
Industrial Democracy and Organizational Effectiveness of Selected Rivers State Parastatles

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Abstract

The study was intended to determine the relationship between Industrial Democracy and Organizations Effectiveness in selected ministries in Rivers State. More specifically the study focused on the ministry of education, environment and health. The study explored the following objectives: to determine the extent to which industrial democracy influenced organizational effectiveness in ministries of Rivers State. The study employed the cross sectional survey research design and well structures questionnaires. The generated data were analyzed using Pearson Product Moment Correlation coefficient technique through the aid of Statistical Package for Social Analysis (SPSS). The population of the study was 1,543 (One thousand five Hundred and Fort three) Senior and junior staff from 3 ministries in Rivers State. Random sampling technique was used to distribute the 317 questionnaire which constituted the sample size for the study. Then a total of 305 questionnaires were retrieved and this made up the response rate for the study. The study findings revealed that there is a significant relationship between industrial democracy, and organizational effectiveness. This is so as the dimensions of industrial relations practice showed a positive and significant relationship with organizational Effectiveness in Government parastatals in Rivers State. This study therefore recommends that the stakeholders and the Government, Unions and other private employers of labour should utilize industrial democracy, so as to enhance the effectiveness of employees. This is because these practices are proven veritable tools to enhance corporation at place of work. Finally, management should not politicize complains coming from workers or their union representative, rather, carry out thorough fact finding investigation so as to be equipped with the right information relating to their complain.

Introduction

Industrial Relations practices are a vital course for the civil service. The civil service refers to subdivision of government that is neither legislative nor judicial, but constitutes the greatest ratio of the employees in a given economy like rivers state Nigeria. They are primarily bestowed with the mandate to render services to the public. This is so because infrastructure has being provided through the agencies, departments and ministries of the government which puts up action plans that result into progress, and improvement of the quality of life of its citizens. Since government activities are usually personnel intensive (Ingraham and Kneeder, 2000), however these personnel need to perform their duties very important to the performance of the river state government.

Therefore it is vital for rivers state government to perceive its human resource as its most important asset. Verburg et al, (1999) explained that organization's effectiveness is a product of the individual and collective efforts of its employees. Emphasizing on the significance of human resources to an organization, Thomas J. Watson (1996) observed that although funds can be generated and structured, it takes people to build a business. Reiterating the same

point, stone (1998) posited that organizations that pursue success through improved structure and productivity depend on how motivated their employees are to perform their task. This is because organizational effectiveness and efficiency is tied to employee performance in an organization.

Consequently, the process of industrial relations practices brings about the practice going on in an organization and the relationship between employees and management body of union, the government with its several parastatals need to regulate the employee and employment terms and conditions and other activities that borders on the initiation and substance of purposeful work relation which involve applying machinery handling compliant, grievances and disputes in an organization Anugwon (2002). Also, Yesufu (1984) described industrial relations practice as a whole web of human interactions at work and practices on the matters that arise out of the employment contract.

Purpose of the Study

This main aim of this is to study examined the influence of industrial relations practices on organizational effectiveness of the Rivers State ministries in Port Harcourt using survey of staff of the ministry of health, education and environment.

To determine the extent to which Industrial Democracy influenced efficiency in Government parastatals in Rivers State.

To determine the extent to which industrial democracy influenced effectiveness in Government of Rivers State.

Research Questions

In-order to guide the study and achieve the above objectives, the following research questions will be formulated:

To what extent does industrial democracy influence efficiency in Government parastatals in Rivers State?

To what extent does industrial democracy influenced effectiveness in Government parastatals in Rivers State?

Literature Review

Theoretical Framework

Industrial relations practice theoretical framework is such that could be perceived as multi-disciplinary by most functional practitioners because as asserted by Gill's (1969) there is an aspect of other disciplines that have made contributions towards the concept of IR. On the contrary Zeb-Obipi (2017) asserted that the theory of IR lack conceptual integration which have brought about substandard communications across boundaries and have obscured total elucidation. Therefore, as Zeb-Obipi (2017) agued in his work titled "frameworks of Industrial relations analysis" that it is possible to conceive three analytical frameworks in Industrial relations, which are Union, Rules and conflict frameworks. But, for more robust and instructive framework that should guide studies in Industrial Relations practice , Zeb-Obipi (2017) asserted the system theory developed by Dunlop (1958), modified by Blain and Gennard's (1970) and Ahiauzu (1999) as the suitable framework of Industrial Relations practice Therefore, for this study we will review all frameworks and identify with their benefits to Industrial Relations practices since each of them provide valuable contribution to Industrial Relations practices.

Union Framework

In his work, trade union approach to industrial relations practice conceives it as the association amongst unions, institutions and processes that have built-up to structure them. He identified such unions as employee union and employers' association; they are further divided into other smaller sects within itself, like senior and junior staff association. Therefore, it is in industrial relations that issues concerns relating to the interactions amongst members of this union are explained.

Also, the union approach gives the explanation of the role of government serving as intervention between the association of employer and employee (Zeb-Obipi, 2017). And a situation where government is the employer it present a different thing when seen as interventionist. Akpala (1982), Fashoyin (1980) and Ananaba (1969) are scholars whose contributions to the industrial relations framework presented IR as a study of trade unions, collective bargaining and government roles (Zeb-Obipi, 2017). Notwithstanding, the union perspective of industrial relations is associated with historical and descriptive problems. He summarized that the union approach is insufficient in covering all the relevant issues in industrial relations because it is analytically isolated to provide proper explanation, prediction and control of variables (Zeb-Obipi, 2017). These issues brought about the consideration of rules framework of industrial relations.

Rules Framework

The rules framework finds its expression in oxford and systems approach of industrial relations practices This approach perceive industrial relations as the study of establishment and administration of rules (Dunlop, 1958); the study of the institutions of job regulation (Flander, 1965); and, is "a behavioural theory of labour negotiation on the grounds of making rules (Walton and Merkesie, 1965). In this approach, the Rules relating to governance of the place of work via Industrial Relations practice are stipulated and connections of variables contained in their making and administration are Rules making, therefore, is the ban of industrial relations framework.

Furthermore, Flanders (1965) identified conflict resolution and collective bargaining as two institutions of job regulation. Zeb-Obopi (2017) explained that there are two types of rules which are substantive and procedural rules, while there are two types of job regulation; internal and external, as he expressed the oxford or institutional view of IR in an equation as $r = f(c,b)$.

But, just like the case of the trade union approach of IR, the oxford model has been criticized to be insufficient and too restrictive in dealing with the Rules making process. It has also been seen as too narrow to provide comprehensive framework for analyzing Industrial Relation problems. Thirdly, the model is characterized as obsessed with labour warfare and peace through reconciliation and bargaining. The model is also seen as overemphasizing the significance of political variables in Rules determination at the expense of other equally significant variable like technology, market status, ideology etc. (Zeb-Obipi, 2017).

The concept of industrial relations practice

The concept of industrial relations has a very broad meaning and connotation, Kapoor, (2008). In a narrow view, it means the employer and employee's relationship with the relationship that arises in the daily interaction between the manager and the labor. Zeb-Obipi (2017) defined Industrial Relations as a field of study and practice dealing with a set of interactions at the workplace predicated upon employment contract involving work parties and their representatives in job regulation. This definition described industrial

relation first as a body of knowledge and as a practice which are collections of connections, terms and contracts of employment, employees and employers/management. Also Ahiauzu (1999) defined IR as a rules-making process in which, relevant behaviour manifestations of actors result into rules of job regulation

He considered IR as a product of the process of industrialization; according to him: Industrialization results in the creation of managers, industrial workers and labour organizations. The existence of these parties necessitates the development of what they called 'an industrial jurisprudence', the purpose of which is to define power and authority relationships among the parties as well as regulating all other aspects of employment in the work place and in the work community (Ahiauzu, 1999; 111).

This relationship is complex and multidimensional, economic, social, psychological, ethnic, professional, political and legal. There are two main factors that define the state of industrial relations practice: how good or bad is any country.

Industrial democracy

Industrial democracy is an arrangement involving workers' decisions, responsibilities and commitments in the workplace. Although participants manager designers will hear and participate in decision making, they have the ultimate decisive power in industrial democratic organizations (they decide on organizational design and hierarchy), Reuters (1972). Although industrial democracy generally deals with the model of the organization where the works will directly work by private and state owners, as well as representatives of industrial democracy, Joel and Wolfgang (1982). Representative industrial democracy includes decision-making structures, such as committees formation and advisory bodies, facilitate communication, communication and personnel communication.

Industrial democracy is divided into three parts. The first part deals with the trade union structure and concludes that "trade unions are democratic, i.e. their internal constitution is based on the peoples of the peoples of the peoples". Part II focuses on the trade union function, in particular the collective trading method. The third part supports trade union theory, Webb, Sidney; Web, bitrate (1897).

Ideal for citizenship in the employment process is a job or partial participation in entrepreneurial or commercial organization. The term and its related differences are often laden ideological tones. In an extreme case, industrial democracy implies control of industry workers that are associated with producers as cooperative producers.

Concept of Organizational Effectiveness

The basic measurement of organizational effectiveness for the business is generally expressed as to whether it is appropriate for its targeted profitability Herman, Robert and Renaissance, David (2008). Additional measures may include the results of growth data and customer satisfaction surveys. Highly efficient organizations reflect strongly five areas: leadership, decision making and structure, people, work processes and systems and culture. In order to succeed and sustain, the organization must change its dynamic environment. The assessment and improvement of organizational effectiveness and efficiency is one strategy aimed at ensuring further growth and development of the organization, Mitchell and Giorgio (2012). Organizational effectiveness is how effective to achieve the organization 's results. Organizational effectiveness groups are directly related to several key areas such as McLachlan's, Jones, Jordan and Gretchen (2010)

Effectiveness

Effective oriented organizations are concerned with output, sales, quality, creation of value added, innovation, and cost reduction. It measures the degree to which a business achieves its goals or the way outputs interact with the economic and social environment. Usually effectiveness determines the policy objectives of the organization or the degree to which an organization realizes its own goals (Zheng, 2010). Meyer and Herscovitch (2001) analyzed organizational effectiveness through organizational commitment. Commitment in the workplace may take various forms, such as relationship between leader and staff, employee's identification with the organization, involvement in the decision making process, psychological attachment felt by an individual. Shiva and Suar (2010) agree that superior performance is possible by transforming staff attitudes towards organization from lower to a higher plane of maturity, therefore human capital management should be closely binded with the concepts of the effectiveness.

According to Heilman and Kennedy - Philips (2011) organizational effectiveness helps to assess the progress towards mission fulfillment and goal achievement. To improve organizational effectiveness management should strive for better communication, interaction, leadership, direction, adaptability and positive environment.

Efficiency

Efficiency measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs (Low, 2000). To maximize the output Porter's Total Productive Maintenance system suggests the elimination of six losses, which are: (1) reduced yield - from start up to stable production; (2) process defects; (3) reduced speed; (4) idling and minor stoppages; (5) set-up and adjustment; and (6) equipment failure. The fewer the inputs used to generate outputs, the greater the efficiency.

According to Pinprayong and Siengthai (2012) there is a difference between business efficiency and organizational efficiency. Business efficiency reveals the performance of input and output ratio, while organizational efficiency reflects the improvement of internal processes of the organization, such as organizational structure, culture and community. Excellent organizational efficiency could improve entities performance in terms of management, productivity, quality and profitability.

Relationship between industrial Democracy and organizational Effectiveness

Effective industrial relations practice provides a good strategy in achieving organizational effectiveness in the public sector since as well as institutional arrangements created in these relationships. Organizational effectiveness depends on the relationship between people in the organization and how these people are effectively managed. Industrial relations and organizational effectiveness are both related, since their successes both depends on how well you manage the relationships within and outside the organization. So to ensure organizational effectiveness in the public sector, we also have to guarantee effective industrial relations first in the public sector, McCabe, D. M. and Rabil, J. M. (2001).

On the contrary, Veldsman (1980) defines organizational effectiveness as a qualification and value, which is contrary to the state of the organization, against its ideal condition. He believes that the organization is effective if the actual state is ideal and is ineffective if the

state is in the last position inappropriate. Veldsman (2010) organizational effectiveness determines the ideal condition) requires multiple individual verdicts, but the decision is realistic to be based on the specific criteria. The criteria should be evaluated individually by measuring and comparing organizational effectiveness to provide a variety of criteria and thus increase and worsen the jungle of management theory. In contrast, the varied concepts of organizational effectiveness that can arise from different persons Knowledge of organizational effectiveness concept. Similarly, Mehshwar (1980) believes that organizational effectiveness is a multilateral concept which has no agreement on which measures are important and should be used based on analysis. He noted that many variables need to measure organizational efficiency. In addition, he warned that the selection of appropriate variables should be based on the nature of the organization. He categorically stated that organizational effectiveness measures for business organizations differ from social services or research organizations, even though similarities may be noted In addition, he advised that specific environment, traditions, internal processes, resources, technologies and goals should be considered in the selection of organizational effectiveness measures. Hence, Kaplow (1976) and Duncan (1973) argue that efficiency research should include effective organizations with adequate universal indicators. Universal indicators of effective organizations are typical for them, including adaptation, flexibility, sense of identity, absence of strain, and reality testing. However, organizational efficiency is defined as what is the importance of how to achieve organizational effectiveness in the public sector in line with the following hypothesis that was formulated.

- H₀₁:** There is no significant relationship between industrial democracy and effectiveness in Government Parastatals in Rivers State
- H₀₂:** There is no significant relationship between industrial democracy and efficiency in Government Parastatals in Rivers State

Methodology

This research study cross sectional survey design Borg and Gall (2009), explains that descriptive study determines and reports the way things are and commonly involves assessing attitude, opinions towards individuals, organizations and procedures. In qualitative methods, the knowledge claims used by researchers are primarily based on constructivist perspectives – such as the different meanings of individuals’ life experiences, historically and socially constructed meanings. In qualitative methods, the knowledge claims used by researchers are primarily based on constructivist perspectives – such as the different meanings of individuals’ life experiences, historically and socially constructed meanings. Descriptive survey design was relevant to this study because the study sought to collect data from respondents about their opinions on the Industrial Relations practices and Organizational Effectiveness in selected public sector parastatals in Rivers State.

Data Analysis

This segment of the analysis involves the analysis of the demographic profile of the respondents to the questionnaire, univariate and bivariate behaviour of the variables under study. According to Sekaran, (2003) Descriptive statistics describes the phenomena of interest and involves procedures used to organize and summarize information in a convenient and understandable form (Mac’Odo, 1999). In this study, descriptive statistics was used to analyze the demographic characteristics of the sample as well as to analyze the data on each of these search variables so as to get a clearer picture of the general data and the individual variables

Table 1: Result of univariate analysis of industrial Democracy
Distribution of industrial democracy

Table 4.7 Distribution of industrial democracy

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Std. Error	Kurtosis Statistic	Std. Error
Everybody contribute in decision making	305	1.00	5.00	3.7750	1.06226	-.642	.146	-.189	.290
majority decide on every issue raised	305	1.00	5.00	3.3643	1.24267	-.189	.146	-1.057	.290
There is a regular meeting among the staff of this establishment	305	1.00	5.00	3.2107	1.20121	-.188	.146	-.712	.290
everybody freely air his/her view in decision making	305	1.00	5.00	3.3722	1.21231	-.190	.146	-1.001	.290
Valid N (list wise)	305								

The results in table 4.7 above revealed that there are 305 cases with a 100% response rate in all three (4) items of the industrial democracy. Industrial democracy items were normally distributed, with skewness scores that range from $-.642$ ($SE = .146$) to $-.188$ ($SE = .146$) and kurtosis scores that range from -1.057 ($SE = .290$) to $-.189$ ($SE = .290$). It also revealed that the industrial democracy item with the highest mean score which is “Everybody contribute in decision making.” (3.78), with a standard deviation of 1.06, minimum score of 1.00, and maximum score of 5.00. The industrial democracy item with the lowest mean score was; “There is a regular meeting among the staff of this establishment.” (3.21), with a standard deviation of 1.20 and the minimum and the maximum scores of 1.00 and 5.00, respectively. While no conclusions can be drawn from simply observing these means, it shows that respondents agree to industrial democracy at their workplace.

Table2: Result of Univariate analysis of organizational effectiveness

	N	Minimum	Maximum	Mean	Std. Deviation
Efficiency	305	1.00	5.00	3.5286	1.1910
Effectiveness	305	1.00	5.00	3.4774	1.0657
	305				

This variable is revealed to be significant within the target organizations based on the responses of the participants. This is as the mean and standard coefficients both reveal average levels of agreement and low dispersion for both variables, respectively, to the presence and experience of the variables within the organization. This is evidenced from a mean of $(x) = 3.5286$ and 3.4774 respectively while the standard deviation of $(s) = 3.5286$ and 1.1910 , implying substantial and significant support and acceptance of the statements posed by the indicators of the variable.

Table 3: bivariate hypotheses of association between variables (Industrial Democracy – Efficiency, effectiveness)

			Industrial Democracy	Efficiency	Effectiveness
Spearman (rho)	Industrial Democracy	Correlation Coefficient	1.000	.310**	.387**
		Sig. (2-tailed)	.	.000	.000
		N	305	305	305
	Efficiency	Correlation Coefficient	.310**	1.000	.475**
		Sig. (2-tailed)	.000	.	.000
		N	305	305	305
	Effectiveness	Correlation Coefficient	.387**	.475**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	305	305	305

Table 4: Regression analysis of variables (Industrial democracy and organizational effectiveness (efficiency and effectiveness))

Variable	R value	R ² value	Adjusted R ²	Std. Error of the Estimate
Efficiency	.310	.096	.093	2.26366
Effectiveness	.387	.150	.147	3.46414

Industrial democracy and Organizational effectiveness: The results of the analysis reveal a significant relationship between the industrial democracy and organizational effectiveness. The data reveals that industrial democracy is significantly correlated with the measures of organizational effectiveness (efficiency and effectiveness). This is as the relationship between industrial democracy and efficiency is significant at $(r) = .310$ where $P < 0.05$; the relationship between industrial democracy and effectiveness is significant at $(r) = .387$ where $P < 0.05$. Given the lack of evidence for accepting the null hypotheses of significant relationships as assumed in hypotheses one, two and three (H_{O1} and H_{O2}), the null hypotheses is considered false and rejected.

In order to ascertain the degree of influence, industrial democracy was regressed on efficiency and effectiveness. Regression results, as displayed in Tables 4 shows R^2 -values of .096 and .150 respectively, which indicates that industrial democracy predicts organizational effectiveness. The study found that 1 unit increase in industrial democracy accounts for a .096 unit increase organizational efficiency and a .150 unit increase in the organizational effectiveness. In other words, since industrial democracy is positively related to both measures of organizational effectiveness, any improvement in the industrial democracy for public servants will cause the organization efficiency.

Discussion of the findings

Zeb-Obipi (2017) In cognizance of the purpose of the study, which is to examine the relationship between the industrial democracy and organizational effectiveness of public sector, specifically, employees of the Rivers State ministries in Port Harcourt, literature on industrial relation practices and organizational effectiveness was reviewed, then (6) hypothetical statements were formulated and tested. Data was collected from a sample of 305 employees, majority of which were single who fall within the 26 years and above. It also revealed that majority of the respondents are Bachelor's degree holders who belong to the

different categories of the work cadre and they have worked for more than one (1) year. Collected data was then analyzed using the SPSS software Hypotheses were tested using Pearson's coefficient of correlation (r) and regression analysis.

Based on findings, it can be concluded that the research questions and objectives were addressed as stated below Industrial democracy has a significant positive impact on organizational effectiveness. It influences the efficiency and effectiveness of the organization .Zeb-Obipi (2017) Efficiency has a significant positive impact on organizational effectiveness. It also influences the organization .Based on the findings and subsequent drawn conclusions; the influence of industrial relation practices on organizational effectiveness was established. Consequently, on the following recommendations that were made, Public sector decision makers should encourage industrial democracy. This is because industrial democracy has a significant positive impact on organizational effectiveness. It positively impacts on the efficiency of the organization. Verburg et al, (1999) Public sector decision makers should allow efficiency because industrial democracy has a significant and positive impact on organizational effectiveness. It positively impacts on efficiency and effectiveness of the organization.

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