In Pursuit of the Employees’ Welfare in the Workplace: Issues in Perspectives

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Abstract

Employees are important to the progress of any organisation so, they should be kept happy and provided with sustainable wages, welfare packages and other incentives which are not always given. It is therefore not unusual to see labour unrest as a result of complaints of poor welfare provisions and services to the workers. Employees are of the perception that although capital is provided by the employers, they are the main resource used to bring about output and production which eventually bring back the investment and huge dividends to the employers. This paper looks at how existing labour laws in Nigeria are serving as protective mechanisms toward the welfare of the employees in the workplace.

Keywords: Incentives, workers, benefits, workplace, productivity, socio economic goods and services.

1. Introduction

Workers are essential to the means of production (Drucker, 2010); they deserve to be treated with respect and given proper welfare packages and incentives (Noguera, 2005). These will improve their sense of worth, boost their self-esteem, financial status and act as, a sort of motivation to drive them to have more passion for their job, increasing their productivity (Thorsten, 2006). This is what is expected to be pursued by employers who look beyond instant profit making as opposed to enduring sustainable business earning of profits in perpetuity (Deeprose, 2006). Lack or inadequate welfare packages and other incentives leads to poor worker’s motivation which greatly affect their outcomes and productivity hence, there is need for employers to give staff welfare package and other incentives for the benefits of the employees, employers and the organisation (Okereke and Daniel, 2010).

There has been a lot of concerted efforts at national and international levels to set standards with minimal government interference and free market forces that would serve as framework to guide labour relations between employees and employers and thus confer on workers certain rights once there is an established contract of employment (Oginni and Adesanya, 2013). Matters relating to labour control are vested exclusively in the central government and the components administrative units (Suberu, 2001). Certain powers are devolved to the components political units like the state and the local government. Matters relating to labour control are vested exclusively in the central government or national government (Aiyede, 2004). Thus, section 4(ii) of the constitution of the Federal Republic of Nigeria provides as follows: “the National Assembly shall have power to make laws for the peace, order and good government of the federation on any part thereof with respect to any matter included in the exclusive legislative list set out in part one of the second schedule to this constitution.”

There is an extensive list of 68 subject matters covered by the aforesaid exclusive legislative list. The 34th item on that list is specified as follows: “labour, including trade unions, industrial relations; conditions, safety and welfare of labour industrial disputes; prescribes a national minimum wage for the federation on any part thereof, and industrial arbitrations.” Thus, all labour statues apply throughout the country unless a particular labour statute provides otherwise. Workers all over the world deserve recognition, good salaries, wages and great improvements in the terms and conditions of work (Narasimhan et al. 2004), thus workers have formed associations for realizing their main objectives dignify and sustainable welfare packages in the workplace (Aldrich, 2008) and to realize improvements in their working conditions (Schneider and Bowen, 2010). Both the Nigerian Labour Laws and International Laws recognize the rights of workers to bargain collectively for the protection of the legitimate interest of workers which can be achieved (Howse, 1999). These
laws are however not taken seriously by employers as they are not held responsible most times for labour offences and due to high unemployment rates in the country, employees often suffer in silence (Danesi, 2010). The reason for not taking the laws seriously is as a result of lack of enforcement on the side of the institutions that have been put in place to monitor and ensure compliance. It is against the backdrop of this gap in oversight that Adewunmi and Adenugba (2010) point out that employers in Nigeria are taking advantage of the weak institutional and regulatory framework to the detriment of their employees (Okene, 2006). As long as this situation persists, workers’ right to collective bargaining especially for essential welfare package would continue to be abridged (Adenugba, 2010). The truth is that, employers do not want to share the control of employment relations with their employees (Whitener, 1998). That is why they are coming up with a new managerial ideologies and philosophies to justify their position (Marcuse, 2013). According to Adenugba (2010), “an official of the Nigerian Employers Consultative Association (NECA) stated that most employers adopt the modern model of industrial relations which discourages the formation of workers’ union and the use of collective bargaining to fix terms and conditions of work.” This is the new trend in industrial relations is employee relations, which emphasizes individualism instead of collectivism, hence, the use of Joint Consultative Council instead of collective bargaining to settle industrial conflict (Ikeanyibe, 2012). In employee relations, since there is no union and union leaders, opinion leaders are invited to participate in Joint Consultative Council. This new trend in industrial relations is nothing other than the situation that has been promoted by the ascendancy of neo-liberalism as the framework of global trends (Terry, 2003).

2. **Historical Background of the Nigerian Labour Law**

An examination of the historical overview of Labour Laws in Nigeria is very critical. This is because the understanding of the history of the trade unionism in Nigeria is essential for the proper appreciation of the events that led to the enactment of these labour laws (Balkaran, 2011). Wage earning employment was not known to the indigenous Nigerian communities until the advent of the colonialist. What existed then was communal labour and trade by barter (Joseph, 2014). Thus, under the communal labour system, members were paid back in services rather than in money (Berry, 1993). The advent of the colonialist led to the development of wage earning and employment (Hopkins, 1996). With the development of wage earning employment and a monetized economy, Labour Laws began to evolve to regulate Master-Servant-Relationship. Most of these legislators came up with ‘alien’ ideas which are different from the colonial masters-Britons (Albert, 2014). However, after the attainment of political independence in 1960, most Nigerian Laws including Labour Laws are essentially reproduction of the English Laws (Mwalimu, 2005).

3. **Literature Review**

The issues surrounding welfare and good quality of life for workers who are used in productive activities but denied basic social economics incentives to improve their quality of life are becoming more challenging and controversial these days (Bowen, 2013). These issues often result into conflicts leading to union members declaring dispute which may culminate to strike actions or lock-outs (Stiglitz et al. 2009). Although there are ample laws that have been put in place to compel employers to provide welfare packages to the employees, implementation and enforcement are the major impediments to the realisation of the provisions of the laws (Weiler, 2009). Most times, employees renge in their promises to provide welfare knowing very well that employees are vulnerable and would rather keep silence in the face of blatant violation of their rights to welfare than face the reprisal (Little, 2001).

Lack of or inadequate welfare package to the employees limits the social and organizational conditions of workers and impact on their productivity (Elson and Pearson, 1981). It could impact also on the team spirit which according to Vallas (2003) limits “the firm’s ability to provide an overarching normative or moral framework within which workplace change might unfold, leaving team systems vulnerable to anomic tendencies, to status distinctions among hourly employees, and to other sources of instability”

A full time employee is supposed to be entitled to a living wage, good working conditions, leave allowance benefits and vacations. The extent to which these are actually made available and beneficial to the employees in the workplace however leaves much to be desired (Becker and Huselid, 2006). Existing labour literature has shown that employees tend to put in their best, work effectively and efficiently if the work environment is conducive and the management and corporate executives demonstrate the flexibility that they often demand of their employees (Fernández, 2003).

In order to promote sustainable output in the workplace, apart from what the law prescribed to be given as welfare to employees, employers should also be more innovative when it comes to dealing with welfare (Nativel, 2006). Undoubtedly, this will serve as incentive and motivate workers to go the extra mile by working harder. The importance of
upgrading skills is also vital as part of welfare in the workplace. Against this backdrop, Vallas (2003:34) points out that "the governments of OECD member countries have begun to acknowledge the importance of upgrading the human capital of those workers trapped in low-skilled, low-paid and often insecure jobs. The emerging literature on workforce development and lifelong learning confirms that this agenda has become a central labour market policy challenge for the 21st century."

Quoting the report of the EU Employment Taskforce 2003:47, Vellas (2003:34) went further to assert that "the report of the EU Employment Taskforce argued that it is imperative to prevent an obsolescence of skills in order to maintain people at work longer, and this means that training has to be targeted also at older workers and low-skilled workers." The overarching importance of incentives in human capital is therefore now a "paradigm shift from "welfare-to-work" to "welfare-in-work" that suggests that some governments – especially in English-speaking countries – are increasingly willing to redraw the boundaries of their labour market intervention."

Olaleye et al. (2010) examined "staff welfare and organization's productivity, using Patani Local Government Council in Delta State, Nigeria as a reference... Data revealed general awareness about staff welfare among the employees and ability to identify the elements of welfare. There was absence of staff welfare in the council. The working environment was poor, in terms of office accommodation and furniture, paucity of working materials, scarcely available monetary incentives and unreliable health and safety facilities, which altogether reduce morale (job satisfaction) and efficiency in job performance."

One of the notable recommendations from the work of Olaleye and Daniel (2010) is that "pragmatic efforts should be made to enhance employee's job capabilities through training; to improve working conditions of the employees and their general welfare in order to elicit job satisfaction and motivation for increased productivity."

The study of Chirda et al. (2009) showed that workers will be more motivated to do their work if salaries are competitive and market related, if the management supports staff welfare and encourage "managerial support for staff career development, availability of tools and consumables in the workplace and progress towards personal professional goals appears play a role in worker motivation." With regard to the issue of realisation of the incentives and welfare suggested by Chirda et al. (2009), there is need to be administrative will on the part of the employers to implement and also political will on the part of the regulator to compel and enforce compliance and performance.

Akintayo (2012:251) investigated "the relationship among working environment, workers' morale and perceived productivity in industrial organizations in Nigeria. This was for the purpose of ascertaining the influence of working environment, workers' morale and perceived productivity among industrial workers in Nigeria." The study found that "a significant relationship exist among working environment, workers' morale and perceived productivity...working environment is significantly related to workers' morale. Besides, working environment has significantly correlated with perceived workers' productivity."

The following recommendation was made "the working environment which embraces organizational support programmes, training and development, substantive welfare package and conducive socio-political environment should be provided for workers. This will definitely facilitate improved workers' morale and increased productivity at workplace" (Akintayo, 2012).

Studies have also shown that the issues of welfare and incentives in the workplace are now becoming global phenomena and there is increase in welfare-related activism to ensure that workers welfare is taken more seriously by the employers. (Daly, 2002). In spite of this, there have long been conflicting expectations of the nature of companies' responsibilities to the employees and the society (Eichhorst and Hemerijck, 2008). Employers are therefore enjoined to do this in order to motivate their employees (Moir, 2001).

In the employment sphere, according to Griffin (1986) "Well-being," welfare, utility," and quality of life are all closely related concepts. They are also at the centre of morality, politics, law, and economics (Griffin, 1986).

The study conducted by Morgen (2001) revealed that "the neoliberal agenda of downsizing the state and minimizing its role in regulating the market has shaped welfare policy and the work of welfare provision."

The study further revealed "self-sufficiency, the confessed goal of welfare to-work programs, is a complex concept, saturated with ideological meaning. Examination of the work of welfare provision provides an opportunity to analyze how workers give meaning to self-sufficiency and construct their work as positive for the families they serve" (Morgen, 2001).

Nadler and Lawler (1983) indicated that "the real thrust of quality-of-work-life programs-improving organizational life and behavior and the fundamental health of the organization-should result in a higher level of organizational performance and a better work environment."

Hollar (2003) has warned that "assessing the human impact of policy change requires more than evaluating economic outcomes; it requires knowing the resources of beneficiaries of social services and their conditions of life from various perspectives. Thus, we must strive for greater understanding about the sociocultural aspects of people's lives that create the whole person-aspects such as health, family and friendship networks, housing situations, public and private..."
support service and program use, conditions of work, and so forth. This is how we come to understand one’s quality of life. The present research creates a conceptual model of quality of life and illustrates the model using data from a follow-up study of former welfare recipients in a county in northern Virginia. Evaluation activities that are premised on a quality-of-life model will help policy actors understand the impact of policies and how public institutions can be managed strategically within their very complex contexts, especially in an era of welfare reform.”

Mirvis and Lawler (1984) study “describes the development and issuance of an independent report on the quality of work life in a Corporation. The theory underlying the report, criteria, definitions, measurement procedures, the properties of the measures, and report itself are presented. A survey indicating a favourable reception to the data by stockholders, financial analysts, and employees is analysed. Recommendations for increased collaboration between accountants and behavioural scientists in the measurement and assessment of the quality of work life are presented in an effort to stimulate further research in the development of standardized measures and in the preparation of independent reports on the quality of work life in organizations.”

Lau and May (1986) study “develops and tests hypotheses to examine empirically how the perceived image of a company's quality of work life will affect its market and financial performances. Growth and profitability of two groups of publicly held companies were compared based on sales growth, asset growth, return on equity, and return on assets. The first group consisted of fifty-eight companies identified as the best companies to work for in the United States; the second group consisted of eighty-eight of Standard and Poor's top one hundred companies. Statistical evidence found in this study supports a paradigm that aligns the interests of the investor, manager, and employee stakeholders into a win-win situation. Findings from this empirical study suggest that companies with high quality of work life can also enjoy exceptional growth and profitability.”

Brush (2000) study revealed that ‘battering and its consequences may thwart welfare recipients' transition from welfare to work, complicating welfare reform. This research examined battering and traumatic stress in the lives of 122 enrollees in a short-term job readiness program. Nearly half reported violence or serious injury in their current or most recent intimate relationship. One third reported traumatic stress symptoms. The data help assess the relative importance of potential barriers to welfare-to-work transition, including character and human capital deficits, gendered caring responsibilities, and battering and its consequences. Feminist accounts that include battering explain program participation outcomes better than accounts that focus only on deficits.”

3.1 Sources of Nigerian labour laws

The Nigerian Labour originated from various sources which are:

The Received English Law: The English Law is a major source of Nigerian Law and as stated earlier in this research work, this is a reflection of the colonial relationship Nigeria had with Britain (Ibhawoh, 2002). Most of the received English Labour Laws have been domesticated in Nigeria by Acts of the National Assembly (Mbah and Ikemefuna, 2011).

The received English Law is made up of the following:


b. Doctrines of Equity: The role of equity in Labour relations is confined to the provisions of equitable remedies such as a declaration order of injunction and specific performance.

c. Statutes in force in England on or before January 1, 1900.


Case Law: Judicial decisions on different facets of the subject form an important source of Labour Laws in Nigeria and where they exist; such decisions remain an authoritative source of interpreting principles of statutory provisions (Temitope, 2010).

International Laws: This includes basically the Customary International Laws and International Treaties (convention) relating to Labour and employment. There are several International Labour Organisations (ILO) Conventions relating to Labour and Employment and so on. The ILO Declaration Fundamental Principles and Rights at Work (2000), ILO Conventions 1987 on Freedom of Association and Protection of the Rights of the Employees was organize in 1948 and 1949 respectively. Whenever Nigeria is a signatory to any of such Treaty, the provisions of such a Treaty becomes part of Nigerian Law and can be invoked and enforced by the Nigerian Courts provided the treat/convention in question
has been enacted into Law by an Act of the National Assembly (Enabulele, 2009).

The Nigerian Constitution: The 1999 constitution, like its predecessors has several provisions relating to Labour and Employment. See for example, Section 17 (3), 34, 40, 41 and 42 of the constitution of the Federal Republic of Nigeria (1999). Although, section 17 of the constitution is generally non-justiciable, i.e (cannot be enforced in a Law court), some of the provisions of section 17 (3) have been embodied in existing legislations such as the Labour Act (1994), Workmen Compensation Decree (1987), Factories Decrees (1987) (Inegbedion and Omoregie, 2006).

Subsidiary Sources: The following are the subsidiary sources of Labour Law in Nigeria:

Collective agreement: Collective Agreements serves as a source of Labour Law by providing rules and terms which regulates contract of employment.

Workplace notices and documents: Employers may issue to their employees Rule Books, Handbooks, Staff Manuals and sometimes post notice also known as internal circulars in the work place on specific matters (Fashoyin, 1990). The provisions of these Notices and Documents may constitute terms of the employment if they can be incorporated into contract of employment (Adediji, 2012).

Customs and practices: Custom and practice or trade usage may constitute a source from which terms regulating the individual Contract of Employment may be derived (George, 2010). However, for custom and practices to become incorporated into Contract of Employment, they must be reasonable, certain and noxious (Dowling, 2001).

4. What Constitute Employee’s Welfare?

Worker’s right is a very broad issue; however, it can be brought down to the protection and respects of human life in the work place and the right to work itself (Seidman, 2007). Some components of workers’ rights are the right to job safety, collective bargaining and equal pay for equal work and employee’s welfare (Laura et al. 1996).

However, the focus of this work is on the employee’s welfare, such as Medicals and Medical Compensation, Annual and Maternity Leave, Compassionate and Sick Leave. Staff welfare is a major issue in industrial relations because welfare programmes and services enhance profitability but with bottom-line employees and high level of unemployment, employers have more room to dodge welfare services (Solow, 2009).

Employee’s welfare is also referred to as better work opportunities for employees, which also relates to taking care of the well-being of workers by Employers of labour, Trade Unions, Government and Non-Governmental Agencies (Goldman, 1999). International Labour Organization (ILO) at its Asian Regional Conference, defined employee’s welfare as a term which is understood to include accessibility to services such as facilities and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in organisations to perform their work in a healthy, congenial environments conducive to good health and high morale (Murugan, 2013).

Employee’s welfare has two aspects, negative and positive (Osterman, 2000). On the negative side, the employee’s welfare is concerned with countering the beneficial effects of the large scale industrial system of production (Henkel and von Hippel, 2005). On the positive side, it deals with the provision of opportunities for the worker and his/her family for a good life as understood in its most comprehensive sense (Gaikwad, 2013).

A further argument in favour of employee’s welfare is that it gives a reputation that shows care and concern on the part of the employee and helps improve the local image of the Company as a good employer (Cohen and Prusak, 2001). Good reputation assists the organisation’s recruitment processes and productivity in the long run. Welfare may not directly increase productivity (Armstrong, 2003) but it may add to the general feelings of satisfaction with the company, improves the self-worth of the employee and cut down on employee turnover (GGrigore and Stancu 2011).

4.1 Institutional capacity and protection of employee’s welfare

Apart from legislation, the formalized employment relationship is regulated and mediated by a number of structures and institutions which are located within the frame work of the Labour Administrative System (Peck, 1996). Article 1 of the ILO Convention 150 defines labour administration as public administration activities in the field of national labour policy (incorporating labour, employment and vocational training) vehicle while the system of labour administration covers all public administrative bodies responsible for and or engaged in labour administration whether they are ministerial departments or public agencies, including parastatal and regional or local agencies or any form of decentralized administration and any institutional framework for the coordination of activities of such bodies and for consultation with and participation. This is the institutional framework for ensuring compliance with laws and standards as well as protecting employee’s welfare. It is the essential duty of Labour administration to enforce labour legislation and to offer solution to the various complex problems that arise in the world of work (Daza, 2005).
Some of the components of labour administrative system that are of interest to us here include, the Federal Ministry of Labour and Productivity, particularly the Department of Trade Union Services and Industrial Relations Department including the Industrial Arbitration Panel and Inspectorate, the National Industrial Court and the National Labour Advisory Council (Tajudeen and Kehinde, 2007). In spite of the political allegiance of government to the ruling class whose members constitute the bulk of the employers of labour, it is still expected to protect the interest of all irrespective of class affiliation or social standing (Olayode, 2011). As such within the employment relationship, government through relevant agencies are expected to ensure that parties involved get a fair deal (Fairclough, 2000).

Furthermore, Adewumi and Adenugba (2010:19) vehemently asserted that “there is no doubt that the Ministry of Labour lacks enough capacity to carry out its mandate. There is shortage of personnel to carry out inspection service nationwide. This development has in turn, reduced the capacity of the system to deliver even when there is the will. The Ministry is short staffed, even in very critical areas. For example, as at 2010, the Factory Inspectorate was made up of only 47 staff.” They also pointed out that “by the Ministry’s own calculation, a minimum of 250 inspectors are required for effective inspection. In fact, it is claimed by trade union officials (as confirmed by official records of the Federal Ministry of Labour) that there is only one Factory Inspector in of the whole of the North-East. Needless to say those facilities such as vehicles to facilitate inspection visits to the work establishments are hard to come by. Again, By the Ministry’s admission and as at 2010, there was not a single vehicle for inspection, yet 63 vehicles are needed.”

4.2 Trade unions and protections of employee’s welfare

If the Agencies of the Nigerian States are not doing enough, what has been the response of the trade unions? Since the unions interact with the labour administrative bodies what have they been able to secure, the welfare of their members? The simple truth is that the unions in have not been able to do much (Gitroy, 2013). A combination of factors, internal and external including conspirator’s indifferences of a consuming public that is quick to condemn any collective action of workers because of possible inconveniences without being commensurately bothered about the plight of the employees. For instance, the industrial action (strike) of organized labour of June 2007 against some governmental policies was effectively organised and implemented but less than one week of the industrial action, there was enough public out-cry against the action with appeals to labour to consider the plight of the people and call of the strike.

Before proceeding further, one pertinent question to ask is whether the unions are in a position to make a difference and the answer is Yes, the unions can.

The unions sometimes are in a position to make a difference through collective platform offered by the unions’ presents a good avenue for workers to press for, and demand for other rights (Kabeer, 2004). This is not to say that unions are not without their own problems which should be addressed to ensure a better deal (Obama, 2008). These problems includes weak organization, inadequate resources; human and materials, lack of inclusiveness in organization and representation of union organs, membership apathy and lack of commitment on the part of union officials (Adewumi, and Adenugba, 2010). Of course, the unions are operating in a very hostile environment dominated by powerful people transnational corporations, whose examples indigenous employers follow (Adewumi, and Adenugba, 2010). Citing a critical sector in the Nigeria, Adewumi, and Adenugba (2010), pointed out that “in the oil and gas sector, employers in the Nigeria’s oil and gas sector have not been particularly well disposed towards unionism for a long time.” Onyishi et al. (2012) also, vehemently subscribed to this view. Adewumi, and Adenugba (2010) asserted that “this is reflected in their refusal to recognize and negotiate with the union executives om victimization and dismissal of active workers, the use of threats, bribery and the infiltration of unions,” which in the words of Ihonvbere (1994) are “definitely aimed at controlling workers.” This trend is entrenched and seems to continue in perpetuity without any sign of it being nipped in the bud. This is contrary to the position of the ILO that states that “there should be no barriers to the free association of employers and workers for the purpose of regulating their employment relationship” (ILO 1997). Even where unions are recognized, there is a reluctance to enter into negotiations with them and when agreements are reached and in particular regarding the issues of workers welfare and well-beings (Coulby, 2009). Employers have lackadaisical attitudes toward workers and unions when it comes to fulfilling what had been agreed on (Chandratileke, 2003). This is why there are always tensions and conflicts in the workplace.

5. Conclusion

Promoting an atmosphere of positive incentive and welfare packages will enhance workers’ productivity and impact hugely on the return on investment made by the employers and stakeholders. Utilising short cuts and pretence by employers to deny and frustrate the employees from receiving welfare benefits will create tensions in the workplace.
Employer engaging in this disingenuous activity will lose at the end of the day should the workers exercise their right to strike. Benefits to the workers serve as motivational factor to be more productive. While this is good for the workers, it is equally beneficial to the employers especially if there is increase in production and sales that result into huge profit. In this regard, it becomes a win-win–situation to both parties.

6. Recommendations

Employers are enjoined to, at all times, take innovative proactive approach to the issue of staff welfare. Even if they are prescribed in law, the employer can exceed what the law prescribed especially if the workers are doing their bits and growing the business through their massive hard work and productivity.

The employees should not be outrageous and unnecessarily difficult in their approach towards negotiation for improved welfare in the workplace. Both parties have stakes in the business hence, they should sit down and work out an acceptable modality that will be beneficial to both.

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