute Resolution and Industrial Harmony**

Okwudili and Enyioko (2015) conducted a research on Nigerian union of local government employee's and the struggle for wage control in Enugu State Civil Service. Findings revealed that in Nigeria, Union does not influence policy decisions on wage control in the state. Collins (2013) conducted a study on labor unionism and its effects on organizational productivity in Jos International Breweries (JIB) PLC, Nigeria. Findings revealed that use of labor union enables an organization solve conflicts thus, increase employee productivity. Muluneh (2016) conducted a research on assessment on the impact of labor union on employees' performance in Commercial Bank of Ethiopian. Findings revealed that labor union in Ethiopia has a weak practice, and weak bargaining power hence employees not being able to achieve organizational goals. From the foregoing discourse, the study hypothesized thus:

**H<sub>01</sub>:** There is no significant relationship between dispute resolution and absence of incidence of unrest of multinational oil and gas companies in Rivers State.

**H<sub>02</sub>:** There is no significant relationship between dispute resolution and reduced level of grievance of multinational oil and gas companies in Rivers State.

**METHODOLOGY**

The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through a structured questionnaire. The population of this study was the five (5) multinational Oil and Gas producing companies in Nigeria and operating in Rivers State. Due to the fact that the number of the population was small and can easily be covered, a census method is used and as such accordingly represents the sample for the study. However, for the purpose of data collection, in distributing the questionnaire as an instrument, the researcher distributed fifty (50) copies of questionnaire which will be distributed to managers. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman’s Rank Order Correlation Statistics. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

Coefficient with the aid of Statistical Package for Social Sciences version 23.0 as shown below:

Tests for null hypotheses

**Table 1 Correlations for dispute resolution and the Measures of Industrial Harmony**

			Dispute Resolution	Absence of unrest	Reduced level of grievance
Spearman's rho	Dispute Resolution	Correlation Coefficient	1.000	.702**	.633**
		Sig. (2-tailed)	.	.000	.000
		N	45	45	45
	Absence of unrest	Correlation Coefficient	.702**	1.000	.900**
		Sig. (2-tailed)	.000	.	.000
		N	45	45	45
	Reduced level of grievance	Correlation Coefficient	.633**	.900**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	45	45	45

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

**Source: Research Data output (SPSS output version 23.0)**

**H<sub>01</sub>:** There is no significant relationship between dispute resolution and absence of incidence of unrest of multinational oil and gas companies in Rivers State.

The result of correlation matrix obtained between dispute resolution and absence of incidence of unrest was shown in Table 1. Similarly displayed in the table is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study population. The correlation coefficient of 0.702 confirms the direction and strength of this relationship. The coefficient represents a strong positive correlation between the variables. The tests of significance shows that that this relationship is significant at p 0.000<0.01. Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between dispute resolution and absence of incidence of unrest of multinational oil and gas companies in Rivers State.

**H<sub>02</sub>:** There is no significant relationship between dispute resolution and reduced level of grievance of multinational oil and gas companies in Rivers State.

The result of correlation matrix obtained between dispute resolution and reduced level of grievance was shown in Table 2. Similarly displayed in the table is the statistical test of significance (p - value), which makes possible the generalization of our findings to the study

population. The correlation coefficient of 0.633 confirms the direction and strength of this relationship. The coefficient represents a strong positive correlation between the variables. The tests of significance shows that that this relationship is significant at  $p < 0.000 < 0.01$ . Therefore, based on observed findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between dispute resolution and reduced level of grievance of multinational oil and gas companies in Rivers State.

### **DISCUSSION OF FINDINGS**

This study examined the relationship between Dispute Resolution and Industrial Harmony of multinational oil and gas companies in Rivers State. The findings revealed that there is a strong positive relationship between Dispute Resolution and Industrial Harmony. This finding reinforces views by Mwikali (2016) who conducted a research on influence of implementation of conflict management strategies on employee's performance: A case of Kenya Power Company. It was established that there was a relationship between conflict management strategies and employee performance. The study recommended that Kenya power should organize seminars and workshops on organizational conflict management and should also have strategies that are suitable for the organization to manage conflicts. In addition, conflict arises between individuals due to different styles of communication, cultural backgrounds and political and religious views. Conflict arises within groups due to disagreements between subgroups, and conflict arises between groups due to competition or rivalry. The purpose of conflict management is to teach groups conflict resolution skills, such as managing conflict, finding self-awareness about the types of conflict and effectively communicate while in conflict with a team member.

According to Adhiambo and Simatwa (2011) who researched on assessment of conflict management and resolution in public secondary schools in Kenya. Findings revealed that public secondary schools use strategies such as arbitration, reconciliation, negotiation, collaboration and effective communication to manage conflicts hence increase in organizational performance. A trade unions leadership bargains with the employer on behalf of its members on terms and conditions of employment. This may include negotiation of wages, work rules, complaint procedures, rules governing hiring, firing and promotion of workers, benefits, workplace safety and policies. The agreements negotiated by the union leaders are binding on the entire membership and the employer and, in some cases, on other nonmember workers (Turner and Daryl, 2012).

### **CONCLUSION AND RECOMMENDATION**

A harmonious industrial relation is likely to develop where unions adopt an integrative approach to negotiating problems, where management accept unions as legal representative of the wholesome interest of members. The study therefore concludes that dispute resolution positively enhances industrial harmony in multinational oil and gas companies in Rivers State.

Therefore, the study recommends that conflicts can lead to disputes, grievances, lawsuits, complaints, strikes, and disciplinary actions. It is therefore recommended that management of tertiary institutions should develop conflict management to improve performance of the organization hence ensuring a free flow of communication between the management and

employees as well as promote interpersonal relationships among co-workers to boost their morale.

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