

COLLECTIVE BARGAINING AND EMPLOYEE INTENTION TO STAY IN BREWERIES COMPANIES IN PORT HARCOURT

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ABSTRACT

This study examined the relationship between collective bargaining and employee intention to stay in breweries companies in Port Harcourt. The explanatory survey research design was used for the study. Population of the study was 298 permanent employees from 2 breweries companies in Port Harcourt. A sample size of 165 was adopted for the study using Krejcie and Morgan sample table of 1970. The questionnaire was the instrument was adopted. The Spearman Rank order correlation was used for test of hypotheses. 142 retrieved copies of questionnaire were validly used for the study. Finding revealed that there is a significant relationship between collective bargaining (composite bargaining and concessional bargaining) and employee intention to stay in breweries companies in Port Harcourt. The study concluded that collective bargaining addresses working conditions, terms of employment and relations between employers and workers. Through it anticipating potential problems and advance peaceful mechanisms for dealing with them; are taken into and solved for better operations and productivity while endearing the intentions to stay in the organizations among employees. Among others, the study recommended that management of breweries companies in Port Harcourt should keep improving the social dialogue with its employees in order to increase their performance while promoting their intentions to stay with them; employees or unions in among breweries companies should be strong in membership and one voice in order to influence or strike a balance during negotiations between them and management on employment issues so as to arrive at an effective collective agreement that would enhance performance and intentions to stay among workers.

Keywords: Collective bargaining strategies, composite bargaining, concessional bargaining, and employee intentions to stay

INTRODUCTION

Every employee has the right to leave or remain in their place of employment. According to Shahid (2018), employees leave organizations if they are not satisfied with multiple factors linked to the company. These factors range from lack of recognition to low pay, unfulfilling jobs, inadequate career advancement, poor management practices, untrustworthy leadership, and disordered work cultures. It is important to note that employees whose interests are considered by management, negotiated and arrived at a consensus ground tend to be happy with the organization as they remain with the organization. This consensus could be derived from the collective bargaining system enshrined in the organization, overtly or covertly.

By its very nature, collective bargaining is democratic and as such introduces industrial democracy in the workplace. Through elected representations, workers make direct and significant count in the functioning of the organization, thus reducing employer's unilateral actions and at the same time managements still allowed its legitimate rights and privileges to control the organization. The democratic nature of collective bargaining is that people in work relations are left to manage their own affairs, provided no damage is done to important general interest while doing so (Okpalibekwe, 2015).

Collective bargaining is quite common within the public sector, because the power of the unions and the interest of the union to pursue negotiations are rooted in survival strategies (Moe in

Sunday & Ajibola, 2017). However, few private organizations practice it because of its myriads of benefits it accrues to both the employees and organization.

Collective bargaining therefore, is a process of mutual influence between the employer and the union (representing employees) with an objective of reaching mutual agreement on employees' working conditions (Cloutier et al, 2012). It is important to note that collective bargaining is central to any industrial relations system, as a tool through which regulated flexibility is achieved as the involved parties (the employer, and the union) operate on divergent interests and different conclusion as a result of available resource or perceived available resource, and competitive position. In addition, collective bargaining is seen as a tool to enhance employee intentions to stay in the organization.

Statement of Problem

A large number of organizations such as breweries companies in Port Harcourt are faced with the fact that employees will, for any reason, leave the company. The employees' fluctuation can be a problem if it is too high or too frequent, and also if the organization is left by talented employees in which invested significant funds (Pavlovic, 2018). Amidst the high unemployment rate in many developing countries, the severity of the employee intention to stay with organizations is high. The limited supply of highly skilled candidates, combined with high workforce mobility, results in considerable hiring, training, and developing costs (Dabirian et al., 2019). The company's internal potential is most strongly influenced by the potential and commitment of its employees that can be directly influenced by the individual activities of human resources management as tied to the collective bargaining practices. Ability to predict and early detect the employees' intention to stay or leave to another organisation provide the company with a sustainable competitive advantage. However, employee intention to stay with the organization is a function of the employment contract and agreements met by both parties where necessary. Also, both printed and non-printed studies have shown that there is no study that explore on the relationship between collective bargaining and employee intentions to stay in breweries companies in Port Harcourt. It is therefore pertinent to fill the gap as shown above.

Hypotheses

- Ho₁: There is no significant relationship between composite bargaining and employee intention to stay in breweries companies in Port Harcourt.
- Ho₂: There is no significant relationship between concessional bargaining and employee intention to stay in breweries companies in Port Harcourt.

Concept of Collective Bargaining

Collective Bargaining is a process that is entered into by two willing and participating parties. If one party is not willing, then the process turns to power play to force the other party to come to the negotiating table. The reason why the process is there: is that of decision making or then a collective agreement. Collective bargaining according to (Chaneta, 2012) is a method of determining terms and conditions of employment, which utilizes the process of negotiation and agreement between representatives of management and employees. It provides a formal channel through which the differing interests of management and employees may be resolved on a collective basis. Collective bargaining is a process which presumes a place for organizations in a process; which involves direct negotiations between those organizations that are representatives of employees and management (Salmon, 1997). According to International Labor Organization (ILO), collective bargaining is a voluntary negotiation between employers' organizations and workers' organizations with a view to regulating terms and conditions of employment by collective agreements. It is a process whose outcome seeks to constitute agreement on substantive matters relating to wages and salaries and terms and conditions of service. The collective bargaining can

be described as a process of negotiations between employers and employees aimed at reaching agreements that regulate working conditions. The collective agreements resulted to these negotiations usually set out salaries, working hours, training, health and safety, overtime, grievance mechanisms, and rights. Those agreements contribute to the improvement of working conditions so that the employees enjoy the job and contribute to the achievement of organizational goal (Richard in Munganyinka, 2015).

So far, collective bargaining is also a process of consultation and negotiation of terms and conditions of employment between employers and workers, usually through their representatives. It involves a situation where the worker's union or representatives meet with the employer or representatives of the employer in an atmosphere of mutual cooperation and respect to deliberate and reach agreement on the demands of workers concerning certain improvements in the terms and conditions of employment (Ogundele *et al.*, 2013; Oumarou & Tomei, 2015). There are certain premises upon which bargaining takes place. These premises range from economic to non-economic issues, personal and career development in the workplace, just to mention but a few. These birth collective bargaining into different types as practiced in today's organization. However, in the light of the above, we looked into composite bargaining and concessional bargaining as dimensions of collective bargaining.

Composite Bargaining: Composite bargaining refers to a negotiation that focuses on a number of elements that are not related to pay (Boyce, 2021). They are generally related to employee welfare and job security. For instance, it covers factors such as working conditions, policies, recruitment, and disciplinary processes. The aim is to ensure a mutually beneficial long-term relationship between the employer and employee. It does this by highlighting issues that employees may have, which may impact their long-term future at the company. Businesses want to retain talent, particularly if they spend time and money training them up. Factors such as workload and working conditions can impact on this long-term relationship. So it is in the best interest of both parties to ensure that the employees are happy. It focuses on other issues, such as working conditions, job security, and other corporate policies. These may include hiring and firing practices as well as workplace discipline. The goal of composite bargaining is to come up with a suitable agreement leading to a lasting and harmonious relationship between employers and their employees. This type of negotiation emphasizes various factors not directly related to pay but rather focused on employee welfare and job security. It ensures the long-term relationship between employer and employee that is mutually beneficial.

Concessional Bargaining: Concessional bargaining refers to a collective bargaining where employees or union leaders make concessions in exchange for job security. This is common during an economic downturn or recession. Union leaders may agree to give up certain benefits in order to guarantee the survival of the employee pool and, ultimately, of the business. In this type of bargaining, the union sacrifices some benefits to bail out the employer during the stressed economic situation, which benefits the employees in the long run. Concessionary bargaining is a type of collective bargaining where the trade union and the employer seek to maintain the existence of the business and to ensure that the workers remain employed (Financial Yard, 2020). A trade union can agree on pay cuts so that no worker is retrenched during a recession. That way the company can survive in the long-term together with the jobs of the workers. In the case of concessionary bargaining unions can give up previous benefits in order to ensure the long-term survival of the business which also means the survival of union members' jobs.

Concept of Employee Intention to Stay

The intention is a psychological antecedent for the actual behavior (Ajzen & Fishbein in Shahid, 2018). Individuals' intention to stay or quit, perform or not to perform a behavioral act can be the critical determinant of action. Intention to stay refers to employees' disposition to remain in the

organization, and they are aware of their decision after a careful deliberation. Intention to stay mirrors employee's level of tenure of employment relationship with present employer (Johari et al., 2012). Employees staying within their current organizations also demonstrate their interests and needs to be fulfilled by the employers. The high tenure of one employee continuing his or her employment relationship reflects the success of the organization in building strong intention to stay among employees (Chen et al., 2017). Intention to stay refers to a worker's willingness to stay in the present employment relationship with their current employer on long term basis. It is an inverse concept of turnover intention or intention to quit (Johari et al., 2012). Intention to stay is the opposite of turnover intention (Kim et al. in Shahid, 2018) which is negatively correlated, (Steers & Mowday, 1981). It is important to note that employee turnover hinders the organization's work reaching its goals, profit of the organization and damaging the organization as a whole. However, when employees are willing to stay to stay in the organization and with the existing employment relationship, they tend to help the organization achieve its predetermined goals and objectives. Quitting the organization could hinder its effective operations. Though, it is an employee decision that cannot be absolutely control by management of organizations. However, some management tend to curtail by putting in measures and mechanisms that would reduce workers' intentions to quit the organization. Notably, unwelcome, unwanted, and voluntary attrition that organizations face when valued workers quit accepting another job is a more imperative issue than the occurrence of organizational layoffs reported. The above perspective is growing significantly as the competition for talent management is leading and consistently growing. People want to know that their participation in the organization is appreciated. To retain employees in the company, they want to feel part of the organization. For the problem about employees leaving, specific appropriate actions need to be taken as organizations are striving for talent (Mitchell et al., Shahid, 2018), and among others the collective bargaining strategies put in place can help address this issue in the workplace.

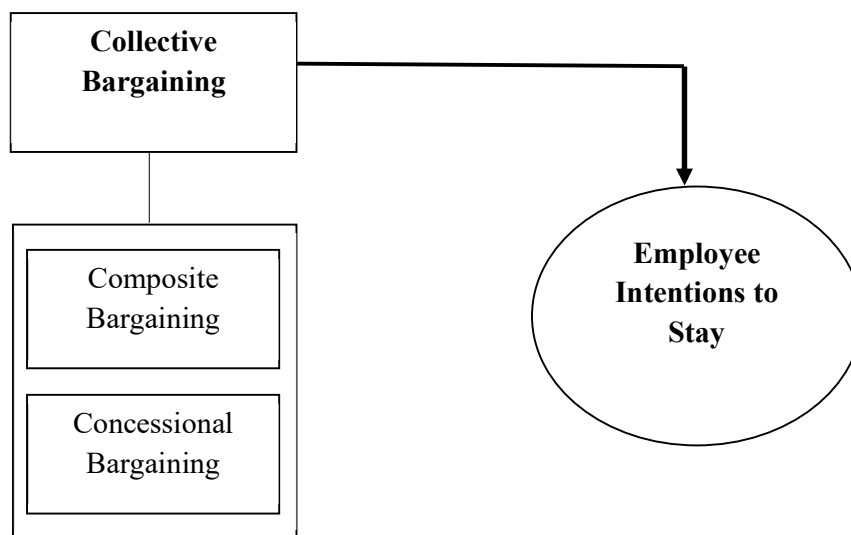


Fig. 1.1: Conceptual Framework Showing Collective Bargaining Strategies and Employee Intentions to Stay.

Source: Oluwayemi et al. (2021); Chen et al., (2017)

Dual-Factor Theory

The dual-factor theory also known as Herzberg's Two-Factor or motivation-hygiene theory as propounded by Frederick Herzberg in 1959 is formulated to understand the motivation in the workplace. This theory consists of two underlining factors known as hygiene factors and motivator

factors. It is because Herzberg found that the response given by participants about their positive and negative feeling in regards to their jobs were significantly different (Robbins in Chen et al., 2017).

Implications of Two-Factor Theory to the

The boundaries between these two factors allowed the study to help the manufacturing organizations such as breweries companies in Port Harcourt understand deeply which factor is more influential in their efforts to motivate and increase their employees' intention to stay. Salary from hygiene factors and achievement, recognition, advancement and growth from motivator factors that are anchored with pay and compensation, career advancement, and performance appraisal used by the present organizations to motivate their employees (Chen et al., 2017) to remain in employment with them. Since employees' intention to stay in the organization is motivated by the organizational level, it is essential for management of organizations to adopt a collective bargaining system that would address employment issues. The inclusion of collective bargaining will give clear understanding to parties involve on the trends of the industry, demands and cost implications an employment issue might engender. It will also provide a ground for negotiation and informed good decisions towards the operations and performance employees while promoting their intentions to stay with the organization.

METHODOLOGY

Research Design: For the purpose of this study, the explanatory survey research design was adopted.

Population of the Study: The population of this study consists of 298 permanent employees of 2 breweries companies in Port Harcourt. A sample size of 165 was adopted for the study using Krejcie and Morgan sample table of 1970.

Instrumentation: The questionnaire was the major instrument for data collection.

Administration of Instrument: In line with the sample size, 165 copies of the questionnaire were administered through the help of two research assistants. The administration was carried out within a space of two weeks. More so the researcher was able to retrieved 142 which only 23 were valid thus presenting a return rate of 86%.

Method of Data Analysis: Mean and standard deviation were used for the univariate analysis. While, the bivariate analysis was done using Spearman rank order correlation in SPSS Version 22.0

Results

Ho₁: There is no significant relationship between composite bargaining and employee intention to stay in breweries companies in Port Harcourt.

Table 1: Relationship between composite bargaining and employee intention to stay
Correlations

			Composite Bargaining	Employee Intention to Stay
Spearman's rho	Composite Bargaining	Correlation Coefficient	1.000	.522**
		Sig. (2-tailed)	.	.000
		N	142	142
	Employee Intentions to Stay	Correlation Coefficient	.522**	1.000
		Sig. (2-tailed)	.000	.
		N	142	142

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

The results presented in table 1 indicate that there is a significant correlation between composite bargaining and employee intention to stay ($r = 0.522$, $p < 0.01$). Following this finding, the study

concludes that there is a significant relationship composite bargaining and employee intention to stay in breweries companies in Port Harcourt. Therefore, null hypothesis was rejected.

Ho₂: There is no significant relationship between concessional bargaining and employee intention to stay in breweries companies in Port Harcourt.

Table 2: Relationship between concessional bargaining and employee intentions to stay

Correlations			Concessional Bargaining	Employee Intentions to Stay
Spearman's rho	Concessional Bargaining	Correlation Coefficient	1.000	.610**
		Sig. (2-tailed)	.	.000
		N	142	142
	Employee Intentions to Stay	Correlation Coefficient	.610**	1.000
		Sig. (2-tailed)	.000	.
		N	142	142

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

The results presented in table 1 indicate that there is a significant correlation between concessional bargaining and employee intention to stay ($r = 0.610$, $p < 0.01$). Following this finding, the study concludes that there is a significant relationship between concessional bargaining and employee intention to stay in breweries companies in Port Harcourt. Therefore, null hypothesis was rejected.

Discussion of Findings

Findings revealed that there is a significant relationship between collective bargaining (composite bargaining and concessional bargaining) and employee intentions to stay in breweries companies in Port Harcourt. From the above it is unarguable when management negotiates with employees on the soft working conditions, policies, recruitment, and disciplinary processes. Employees tend to stay long with the organization as they tend to be happy. Unnecessary hiring and firing practices could permeate employees exiting the organization even before they are fired. Good negotiation as regards employment clauses leads to a lasting and harmonious relationship between employers and their employees (Boyce, 2021; Shahid, 2018). Also, when union leaders agree to give up certain benefits in order to guarantee the survival of the employee pool and, ultimately the business, employees tend to stay with the organization (Financial Yard, 2020). A trade union can agree on pay cuts so that no worker is retrenched during a recession. That way the company can survive in the long-term together with the jobs of the workers. In the case of concessionary bargaining unions can give up previous benefits in order to ensure the long-term survival of the business which also means the survival of union members' jobs. All the same, when these issues are promptly and effectively addressed, employees tend to be motivated as they stay with the organization and work for its growth and development.

CONCLUSIONS

Collective bargaining addresses working conditions, terms of employment and relations between employers and workers. Through it anticipating potential problems and advance peaceful mechanisms for dealing with them; are taken into and solved for better operations and productivity while endearing the intentions to stay in the organizations among employees. The findings from this study provided better understanding of the process underlying the impact of collective bargaining on employee intentions to stay in the organization and also demonstrated the complexities of bringing about change in the research institutions environment. The result proved

that collective bargaining such as composite bargaining and concessional bargaining enhances employee intentions to stay in breweries companies in Port Harcourt.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

1. Management of breweries companies in Port Harcourt should keep improving the social dialogue with its employees in order to increase their performance while promoting their intentions to stay with them.
2. Employees or unions in among breweries companies should be strong in membership and one voice in order to influence or strike a balance during negotiations between them and management on employment issues so as to arrive at an effective collective agreement that would enhance performance and intentions to stay among workers.
3. In this post-pandemic era, management of breweries companies in Port Harcourt should from time to time review agreements affecting their operations so as to enhance employee intentions to stay with them.

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