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SOLUTIONS

1. Industrial relations is that field of study which analyzes the relationship among the management and the employees of an organization at the workplace and also provides a mechanism to settle down the various industrial disputes.

It is made up of the following two terms:

‘Industry‘ can be viewed as an economic activity (i.e., manufacturing, producing or processing of goods or services) which is performed by a group of individuals.

‘Relations‘ here refers to the connection and communication which pertains between the employer and the employees within a workplace.

Factors Affecting Industrial Relations

Industrial relations deals with human behaviour and management of personnel in an organizational setup. The various factors that influence the relationship between the administration and the employees in an organization are as follows:

Individual Behaviour

Every person has a different perception, background, skills, knowledge, experience and achievements which influences an individual’s behaviour. The employees, therefore, behave differently in different situations, thus impacting the work environment in the organization.

**Organizational Structure**

The hierarchical structure creates more formal relationships among the employees belonging to different hierarchical levels in an organization. Also, the delegation and execution of decision-making power by the superior influences the industrial relations between the managers and the employees.

**Psychological Factors**

An employee’s attitude and mentality towards the employer and the given task; and the employer’s psychology towards the workers can be positive or negative, which ultimately impacts the employee-employer relationship.

**Leadership Style**

Every manager possesses certain leadership traits and different style to function even in a formal organization. Through his/her formal or informal ways of generating team spirit and motivating the employees, he/she impacts the organization’s industrial relations.

Economic and Technical Environment

To cope up with the changes in the economic conditions or technology, organizations need to restructure the task of the employees including their work duration, conditions and wages; which leads to a difference in their behaviour, attitude, adapting spirit, etc. towards the organization and its people.

**Legal and Political Environment**

The legal framework and political circumstances influence the organization and its industrial relations. It contributes to the framing of rules, rights, authority, powers, roles and responsibilities of all the parties of the organization.

## Parties Involved in Industrial Relations

To understand the concept of industrial relations, we should know that; who all are responsible for developing cordial relationships in the organization?

The different persons holding distinct positions in the organization and the external or internal associations involved in the process of building strong industrial relations can be bifurcated into the following two categories:

Primary Parties

Those persons or associations which are directly associated with or influenced by the functions of industrial relations are as follows:

**Employees**

The workers who provide their services to the organization are an essential resource and contributes to generating the desired output.

Following are some of the reasons for which employees find maintaining sound industrial relations to be useful for them:

* Sharing their views, suggestions and ideas with the management to improve the business operations;
* becoming a part of organizational decision-making and ensuring the betterment of the working conditions;
* speaking out their problems and grievances and seeking for the redressal of the same.

**Employers**

Employers are responsible for providing a favourable work environment for the employees. They have many rights and powers like laying off inefficient employees, taking strategic decisions such as mergers, acquisition or shutdown of the organization and adapting technological changes in the operations.

Following are the different ways in which managers can benefit from sound industrial relations in the organization:

* Motivating the employees to give their best and gaining their trust and commitment;
* improving the overall efficiency and ensuring effective communication among the employees and the management;
* dealing with problems of trade union along with negotiation of employment terms and conditions with such employee representative.

**Government**

Before the 19th century, the government didn’t use to intervene in the conflicts between the employer and the employee. However, later on, there was a change in the attitude of the government bodies, they started regulating the industrial relations through labour courts and tribunals, for the following reasons:

* Safeguarding the interest of both the parties;
* ensuring that both the employer and the employee, abide by the legal terms and conditions.

### Other Parties

The parties (especially the internal or external bodies or associations) which impact the industrial relations within an organization are as follows:

#### Employers’ Association

It is an authoritative body, formed to protect the interest of the industrial owners. It performs the following functions to safeguard the rights of the employers:

* Representing the owners in collective bargaining with the employees or government and also in case of national issues;
* creating a proper mechanism to resolve industrial disputes;
* giving an insight into the employee relations in an organization and providing suggestions accordingly.

#### Trade Unions

When the workers unite together to form an association and elect a representative among themselves; for the protection of their rights and to raise their demands in front of the management; it is named as a trade union. Listed below are the objectives of such associations:

* Negotiating collectively with the administration for meeting the individual interest of an employee;
* upgrading the status of the employees in the organization;
* demanding better working conditions and higher job security for the workers;
* safeguarding the interest of the employees by demanding a higher level of democratic control over the decision-making at the organizational, corporate and national levels.

#### Courts and Tribunals

The judiciary includes the ‘courts’ to resolve the legitimate conflicts and the ‘judicial review’ to administer the justice of the constitution. These courts and tribunals play an essential role in settlement of industrial disputes by eliminating the possibilities of the following:

* Judicial flaws;
* conflicting judgment;
* poor evaluation of penalty;
* confusing terms and conditions.

#### International Labor Organization (ILO)

On the international grounds, an association was formed under the name of International Labor Organization in the year 1919 to set up international norms and standards for dealing with industrial disputes and issues of the workers.

Simultaneously, an International Labor Code (ILC) was set up to establish the recommendations and conventions for minimum international labour standards.  
The ILC aimed to look into matters like:

* Worker’s compensation, i.e., minimum wages;
* employee’s work duration and number of holidays;
* women employment;
* employee’s safety, security and health in the work environment;
* industrial relations;
* medical facilities and examination along with maternity protection.

#### Human Resource Function

The human resource department or team acts as a mediator between the organization and its employees for dealing with the personnel issues and conflicts. It is their responsibility to ensure the maintenance of harmonious industrial relations in the company.

Following are the various other functions of the HR professional in the organization:

* Addressing the disputes at the initial level;
* acting as a change agent by bringing a mental revolution in case of any conflict between the workers and the management;
* performing the role of an administration expert and a strategic partner by ensuring the implementation of the policy decisions taken at the top level.

| Nigeria Labour | Last | Previous | Highest | Lowest | Unit |  |
| --- | --- | --- | --- | --- | --- | --- |
| [Unemployment Rate](https://tradingeconomics.com/nigeria/unemployment-rate) | 23.10 | 22.70 | 23.10 | 5.10 | percent |  |
| [Population](https://tradingeconomics.com/nigeria/population) | 200.00 | 195.87 | 200.00 | 45.14 | Million |  |
| [Unemployed Persons](https://tradingeconomics.com/nigeria/unemployed-persons) | 20927.60 | 20343.60 | 20927.60 | 4672.00 | Thousand |  |
| [Wages High Skilled](https://tradingeconomics.com/nigeria/wages-high-skilled) | 57200.00 | 57200.00 | 57200.00 | 57200.00 | NGN/Month |  |
| [Wages Low Skilled](https://tradingeconomics.com/nigeria/wages-low-skilled) | 25500.00 | 25500.00 | 25500.00 | 25500.00 | NGN/Month |  |
| [Youth Unemployment Rate](https://tradingeconomics.com/nigeria/youth-unemployment-rate) | 36.50 | 38.00 | 38.00 | 11.70 | percent |  |
| [Living Wage Family](https://tradingeconomics.com/nigeria/living-wage-family) | 137600.00 | 135300.00 | 137600.00 | 135300.00 | NGN/Month |  |
| [Living Wage Individual](https://tradingeconomics.com/nigeria/living-wage-individual) | 43200.00 | 41800.00 | 43200.00 | 41800.00 | NGN/Month |  |
| [Minimum Wages](https://tradingeconomics.com/nigeria/minimum-wages) | 30000.00 | 30000.00 | 30000.00 | 18000.00 | NGN/Month |  |
| [Employed Persons](https://tradingeconomics.com/nigeria/employed-persons) | 69542.90 | 69165.60 | 70665.90 | 66951.00 | Thousand |  |
| [Employment Rate](https://tradingeconomics.com/nigeria/employment-rate) | 76.90 | 77.30 | 93.60 | 76.90 | percent |  |

| Mozambique Labour | Last | Previous | Highest | Lowest | Unit |  |
| --- | --- | --- | --- | --- | --- | --- |
| [Unemployment Rate](https://tradingeconomics.com/mozambique/unemployment-rate) | 25.04 | 24.37 | 25.30 | 22.55 | percent |  |
| [Population](https://tradingeconomics.com/mozambique/population) | 28.57 | 27.84 | 28.57 | 7.18 | Million |  |
| [Wages High Skilled](https://tradingeconomics.com/mozambique/wages-high-skilled) | 24900.00 | 23700.00 | 24900.00 | 13200.00 | MZN/Month |  |
| [Wages Low Skilled](https://tradingeconomics.com/mozambique/wages-low-skilled) | 9760.00 | 9900.00 | 9900.00 | 4700.00 | MZN/Month |  |
| [Living Wage Family](https://tradingeconomics.com/mozambique/living-wage-family) | 14000.00 | 14000.00 | 14000.00 | 14000.00 | MZN/Month |  |
| [Living Wage Individual](https://tradingeconomics.com/mozambique/living-wage-individual) | 7790.00 | 7790.00 | 7790.00 | 7790.00 | MZN/Month |  |
| [Minimum Wages](https://tradingeconomics.com/mozambique/minimum-wages) | 4390.00 | 4390.00 | 4390.00 | 2005.00 | MZN/Month |  |

DESCRIPTION

The above table indicates the percentage of the population that is employed and unemployed. Although this table can be said not a real indicator of unemployed persons as a large percentage of the population finds sustenance in the informal economy which is not taken into consideration.

Both economies have high rates of unemployment as much of the economy is centered towards Nigeria’s oil industry and Mozambique Coal and mineral industry. These industries account for much of foreign investment in both countries but contribute least to GDP of respective countries. Much contributions to GDP reside in neglected industries such as Agriculture, services etc.

Other contributing factors include vast population increase of labor force per year, high inequal level of skilled workers with no work, high levels of cronyism and nepotism amongst government official resulting in high rank on Corruption Perceptions Index from Transparency International. Both countries rank 26 out of 100 and 146 out of 180 countries. Poor implantation of government policies, high interest rates, high rates of inflation discourage further investments from prospective investors, neglect of local content to create new industries.

RECOMMENDATION

Data shows the biggest contributor to GDP is Agriculture and the servicing industry. Government should employ a major campaign on public perception of these industries. Examples should be given such as countries like China, US, Canada, Israel etc. Much economic reforms should be made to energize these industries. Furthermore tax incentives should be given to people looking to engage in agriculture. These countries should become a job outsourcing hub for foreign investment. Examples that took this route are China, Vietnam, Taiwan, Bangladesh; these countries employment rates have decreased drastically. Also further industries like steel, wood processing etc should be developed, electricity reforms put in place and much improvement in infrastructure to encourage supply chain of goods. All these industries would swallow the vast unemployed persons in the country.