

COLLECTIVE BARGAINING AND MINIMUM WAGE DETERMINATION IN NIGERIA

Issa Omolabi, Abdulrasaq Salman, Abdulrasaq Ajadi Ishola & Abdulrazaq Kayode
Abdulkareem

ABSTRACT

Wage is central and critical to employees as oxygen is to life. Of all personnel problems, paying employees is perhaps the most perplexing one. It involves many emotional factors. The essence of wage determination is to guarantee workers the necessary psychological support required for better performance. In Nigeria, those with jobs could not effectively cover their expenses as their take-home pay cannot take them anywhere. The conditions of service kept going down. In addressing the wage and expenses imbalances, collective bargaining emerged. This study thus examined the effect of collective bargaining on minimum wage determination in Nigeria. The study targeted employees of both state and federal government establishments in the South-West geo-political zone. The sample size for the study was 600 employees of both state and federal government. The study found that the prerequisite factors relevant for consideration during wage negotiation has been ignored and thus impaired effective wage standard. The study concluded that the increasing cost of living has not been in correspondence with the minimum wage paid by the government. Hence, employees were demotivated with their pay. It thus became necessary that collective bargaining be resulted to facilitate the required increase in their pay wage. The paper recommended periodic interactive sessions with the unions to regularly meet to monitor wages and salaries trends and cognisance of inflation trends.

Keywords: collective bargaining, wages, labour market, purchasing power, productivity

INTRODUCTION

Wage or pay is the most important single motivator used in modern society to boost performance. It remains an essential tool for achieving higher productivity goals through the proper utilisation of human resources. Wages play an important role in maintaining happy industrial relations. Thus, it constituted a serious headache for human resource experts to manage Flippo (1984) effectively. In buttressing its importance, many countries extended the coverage of collective bargaining agreements to entire sectors, therefore binding non-subscriber workers and employers (Pedro, 2014). In most developing countries, including Nigeria, most workers are not paid even the base minimum wages necessary to meet their subsistence needs, which often creates doldrums of their industrial relations scene. Therefore, to cultivate harmonious industrial relations, efforts are to be made at all levels to decide and implement fair and reasonable wage differentials (Fajana, 2009).

Wage determination is highly subjective. Many value judgements are involved in determining what should be paid to employees as compensation for their sweat, knowledge, education, training, time and effort. However, from a practical point of view, there must be rules, regulations and policies to guide this sensitive area of personnel management (Akpala, 1982). There has been a recurring battle between the various employers with their employees.

On the one hand, the Nigerian government and the organised labour and the private investors and their employees on the other. Thus, the conflict became egregious with the national government's adoption of centralised collective bargaining because of the diverse interest involved in the bargain. All labour-related bargains are guided by the centralised minimum wage standard and the active presence of the employers' association and the affiliated workers' unions (Calmfors & Driffill, 1988).

The existence of organised labour is one way that workers can match their employers on the negotiation table. In other words, workers are less vulnerable when they come together on a trade union platform. This is because an employer may ignore a single worker but ignore a group of workers to his peril. Thus, trade unions through collective bargaining represent vehicles for the articulation and advancement of the collective interest of workers within and outside employment situations. The philosophy behind trade unionism must of necessity be that "an injury to one is an injury to all" because irrespective of worker's position within the hierarchy of work, in the absence of part ownership of the business, each worker is vulnerable. His safety net will be the trade union (Pedro, 2014).

Since independence, the Nigerian wage scene has been in a state of disarray. The wage structure that has been extant for the last four decades is replete with practices that are quite irrational. The differential and disparities in it, in many instances, have no moral justification except that they have been in existence, and the "low-wage pocket" and "high-wage islands" merely reflected the so-called bargaining strength of the parties. The minimum wages have no relation to the worker and his family, and wage differentials between occupations often reflect differences in the workers' skills, training, and productivity. The basic causes of this situation have been the gross neglect of wages determination and planning, which can be largely attributed to undue emphasis on the financial aspect of the wage plan. Also, there is the belief that the traditional methods of wage fixation, such as voluntary and compulsory arbitration by judicial bodies, are working satisfactorily. Therefore, there is no need for a change in the existing system to meet the various challenges of rapid economic development. The inability to formulate a wage policy at the National level is largely regarded as a complex economic, social and political issue, which calls for a fair distribution of the national income among the host of claimants.

The wages paid to the Nigerian workers have been rendered inadequate by the high rates of inflation pervading the economy over the years. The serious economic crises that the country is currently facing have created a decline in industrial production and output, employment opportunities have fallen rapidly, and unemployment rates correspondingly rising. This trend, no doubt, has affected industrial relations institutions adversely. Therefore, the need for a dynamic, intelligent and foresight full wage determination through the collective bargaining model cannot be overemphasised, particularly for an emerging economy like Nigeria in the era of globalisation. This study thus examined the impact of collective bargaining on the determination of minimum wage in Nigeria.

REVIEW OF LITERATURE

Collective Bargaining and Minimum Wage: The Nexus

Wage is central to the employer-employee relationship. While many people enjoy working and claim that they would not stop working, even if they were to win a large sum in a lottery. Most people work because it is the only means of earning money to sustain themselves and their family in their accustomed style. Therefore, how much a worker is paid and what form

is an issue that matters most (Urama, 2019). Wage is often used interchangeably with compensation management. In the narrow sense, the wage is the price given to a worker for services rendered. However, wages are compensation or remuneration for overall services rendered apart from the basic wage in the broader sense. It is a form of pay given to employees in exchange for the work they have done, and it is the chief reason why some individuals seek employment.

Collective bargaining is indispensable in work regardless of the sector, while wage is central to the employment relationship. Through the collective bargaining approach, determining wage rates is the presence of industrial muscles in determining worker's "take-home" pay. It is a collective bargaining exercise when it involves the organisational stakeholders engaging in a mutually beneficial negotiation. However, for the exercise to be fair, the parties' interests must be faithfully protected (ILO, 2017). Strong unions ensure that their case is heard and taken into account. They can thus secure a better pay deal for their members than market rates would allow. Wage is a major source of conflict and disagreement, resulting in disputes in organisations (Castagnera, 2021). collective bargaining thus provides for the introduction of arrangements for the peaceful settlement of grievances and disputes arising out of the interpretation of a collective agreement; thereby, collective bargaining and wage determination are both interrelated, intertwined and two sides of a coin.

The International Labour Organization (ILO) (2001) describes wages as a payment system based on effort, performance, productivity and financial benefits payable to an employee in cash in return for services rendered. Henderson (2002) defines wages as any form of payment given to employees in exchange for work provided for their employers. According to ILO (2009) and ILO (2017), the concept of the minimum wage contains three basic ideas. The first is that the minimum wage is the wage considered sufficient to satisfy the vital necessities of food, clothing, housing, education, and recreation of the workers, taking into cognisance each country's economic and cultural development. The second is that minimum wage represents the lowest level of remuneration permitted, in law or fact, whatever the method of remuneration or the worker's qualification. The third is that the minimum wage is the wage each country has the force of law to uphold and enforceable under threat of penal or other appropriate sanctions. It further notes that minimum wage fixed by collective agreements made binding by public authorities is included in the above explanation. Establishing a minimum wage system ensures that workers will receive a basic minimum wage, which will enable them to meet their needs, hence the frequent use of the term "minimum living wage". According to Nwachukwu (2000), wage determination refers to developing, implementing, and maintaining a base pay system. Its central objective is to provide pay that is both competitive and equitable. Wage determination represents all those processes, strategies, plans and schemes that give rise to pay policies. Such policies set the overall direction of pay within the organisations or establishment, public or private as the case may be. The actual development of a base pay system follows the determination of pay policies.

Flippo (1984) observed that one of the most difficult personnel management tasks is determining monetary compensation rates. Not only is it one of the most complex duties, but it is also one of the most significant to both the organisation and the employee. It is important to the organisation because wages and salaries often constitute the greatest single cost of doing business. The paycheck often is the sole means of economic survival and the most influential factor determining status in society. Wage determination involves evaluating employees' contributions to distribute fairly direct and indirect monetary and non-monetary

rewards within an organisation's ability, pay, and legal regulations. However, the minimum wage legislation is a very important criterion in the payment of wages.

According to Megginson (1981), Wage determination is creating a system of orderly payment that is equitable to both the employee and the employer and motivates employees to exert an acceptable effort in the performance of their job. Wages and salaries constitute a significant part of the overall cost of operations, observing that wages and salaries constitute over 50% of the operating costs in some organisations. Organisations that cannot pay wages and salaries regularly are in danger of disintegration. Poor wages are a constant source of frustration and can result in a decline in productivity. Consequently, wages should not only be adequate, but they must also show some element of equity. This is particularly true from the point of the employees. Anything short of a fair and equitable wage can quickly attract the wrath of employees in an economy such as Nigeria. For many Nigerian employees, wages are a highly critical issue. They are decisive because life becomes extremely horrid and precarious for the worker and family members without them in sufficient quantities. As a direct financial reward, the employees' wages and salaries are the most emphasised, thus taking centre stage in the scheme of things as far as rewards for work are concerned. Therefore, the need for a dynamic and intelligent wages determination through a collective bargaining approach cannot be emphasised, particularly for an emerging economy like Nigeria.

The fixing of minimum wage prevents the exploitation of weak, ill-informed or isolated groups of individuals. Minimum wage affords such people more comprehensive protection than is available through existing voluntary bargaining machinery. Therefore, for clear direction, this study embraces several related issues that impinge on the all-important question of wage determination in Nigeria. Here, the focus is on relevant suggestions to mitigate the difficulties encountered in handling the issues of wages determination in Nigeria.

Collective Bargaining

There is no statutory definition of most social science concepts, just as it with collective bargaining. However, it is the workers' right to bargain collectively with the employers as a corollary right to freedom of association. All industrial relations system has a common outcome of the possibility for disagreement and disputes among various contending interests and the presence of recognised procedures to resolve the disputes either through compromise and negotiation. By doing so, industrial peace and harmony necessary for industrial growth and development can be objectively achieved.

Collective bargaining developed as a means of introducing democratic principles into the employer-employee relationships. It is a decision-making process, and its overriding purpose is to negotiate an agreed set of rules governing employment relationships between the bargaining parties. It is "collective" because workers are involved in it as a group represented by individuals chosen for that purpose. The process is "bargaining" because it involves giving and taking, not taking or leaving and making a contract. The resultant contract is called "collective agreement", which regulates the relationship between the parties involved.

Fashoyin (1992) defined collective bargaining as a machinery for discussion and negotiation, whether formal or informal, between the employer(s) and workers' representative, aimed at reaching mutual agreement or understanding on the general employment relationship between the employer(s) and workers. The aims are to accommodate, reconcile and often compromise the conflicting interest of the parties.

However, it is pertinent to note that the management is forced to negotiate certain areas and conditions of work with workers' representatives under this agreement. The negotiation results are usually binding on the parties, but not all are implemented to the letter.

According to Armstrong (2012), collective bargaining involves employers and unions reaching an agreement on terms and conditions of employment and how employment issues such as disputes, grievances and disciplinary matters should be resolved. Bargaining arrangements result in collective agreements, formal agreements, between management and trade unions dealing with terms and conditions of employment or other aspects of the relationships between the two parties. They may be substantive agreements dealing with terms and conditions of employment, or they may be procedural agreements dealing with the procedures for collective bargaining. These are sometimes called framework agreements because they provide a structure for the bargaining process. Therefore, collective bargaining is a means through which industrial democracy can be accomplished in a work environment. The parties are willing to understand and cooperate with the terms and conditions of the agreement.

The application of collective bargaining to the determination of minimum wage is sine-qua-non. Collective bargaining is how abuse of power is prevented between parties in the employment relationship. The expansion of collective bargaining is the major means of achieving the procedure of industrial democracy. Hence to attain democracy in the workplace, collective bargaining must be strictly adhered to as it covers the various negotiating methods and procedures generally used to reach a mutual agreement. In verifying the nexus between the variables under observation, related studies were presented below.

An empirical study on the comparative analysis of wage determination in Nigeria's unionised and non-unionised organisations was provided by Fapohunda (2012). The data for this study were collected using a survey method of 155 workers both in unionised and non-unionised organisations. A five-point Likert scale questionnaire was used. Frequency distribution and percentages were employed in analysing the data collected. The results indicated that there is a significant relationship between wage levels and unionisation. Another important finding was that non-unionised organisations do not necessarily earn less than unionised organisations (Castagnera, 2021). The level of wages was found to be related to the ability of union leaders to negotiate skillfully. The study recommended that decentralised and individualised employment relations must remain linked to the national and collective level of bargaining, and a new balance must be developed between collectivism and individualism emerging.

Furthermore, another study on the recent trends in wage and salary administration in Nigeria was conducted by Fajana (2009). The study adopted a survey method. Data collected were subjected to critical analysis using mostly non-parametric methods. One of the study's major findings was that there had been unwarranted lags between employees' pay and productivity and huge income differentials between the various levels of government where the employees buy from the same market. The study suggested the urgent need to strategise and schemes that attract higher labour productivity, equity and fairness in rewarding workers. However, the study focused on wage and salary administration rather than the determination of minimum wage through the model of collective bargaining.

An empirical study also on minimum wage implementation and management in a post-recession economy, the Nigeria experience, was conducted by Fapohunda et al. (2012). The data for this study were collected using a survey method. One of the major findings of their study was that issues and challenges of minimum wage implementation in Nigeria were the labour market situation, level of unemployment and poverty, the unfriendly posture of

Nigerian governments on minimum wage, organisations' culture of unfair labour practices, unavailability of statistics, the faulty criterion in fixing minimum wages, poor enforcement capacity, the challenge of non-unionised workers, casualisation and contract staff. The study recommended that the effective management and implementation of the minimum wage required all stakeholders' efforts, commitment, and collaborations. The study concluded that the impact and usefulness of minimum wage policy depend on whether minimum wages are paid.

RESEARCH METHODOLOGY

The study used an exploratory research design to investigate the effect collective bargaining process on the determination of minimum wage in Nigeria. The study targeted the staff of both state and federal government in the South-west geo-political zone of Nigeria. The staff holding managerial positions and currently on leave and those on contractual terms were excluded from the survey. Furthermore, a simple random sampling method was adopted while the Raosoft Online Sample size calculator (<http://www.raosoft.com/samplesize.html>) was adopted to determine the sample size. The sequel from this, a sample size of 600 staff from federal and state government establishment within the south-west geo-political zone in Nigeria, was adopted.

Since the study investigates and measures the association between key variables using nominal data, non-parametric statistics were used. One way to determine whether there is a statistical relationship between two or more variables is to use the chi-square test for independence. A cross-classification table is used to obtain the expected number of cases under the assumption of no relationship between two or more variables. Then the chi-square statistic value provides a test of whether or not there is a statistical relationship between the variables in the cross-classification table.

Furthermore, the Cramer's V is used to describe the magnitude of association between categorical variables (nominal) when the number of rows, the number of columns, or both is greater than two. Cramer's V must lie between 0 (reflecting complete independence) and 1.0 (indicating complete dependence or association) between the study variables. If the number of rows or the number of columns in the contingency table is two, the value of Cramer's V is identical to the value of phi. Cramer's V is computed by taking the square root of the chi-squared statistic divided by the sample size and the minimum dimension minus 1.

Uncertainty Coefficient: A measure of association that indicates the proportional reduction in error when values of one variable are used to predict values of the other variable. For example, a value of 0.83 indicates that knowledge of one variable reduces error in predicting values of the other variable by 83%. The program calculates both symmetric and asymmetric versions of the uncertainty coefficient.

THEORETICAL FRAMEWORK

Wage is a means of providing income for employees and as a cost of doing business to the employer. It constitutes one of the most important subjects in personnel management. Wage can equally be a source of motivation for employees to perform effectively. The wage rate offered is one of the most important considerations for a person contemplating a new job. Amidst the several theories on wages was the Marginal Productivity Theory propounded by J.B. Clark; the Wage Fund Theory; the Subsistence Wage Theory etc. However, the

theoretical basis of this study is the chamberlain model, bargaining range theory and hicks bargaining model. According to Armstrong (2006), the focus of chamberlain models is “bargaining power” and its implication for settling a collective bargaining situation.

Bargaining power determines the extent to which industrial sovereignty is shared by management with its trade unions and can induce the other side to make a decision that it would otherwise not make. In the same vein, Akpala (1982) noted that power is the crucial variable that determines collective bargaining outcome. Besides, the determinants of bargaining power lead to settlements in the majority of bargaining situations. Thus, bargaining power defines the ability of one party to secure the agreement of the other to its terms and the willingness of that party to agree (Picciano, Anthony (2021)). This willingness, according to Chamberlain, depends on how costly disagreeing will be, relative to how costly agreeing will be. However, suppose either of the parties estimates that it is costlier to agree than to disagree. In that case, that party will choose to disagree, thereby rejecting the terms presented by the other. In this case, the bargaining power of the party choosing to disagree is less than one. However, if the situation is reversed and it is costlier to disagree, the bargaining power of the party choosing to agree is greater than one. In essence, at least one of the parties must perceive disagreement to be costlier than agreement for an agreement to occur. In addition, the economic environment, including both the state of the macroeconomy and industry structure, affects both parties’ bargaining power.

According to the Bargaining Range Theory, both management and labour have certain limits beyond which they will not go. Thus, the gap between the value beyond which management will not fall and the value below which the union will not fall is the bargaining range. A resolution would only be possible if concessions and demands fall within the tolerance limits of the parties. That is, settlement is only possible if there is an overlap between the bargaining ranges of the parties. Furthermore, management and union will usually go through a series of offers and demands within the bargaining range until there is a consensus. However, the exact point of consensus will depend on the bargaining skills and strength of the negotiating parties.

Cahuc and Zylberberg (2014), in their bargaining model, emphasises that bargaining power is expressed as a ratio of a party’s ability to influence another to the costs of not reaching an agreement with that party. The bargaining power of the employer(s) equals costs and benefits imposed on the worker(s) divided by the employers’ cost of disagreeing. Equally, the bargaining power of the worker(s) equals costs and benefits imposed on the employer(s) divided by workers cost of disagreeing. The model focuses on the length and cost of work stoppages. Therefore, Hick proposes that both parties balance the cost and benefits of a work stoppage when making concessions at the bargaining table

RESEARCH FINDINGS

Socio-economic Characteristics of Sampled Population

Table 1 showed the summary of the socio-economic characteristics of the survey respondents, where 78% of the respondents were males, while 22% were female staff of the various state and federal Government establishment under study. Approximately 61% of the total study population was between the ages of 55 years and below, with a mean age of 52 years. These staff had at least 14 years of experience in the profession and were active members of the Nigerian Labour Congress (NLC). About 540 respondents representing 90%

of the total study population agreed to have participated in strike/industrial action for a minimum of 12 times or more in the last decade.

Table 1: Socio-economic characteristics of the respondents

	Variable	Frequency	Percentage
Gender	Male	468	78
	Female	132	22
	Total	600	100
Age	<45 Years	117	19
	45-55	250	42
	>55 Years	234	39
	Total	600	100
Years of Experience	<10 Years	117	19
	10-15	282	47
	>15 Years	201	34
	Total	600	100
Industrial Action	Yes	540	90
	No	60	10
	Total	600	100
No. of Industrial Action	<6	81	13
	6-10	99	16
	>10	421	70
	Total	600	600
Type of Employees	Federal	523	87
	State	77	13
	Total	600	100

Wage Determination and Industrial Conflict

There are eleven (11) hypothesised items that could affect wage determination; they include; standard cost of living (A1), Market Conditions (A2), ability to pay (A3), Prevailing wages (A4), Productivity (A5), Value of job evaluation (A6), Bargaining power (A7), Comparable wage rates (A8), Supply and demand (A9), Job requirements (A10), and Governmental factors (A11). Respondents were requested to state how often (always, sometimes, rarely, at least once and never) these items have generated industrial conflict in their respective establishments. The analyses of the items are summarised in Table 2. The result shows that no fewer than 85% of the respondents agreed that a major cause of industrial conflict between government and employees are always or sometimes due to a fall in standard cost of living. The cost of living as used here is defined as low income or poor earning on the part of the workers that do not commensurate with or equal to the provided services. A further test using the measure of central tendency or location shows that the opinions of these respondents are symmetrical. Market conditions were another item believed to have caused economic hardship between employees and the government. Approximately 92% of respondents agreed that this item was always or sometimes responsible for industrial conflict (past or present) in Nigeria. Again, the location (mean, median and mode) test shows that respondents' opinions were symmetrical. According to the respondents, other important items believed to have always or sometimes caused industrial problems includes; Employers ability to pay (82%), prevailing wages (89%), productivity (82%), job evaluation (82%),

bargaining power (82%) and comparable wage rates (86%). The symmetrical nature of the respondent's opinions reveals how strong or convinced they feel about these items.

Table 2: Analysis of items on Causes of Industrial Conflict

Item	Always		Sometimes		Rarely		At least once		Never		Total	Mean	Median	Mode
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%				
A1	387	65	120	20	34	6	43	7	16	3	600	5.0	5	5
A2	345	58	202	34	11	2	32	5	10	2	600	4.8	5	5
A3	55	9	120	20	321	54	89	15	15	3	600	3.3	3	3
A4	388	65	100	17	45	8	36	6	31	5	600	4.9	5	5
A5	83	14	120	20	333	56	31	5	33	6	600	2.6	3	3
A6	89	15	0	0	221	37	234	39	56	9	600	3.8	3	4
A7	422	70	110	18	34	6	22	4	12	2	600	5.0	5	5
A8	180	30	314	52	45	8	32	5	29	5	600	4.3	4	4
A9	314	52	179	30	48	8	31	5	28	5	600	4.7	5	5
A10	325	54	166	28	44	7	33	6	32	5	600	4.8	5	5
A11	300	50	214	36	39	7	25	4	22	4	600	4.6	5	4

Ratings (Always=5, Sometimes=4, Rarely=3, At least once=2, Never=1)

Table 3: Overall Rating of Item on factors to be considered in wages Determination in Nigeria

Rating	Frequency	Percentage	Mean	Median	Mode
Employee productivity	263	43.8			
Cost of living	150	25.0			
Global competitiveness	107	18.1	4	4	4
Employer's ability to pay	55	9.2			
Equity and fairness	26	4.5			
Total	600	100			

Efficiency/Efficacy of Collective Bargaining

We measured the contribution of collective bargaining in determining the minimum wage. Respondents were asked to state their opinion about what they think about collective bargaining as a tool for determining minimum wage in Nigeria. The various opinions were then scaled to a dichotomous value to test the study's various hypotheses.

Testing the Study hypotheses

H₀₁: Collective Bargaining does not assist in determining the minimum wage.

H₁: Collective bargaining assists in determining the minimum wage.

We tested this hypothesis by asking the respondents the following questions.

- i. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that collective bargaining assists in determining minimum wage in Nigeria? (CB1)
- ii. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that collective bargaining has been used by Labour Union and the Nigeria Government to reach fruitful agreement? (CB2)

iii. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that collective bargaining has been used to avert strikes over the years in the Nigerian working environment? (CB3)

The respondents' responses to the above questions were scaled to reflect those in favour and those not in favour (i.e. true or false). The Mann Whitney U or Wilcoxon W test, the non-parametric alternative test to the difference of two means, was conducted, and the result was presented in Table 4.

Table 4 shows that those favouring collective bargaining for peaceful settlement of the conflict between the Labour Union and the government were significant compared to those not in favour. The significant value of the test on CB2 implies that respondents strongly agree or agree that the Labour union and Nigerian government used collective bargaining to resolve conflict in Nigeria's working environment. Furthermore, the significant value of the test on CB3 shows that collective bargaining has also been used to avert strikes or industrial actions in the Nigerian working environment over the years. From the preceding, it can be concluded that collective bargaining has been used extensively to avert and/or resolve industrial conflict in the Nigerian working environment. Hence the null hypothesis was rejected.

Table 4 Efficiency of Collective Bargaining in Resolving Industrial actions

		Mean	Sum of	Mann	Wilcoxon		
	Response	Rank	Ranks	Whitney U	W	Z	Asymp. Sig.
CB1	TRUE	79.10	9175.50	1438.50	1999.50	-2.485	0.013*
	FALSE	60.59	1999.50				
CB2	TRUE	79.10	9175.50	1438.50	1999.50	-2.485	0.013*
	FALSE	60.59	1999.50				
CB3	TRUE	79.70	9245.50	1368.50	1929.50	-2.739	0.006*
	FALSE	58.47	1929.50				
CB4	TRUE	79.70	9245.50	1368.50	1929.50	-2.739	0.006*
	FALSE	58.47	1929.50				
CB5	TRUE	81.79	9487.50	1126.50	1687.50	-4.037	0.000*
	FALSE	51.14	1687.50				
CB6	TRUE	82.36	9553.50	1060.50	1621.50	-4.364	0.001*
	FALSE	60.59	1999.50				

*significant at $p \leq 0.05$

H₀₂: There is no significant relationship between collective bargaining and minimum wage determination.

H₂: There is a significant relationship between collective bargaining and minimum wage determination.

We used the following questions to test hypothesis H₀₂.

- i. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that collective bargaining has a significant relationship with minimum wage determination?
- ii. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that lack of collective bargaining has led to greater loss of revenue due to elongated industrial dispute?
- iii. Do you strongly agree, agree, neither agree nor disagree, disagree or strongly disagree that lack of collective bargaining in resolving industrial dispute has led to prolonged strike which has led to man-hour lost?

The analyses of questions iv, v and vi was done, and they were represented as CB4, CB5 and CB6, respectively (see Table 4). The result showed that respondents' opinion differs significantly at 5% for questions iv, v and vi respectively. This implies that (1) the overwhelming majority of the respondents believes that collective bargaining directly or indirectly has a significant relationship with minimum wage determination. (2) lack of collective bargaining has led to greater loss of revenue due to elongated industrial action, and (3) Poor use of collective bargaining in resolving industrial dispute has led to undue or prolonged strike actions, leading to man-hour loss. In summary, it can therefore be inferred that collective bargaining has a significant relationship with minimum wage determination that otherwise could have resulted from elongated industrial actions. Therefore, the null hypothesis of zero relationships between collective bargaining and the cost of industrial action was rejected.

DISCUSSION

The minimum wage is typically regarded as a policy variable that exhibits little variability but invaluable to the harmonious working of organisations. A sequel to this is that many scholarly efforts have been directed at examining the nexus between collective bargaining and minimum wage determination across continents. In line with the finding of this study, collective bargaining has significantly assisted in determining minimum wage in Nigeria. A similar discovery was made in the study of Urama (2019), who submitted that over the year (i.e. 1981; 2001 and 2017), collective bargaining has yielded several positive results leading to the upgrade of the minimum wage from ₦120.00 to ₦5,500.00, then to ₦18,000.00 and now to ₦30,000.00 (BBC, 18th October 2019) only. In addition, Castagnera (2021), while examining the post-COVID-19 experience of workers in Europe, noted that collective bargaining remains the only valid approach to resolving the over towering demands of the workers. In furtherance, the study of Picciano (2021) gave credence to the second hypothesis tested, which produced the result that there is a significant relationship between collective bargaining and minimum wage determination.

CONCLUSION

Sequel to the results and findings in this study, the following logical, coherent and sequential conclusions are made. The study concludes that organised labour is the only way workers can match their employers on the negotiating table via collective bargaining. They (workers) are less vulnerable when they come together on the platform of a trade union. The study also discovered that there had been a gross lack of a close relationship between wages and

employee productivity. The study also found that living costs rose astronomically relative to wages and salaries paid the workers as the aggregate. The study revealed that workers were dissatisfied with their net earnings, and employees preferred direct financial rewards to non-financial rewards. Last, by no means least, it was found that there is a strong relationship between collective bargaining and minimum wage determination in Nigeria. Sequel to the above, this study thus proposed the followings recommendations:

Collective bargaining is indispensable in the world of work regardless of sector, and its impact on the determination of minimum wage can never be overemphasised. Thus, the right strategy for effective collective bargaining is put in place. Lastly, a participative pay system should be encouraged. This system involves employees in the design and implantation of the package.

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ABOUT THE AUTHORS

ISSA OMOLABI

Department of Business Administration
Faculty of Management Sciences
University of Ilorin, Ilorin, Nigeria
omoisla09@yahoo.com

ABDULRASAQ SALMAN

Department of Business Administration
Faculty of Management Sciences
University of Ilorin, Ilorin, Nigeria
salrasaq@yahoo.com

ABDULRASAQ AJADI ISHOLA (Corresponding Author)

Department of Public Administration
Faculty of Management Sciences
University of Ilorin, Ilorin, Nigeria
ishola.aa@unilorin.edu.ng

ABDULRAZAQ KAYODE ABDULKAREEM

Department of Public Administration
Faculty of Management Sciences
University of Ilorin, Ilorin, Nigeria
abdulkayode@gmail.com