



Industrial Conflict and Performance: Assessment of Oil and Gas Company in South-South Nigeria

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Abstract

Industrial conflict refers to a situation in which the interests, goals, or values of two or more people are not in harmony with each other, causing them to frustrate each other's efforts to achieve objectives within an organization. This study focused on industrial conflict and performance: assessment of oil and gas company in south-south Nigeria. A survey research design was used to conduct the study. A sample size of 374 people was selected from the total population. The sample consisted of Oil and Gas company employees in southern Nigeria. Stratified random sampling was used to segment the population. Data was collected through a structured questionnaire. Descriptive statistics were presented from the field. The results showed that collective bargaining on employees' rights and protection achieved by the union leaders and the companies but not fully implemented, especially by the management. The management did not fully implement promotion policy to prevent workers' grievances. The union leaders did their duty towards their member, but sometimes compromised on important issues that affect employees' well-being in oil and gas companies. This study recommended that South-South Nigerian oil and gas companies should truly involve employees in collective bargaining through their unions as well making promotion policies need to be fair to everyone, including the implementation.

Keywords: *Industrial Conflict; South-South Nigeria; Oil and Gas Company; Collective Bargaining*

Introduction

The management of Oil & Gas Companies seems to have disregarded the needs of workers as one of the best ways to survive in the changing and shrinking global market. Some of the specific measures taken by the industry are: Delays in implementation of Collective Bargaining Agreements (CBA), Non-implementation of CBA by Management of Oil & Gas companies in South- South Nigeria One of the main reasons for industrial disputes is that the Unions call on their members to go on industrial strike on a regular basis, especially NUPENG members (Eboh 2018). On the other hand, directives from national trade union bodies to trade union branches on industrial solidarity action based on unresolved conflicts with a particular organization or government are often not recognized by the leadership of other organizations There are no problems with their internal union reception.

Management practices sometimes involve intimidation and coercion over terms of employment and sometimes refusal to comply with previously offered agreements and rewards. Management sometimes fired workers arbitrarily, discriminated against them, and treated them as victims without recourse to the union. These actions by management tend to pit them against the union, leading to labor conflicts, as was the case in May 2017 when the union called for the closure of all Exxon Mobil Corp. facilities in South-South region (Niger Delta), to protest against the dismissal of 150 of its members (Eboh, 2018). Additionally, in November 2014, NUPENG and PENGASSAN threatened to paralyze the economy for an indefinite period if the management of Total Exploration and Production, TOTAL E & P, refused to recall accused union members. fired within 14 days (Vanguard, 2016). In some cases, workers/unions have difficulty trusting their leaders due to suspicions of complicity and lack of integrity. When employer representatives do not have sufficient authority to negotiate with employees, they cannot commit anything to employees on behalf of management. Failed management leadership ignored labor issues and union leadership was unable to coordinate the efforts of colleagues to motivate them to work due to lack of trust and integrity. These situations can lead to conflicts, as in the case of Sterling Global Petroleum, whose internal union (PENGASSAN) went on strike on September 10, 2018 (without the approval of the national body due to lack of trust) because of long-standing unresolved issues. include; management sends representatives to negotiate without authorization, treats contract workers as full-time employees, and recognizes members of the contract union as members of the branch (Yusuf 2016).

The outsourcing and assignment of specialized jobs to non-union members sometimes leads to labor disputes in oil and gas companies in south-south Nigeria, as was the case in December 2014 when NUPENG and PENGASSAN went on strike to assert their demands on this issue of the Petroleum Industry Bill (PIB). Oil and gas companies failed to follow guidelines on casualties, contract workers and outsourcing and fell victim to NUPENG and PENGASSAN executives, failure to promote and unionize the industry. Management's failure to comply with selective promotion and advancement policies sometimes pits them against the union, leading to labor conflicts. To combat these problems, this study seeks to industrial conflict and performance: assessment of Oil and Gas Company in south-south Nigeria. More specifically, the research aims:

1. To identify the link between collective bargaining and industrial harmony in South-South oil companies in Nigeria
2. To determine the impact of incentive policies on complaint frequency in South-South oil companies in Nigeria.

Literature Review

Collective bargaining is a collective decision-making process and essentially represents a democratic way of life in the industry. It is a negotiation process between companies and employee representatives with the aim of establishing mutually acceptable terms of employment. It is a technique applied by both parties to reach a mutually acceptable agreement through a process of discussion and negotiation. The International Labour Organisation (ILO), has defined collective bargaining as negotiations on conditions of work and employment between an employer and a group of workers or one or more workers' organizations with a view to reaching an agreement that the terms serve as rules defining the rights and obligations of each party. Collective bargaining involves discussions and negotiations between two groups regarding terms and conditions of work. It is called collective because the employer and

employee act as a group rather than as individuals. It is called negotiation because the method of reaching an agreement includes proposals and counter-proposals, offers and counter-offers, and other negotiations (ILO 2017).

However, Makinde (2018) found in a study of collective bargaining in the private sector that in most cases, management ignored agreements reached during collective bargaining, this has serious adverse consequences for harmonious relationships in these organizations. Non-compliance with the agreements is the cause of persistent strikes in the country (Amah & Ahiauzu, 2016). Effective collective bargaining accompanied by good communication will contribute to promoting peaceful coexistence and industrial harmony within the organization (Holtzhausen, 2022).

Collective bargaining is essentially an autonomous system that establishes working rules between employers and unions. It is a process in which one party in a professional relationship makes proposals and requests to the other party, discusses, criticizes, explains, explores the meaning and implications of the proposals, and seeks consensus. their acceptance. This involves making objections or amendments to a similar assessment. Aremu, (2015) believes that the essence of collective bargaining is to reach an agreement. He defined collective bargaining as the process of negotiation between workers and employers through their labor contract organizations to achieve the best possible working and employment conditions. The logic of collective bargaining is agreement, but if agreement is not reached, the action that has taken place is no less collective bargaining than if the process resulted in an agreement. Bacci (2017) notes that collective bargaining occurs when there is collective action, whether an agreement is reached or not, as long as the parties have made a genuine effort to reach an agreement.

At the company level, collective bargaining plays a prominent role in determining employment terms and conditions in Nigeria's upstream oil and gas sector. This is due to the fact that Nigeria does not have a serious single employers' body regulating terms and conditions, and as a result enterprise/company bargaining thrives. In the private sector, except in the oil and gas sector and the print media industry, there is a national joint negotiating council (JCC) for each sector in the private sector. The national JCCs have generally functioned well, except that collective agreements entered into freely are subject to approval by the minister responsible for labour and productivity. In Nigeria's oil and gas sector, collective bargaining takes place at the company level only. This is the only sector in the country where collective bargaining takes place exclusively at the company level of employment (Imafidon (2009).

Promotion Policy

The Promotion Policy is founded on the understanding that an employee's responsibilities and duties may increase in complexity as the organization works to achieve its goals. Therefore, promotions are based on status changes that involve growing levels of responsibility. The additional perks of promotion act as a motivator for higher work output, boost morale, and foster a sense of personal accomplishment and recognition. Although strong prior performance strengthens the validity of the promotion, it should not serve as the main or only justification for proposing a candidate for advancement. All posts will be filled using search and screening techniques, as has been standard policy in the past. Exceptions may be requested by contacting the relevant Authority; the request's business, organizational, financial, and legal ramifications must be considered (Ogbeifun, 2004).

Promotion policy will focus on: ensuring that all administrative roles are monitored by workforces with the necessary skills, skillset and aptitude Balancing the desire for growth and improvement of Officers with the current and future needs of the Corporation. Ensuring value, proportionality and objectivity in issues identified with advancement. Otober (2016), posited that oil and gas workers and unions have now pushed to support legislation promoting unpredictable casualization and subcontracting of workers. They are also stronger in their fight against ordinary workers. Ogbeifun, (2004), affirmed that because many temporary workers in the oil and gas industry work near union collaborators, such as: NUPENG and PENGASSAN, they began to observe their working conditions. Regarding labor law, when 50% or more of non-union workers register to join NUPENG or PENGASSAN, the union can proceed to establish a board of directors to begin preparatory work with the company. Incredibly, this process is frequently hampered by subtle and legal factors, as oil companies shift their negotiating obligations from one subcontractor to another. procrastinate and try to form unions against each other or even turn to physical attacks (Ofurhie, 2014).

Theoretical Framework

Alan Fox (1966) coined the term unitary theory. The unitary perspective views the organization as oriented toward a single or unified structure of authority and loyalty. In the unitary theory view, the focus is on common values, interests, and goals. Those who subscribe to this perspective view all organizational participants as a group or family, thereby implicitly emphasizing common values, common goals, and common destiny. Unitary theory essentially implies the absence of factionalism within the company (Fajana, 2000).

Conflicts are seen as irrational and the dismissal of striking workers is considered more important than consultation or negotiation. Conflicts are seen as pathological, evil, or bad. Trade unions are outlawed and suppressed because they are seen as an illegitimate interference or interference with management’s prerogatives to manage. Under the unitary perspective (Rose, 2008), trade unions are seen as an outsider intrusion into the organisation, competing with management over the loyalty of workers. The unitary approach tends towards authoritarianism, paternalism, and is pro-management biased. It emphasizes consensus and industrial peace, with the assumption that the organisation operates in perfect harmony and that all conflict is superfluous (Rose, 2008).

Unitary theory is closely related to this study. Unitary theory promotes the formation of unions by workers or individuals with shared interests and objectives. When necessary, unions can be used to fight for workers’ rights. For example, the formation of a union by workers, such as a trade union such as the ‘PENGASSAN’ or ‘NUPENG’, will ensure that workers’ rights are protected by the oil and gas companies. By fighting for the union to protect your rights, you are indirectly improving the performance of your company’s employees. Conversely, the lack of a union can slow down a company’s operations or production.

Methods

The study adopted a survey research design as the design generates relevant data from the sampled respondents, which aids in the analysis of the data. The population of the study was composed of employees of Petroleum and Gas companies (PENGASSAN, NUPENG) in Southern Nigeria. The total number of employees included in the study was 33,101 across the 102 oil and gas companies in Southern Nigeria (PENGASSAN Info. 2017). The stratified random sampling methodology was used to divide the population into two segments: senior level (Strata A) and junior level (Strata B). The proportional allocation formula (Bowleys) was used to choose the appropriate proportion for each segment. Taro Yamane was used for the sample derived from 395 respondents. A structured questionnaire was used to collect data. The questionnaire was created from research questions. Data collected from the field were presented with descriptive statistics. The statistical package for social sciences, SPSS Version 23.0, was used for analysis.

Results

Table 1: Demographic information of respondents (N=374)

<i>Demographic data</i>	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Organization</i>	PENGASSAN	167	44.6
	NUPENG	207	55.3
<i>Sex</i>	Male	260	69.5
	Female	114	30.4
<i>Age</i>	Below 20	-	-
	21 – 30	79	21.1
	31-40	170	45.4
	41 above	132	35.2
<i>Years of Experience</i>	0 – 5	89	23.7
	6 – 10	109	29.1
	11 – 15	78	20.8
	16 – 20	52	13.9
	21 – 25	73	19.5

According to Table 3's results, 44.6 percent of the respondents belonged to NUPENG, whereas 55.3 percent belonged to PENGASSAN. According to responses about Sex, 69.5% of respondents were men and 30.4% were women. According to responses on workers' ages, 66.5% of respondents were between the ages of 21 and 40, while 35.2% were above 40. According to responses regarding years of experience, 52.8% of respondents have between 0 and 10 years of experience, 34.7% have between 11 and 20 years of experience, and 19.5% of workers have between 21 and 25 years of experience.

Table 4: Mean responses of respondents on how much industrial harmony is influenced by collective bargaining in specific oil and gas businesses in South-South, Nigeria (N=374)

S/N	Items	\bar{X}	Std. Dev	Decision
1	Decisions made by union representatives and corporate management take into account the interests of both parties	3.03	0.81	Agree
2	Conflicting interests are compromised by management and union leaders.	3.13	0.76	Agree
3	There is mistrust because of the antagonistic behavior of the company management and the union leaders.	3.31	0.86	Agree
4	Union representatives and management always reach a consensus on a collective bargaining agreement that specifies pay and other working conditions	3.21	0.82	Agree
5	PENGASSAN/NUPENG's collective bargaining efforts and management negotiating have been a very effective tool for enhancing rights and safeguards, ensuring the viability of businesses, and encouraging workplace adaption in the oil industry	3.31	0.86	Agree
6	Trade unions and management of the company consistently sign and record new agreements	3.03	0.81	Agree
	Total	3.2		

According to the data in Table 4, the statement items' mean range was 3.03 to 3.31. The mean items were higher above the 3.00 cutoff. This shows that the respondents in the study's sample of oil and gas companies were in agreement that collective bargaining has an impact on workplace harmony. The items' standard deviations varied from 0.76 to 0.86 demonstrated that the responses of the respondents were reasonably similar.

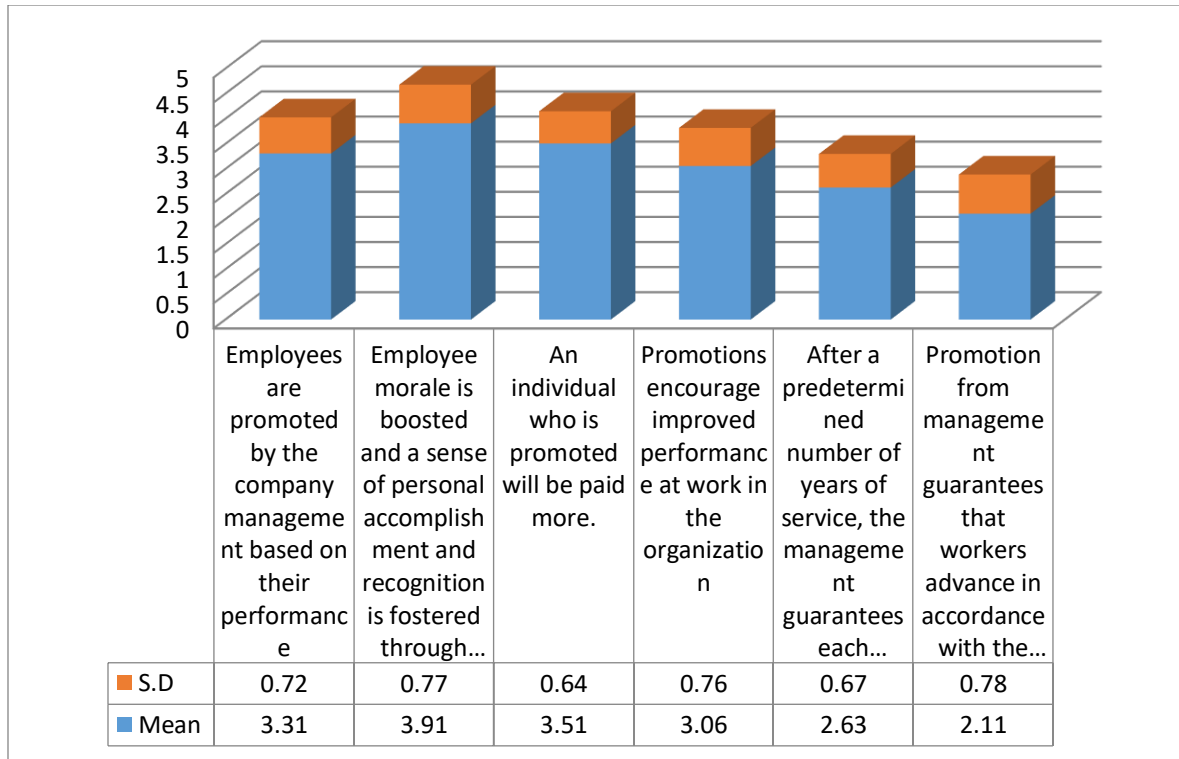


Figure 1: Mean responses of respondents on relationship between promotion policy and grievances frequency in selected oil and gas companies in South-South, Nigeria (N=374)

The outcome in figure 1 demonstrated the influence of the promotion policy on the frequency of complaints in a subset of South-South oil and gas enterprises. Items 1 through 4 were above the 2.50 cutoff while items 5 and 6 fell short of the benchmark. The items' standard deviations fell between 0.64 to 0.78 demonstrated that respondents' perceptions of their responses to the items were essentially the same.

Discussion

The study shows that industrial harmony is influenced by collective bargaining in specific oil and gas companies. This conclusion corroborates that of Makinde (2013), who found in a study of collective bargaining in the private sector that in most cases, management ignores the agreements reached in the process of collective bargaining, this has serious negative consequences for harmonious relationships in these organizations. This also supports the research of Aidelumuoghene (2014), that failure to respect agreements is the cause of persistent strikes in the country. The result of this study corroborates the finding of Nkiinebari (2014), who in a study on communication and industrial harmony in schools, found that effective collective bargaining accompanied by good communication is helpful in promoting peaceful coexistence and industrial harmony in the organization.

The finding also showed that there was a correlation between the promotion policy and the frequency of grievances in selected Oil & Gas companies. Brian (2001) confirmed that promotion Policy gives employees the chance to develop their talents and skills, which can lead to career development and promotion within the company. Supervisors look for internal candidates from their own companies as well as from other business companies across the company. A promotion is a promotion that increases status, responsibilities, and pay. However, in some cases, the pay increases but the other elements stay the same. In others, the status increases but there is no increase in the pay or responsibilities.

Conclusion and Recommendations

According to the findings of the study, there is a strong correlation between industrial disagreements and the performance of selected Oil & Gas companies in south-south Nigeria. As performance was measured in terms of levels of industrial harmony, reduction of grievances, improvement of employee well-being and reduction of strike actions in the sector, the results of the study suggest that oil firms are likely to reduce conflict if they bring union leaders into collective bargaining, implement fair promotional policies and implement agreements with the unions. Being able to reduce industrial disputes to the minimum because it cannot be avoided will help to create harmonious industrial work environments which will help to achieve organisational objectives and goals. Following is some of the recommendations based on the results of the study:

1. South-South Nigerian oil and gas companies should truly involve employees in collective bargaining through their unions. This will help staff members comprehend the obstacles they will face in putting their request into action. The foundation for ensuring harmonious industrial harmony lies more in the unions' and the companies' managements' mutual understanding than in the complete satisfaction of each party's desires at any particular time.
2. Promotion policies need to be fair to everyone, including the implementation. Fair promotion implementation based on merit and pre-determined conditions will help reduce complaints in the industry.

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