

IMPACT OF GLOBALIZATION ON INDUSTRIAL RELATIONS IN THE NIGERIAN BANKING SECTOR

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ABSTRACT

Globalization had necessitated structural adjustments in the labour market at both the national and international levels that significantly affected labour relations. This study x-rayed the impact of globalization on industrial relations in the Nigerian commercial banking sector. Descriptive survey design was employed and stratified random sampling technique was used to select the study's sample. Simple percentage was used to analyze the research questions and Z-test was used to test the postulated hypothesis. The findings revealed that there was a significant relationship between globalization and industrial relations in the Nigerian commercial banking sector. Regarding the effect of parent country and host countries characteristics on industrial relations system in the sector, the study's findings showed that industrial relations system was skewed in favour of host national characteristics. The findings also established that there was decreased freedom of unions and decreased bargaining power of labour because of human resource outsourcing induced by globalization. This promoted the principles of individualism that inhibited the efficacy of collective bargaining and collective agreement. Finally, the study's findings indicated that there was ineffective enforcement of labour legislation as a result of outdated laws in Nigeria causing negative impact on the industrial relations system in global context. Based on the study's findings, it was recommended that industrial relations system in global context in the Nigerian banking sector should be pro-active by promoting bipartite and in some cases tripartite institutions and processes to establish appropriate labour policy and standards that would promote collectivism and harmonious work relations. Also, Nigerian legislature should amend provisions of the labour laws to meet global challenges.

Key words: collective agreement, globalization, industrial relations, labour legislation, Nigerian banking sector, outsourcing.

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INTRODUCTION

In recent decades, the Nigerian economy has become more open and liberalized due to the influence of globalization of the world economy. Liberalization paved way for globalization through greater integration in world markets and increased international economic interdependence (Mills and Blossfeld, 2005). Driven by technological advances, improved communications, economic liberalization, and increased international competition, globalization has brought in an era of economic, institutional and cultural integration (Ali, 2005). The contention is whether the industrial relations system in the global context is converging or diverging. In comparative employment relations, there are contrasting arguments that there are international pressures leading to convergence and national pressures leading to divergence (Martin and Bamber, 2005). Globalization is difficult to define satisfactorily by its characteristics because it covers a multitude of discipline, communities and cultures and as such allows for a variety of viewpoints ranging from economic, social, political (Al-Rodhan, 2006), cultural (Fraser, 2007) and technological (Macdonald, 1997). However, Al-Rodhan (2006) defines globalization as a process that encompasses the causes, course, and consequences of trans-national and trans-cultural integration of human and non-human activities. According to Philips and Eamets (2007), globalization is the process of increasing worldwide connectivity, integration and interdependence in the economic, social, technological, cultural, political and institutional spheres.

According to Macdonald, (1997), Frenkel and Peetz, (1998), and Ali (2005) cited in Philips and Eamets (2007), globalization reduces barriers between countries and involves greater integration in the world markets, thus increasing the pressure for assimilation towards international standards. This trend disseminates advanced management practices and newer forms of work organization and in some cases, shares internationally recognized labour standards. Investopedia (2012) highlights the merits and demerits of globalization which have been heavily examined and deliberated in recent years. Proponents of globalization say that it helps developing nations catch up with industrialized nations much faster through increased employment and technological advances while opponents say that it weakens national sovereignty and allows industrialized nations to move domestic jobs overseas where labour is much cheaper. Globalization has fundamentally changed and considerably expanded the boundaries of the market place creating very complex international production networks that distorts the status-quo between capital and labour in each country (Macdonald, 1997). Ostry (1997) asserts that among the many domestic policies and institutions that are subject to the pressures of globalization, none is more fundamental than industrial relations.

The concept of industrial relations has been defined using various terminologies but in the strictest sense, it is essentially the relationship between management and labour (Mowday, Porter and Steers, 2002). A brief historical background suggests that industrial relations has its roots in the industrial revolution era which created the modern employment relationship by spawning free labour markets and large-scale industrial organizations with thousands of wage workers (Kaufman, 2004). Current industrial relations practice is directed at improving the flexibility and skills of the workforce to meet global challenges. Based on the current practice, industrial relations may be defined as the means by which the various interests involved in the labour market are accommodated primarily for the purpose of regulating employment relationships (Macdonald, 1997) both at the domestic and international strata. This relationship is

between the workers, the employers and organizations in promoting and defending their respective interests at all levels. The process in the relationship is influenced by the government and its agencies (Fashoyin, 1992) through policies, laws, institutions and programmes, and by the broader political, social, economic, technological, cultural and global characteristics (Macdonald, 1997).

According to Beck and Demircuc-Kunt (2009) cited in Bakare, Shabi, Awotundun and Oniku (2013), the rapid growth of international transactions and capital flow is one of the single most profound outcomes of globalization. Until financial globalization gained currency, financial liberalization was the key policy believed to accelerate efficiency. The financial system in Nigeria is dominated by the banking sector which is the key driver of the economy with about 90% of the assets and about 65% of market capitalization of the Nigerian Stock Exchange (NSE) (Soludo, 2009). Many banks that facilitate capital flow in international transactions had inherent nationality but at the beginning of the 21st century, the biggest banks in the industrial world have become complex financial organizations that offer a wide variety of services in the international markets and control huge amount of money and assets (Adekanye, 2006). Supported by latest technology, banks are working to identify new business niches, to develop customized services, to implement innovative strategies and to capture market opportunities. There have been several major reforms in the Nigerian banking sector. In July 2004 the Central Bank of Nigeria (CBN) initiated the banking industry consolidation programme and in November 2008, the CBN commenced the intervention agenda (Orya, 2013). With these and other reforms in the Nigerian banking sector especially in the areas of consolidation, deregulation, diversification and recapitalization, the sector has shown considerable abilities to raise capital and compete fairly (Orya, 2013). Because of the relative high performance of the Nigerian banking sector in recent times, the sector now commands attention locally and globally. South African banking franchises have been moving round the Nigerian banking sector looking for opportunities for acquisition and in January 2007, just one year after the mandatory recapitalization agenda was concluded, a Nigerian wholly owned indigenous banking franchise Guaranty Trust Bank (GTBank) successfully issued \$300 million Eurobond and later became the first African bank to list its security on the London stock exchange (Orya, 2013).

Several Nigerian banks have raised funds in the global markets and are now very strategic to the distribution of retail credit products by multinational financial institutions especially card issuers. Nigerian banks are tapping into global payment system with contribution from improved technology, product innovation and new approaches to service delivery in addition to international framework agreements regarding access to financial services. Regarding global integration, the Nigerian commercial banking sector is becoming more complex with new concepts being introduced as well as having subsidiaries outside the country all in a bid to compete with other banks worldwide. Nigerian banks were marginal even within Africa but today several indigenous banks have branches and subsidiaries outside the country. For example, United Bank for Africa (UBA), a Nigerian indigenous bank has subsidiaries in 19 African countries (Orya, 2013). Global integration in the banking and other sectors has led to homogenization and convergence (Gachunga, 2008) in business strategies and management options relating to the socio-economic process (Srivastava, 2007) of creating industrial cooperation and harmonious relations conducive to social and economic development (Panigrahi, 2006).

The issue

Industrial cooperation is a basic requirement for the functioning of the growth of industrialization. Conversely, conflict is common in industries with poor industrial relations practice because industrial relations is oriented to the containment of conflict through the mechanisms of institutionalization and regulation (Panigrahi, 2006). Industrial conflict is endemic among human grouping and it causes lack of cooperative spirit and human relations resulting to strikes and lockouts, low employee productivity, disruption and delay in production, increase in production costs, high rate of labour turnover and absenteeism (Peretomode and Peretomode, 2001). In most cases, frequent and prolonged industrial conflicts affect the economy and the attitude of workforce especially as it relates to the importance of negotiations in working life, workers participation, as well as the possible outcomes of conflict such as the hub of wage rates, job satisfaction, industrial peace and other contents of collective agreement. Issues affecting industrial relations practice in global perspectives are more complex since the situation will deal with entirely new and very dynamic condition by integrating divergent economic, technological, ethical and cultural activities with labour market flexibility, increasing labour migration, rising atypical and non-standard forms of employment and changes in work contents and working conditions (Philips and Eamets, 2007). Considering pressures from globalization and balancing the divergent and convergent characteristics, if the industrial relations practice in the Nigerian banking sector (which is far diversifying with global contents) does not adapt to the globalizing labour market effects, it will impede the establishment of industrial democracy in the sector resulting to lack of labour partnership, gains sharing, labour cooperation and harmonious relations (Panigrahi, 2006). To this end, an investigation into the effect of globalization on industrial relations in the Nigerian commercial banking sector becomes compelling.

The objectives of the study include:

- I. To ascertain the effect of globalization on industrial relations in the Nigerian commercial banking sector.
- II. To determine the extent of the utilization of collective agreement in the context of globalization in the Nigerian commercial banking sector.
- III. To determine the extent of effective enforcement of labour legislation in the context of globalization in the Nigerian commercial banking sector.

The study attempts to provide answers to the following questions based on the study's objectives:

- I. What is the effect of globalization on industrial relations in the Nigerian commercial banking sector?
- II. Does the extent of the utilization of collective agreement in the context of globalization in the Nigerian commercial banking sector effective?
- III. Does the extent of the enforcement of labour legislation in the context of globalization in the Nigerian commercial banking sector effective?

The following null hypothesis was postulated to guide the study:

Ho: Globalization has no significant effect on industrial relations in the Nigerian commercial banking sector.

The findings seek to provide information that will be of benefit to shareholders, employers and employees in the Nigerian banking sector in specific and other sectors in general by promoting an animating spirit of cooperation and proper regard for the genuine well-being of organizational

members (Panigrahi, 2006). Government will benefit from the findings of the study with regard to effective performance of their roles as a major actor (Fashoyin, 1992) especially when the issues are of public interest. The study's findings will also be of significance to management and employees of Multi-National Enterprises (MNEs) and international labour regulatory institutions because it will create a framework that encourages cordial and peaceful work place relations across borders. Finally, the findings will serve as an additional source of information to researchers and students especially in the areas of problem recognition and analysis.

The content scope of this study is on the effect of globalization on industrial relations practice in the Nigerian commercial banking sector and the study is geographically delimited to the South-South geo-political region comprised of the six States namely Akwa-Ibom, Bayelsa, Cross-River, Delta, Edo and Rivers consequent upon the researcher's familiarity with the area. Four commercial banks namely First Bank of Nigeria Plc, United Bank for Africa Plc (UBA), Union Bank of Nigeria Plc and Zenith Bank of Nigeria Plc were studied and the choice to study these banks was guided by the fact that they are engaged in global financial services and also have subsidiaries or affiliates outside Nigeria.

Conceptual framework

Globalization is identified as the independent (predictor) variable and industrial relations as the dependent (criteria) variable in the conjectured phenomenal relationship. The measures of industrial relations in the study are collective agreement and labour legislation. Collective agreement is an accord between an employer or association of employers and employees which regulates the terms and conditions of employment contract. The Labour Act, Cap L1 Laws of the Federation of Nigeria (2004) defines collective agreement as "an agreement in writing regarding working conditions and terms of employment concluded between an organization of workers or an organization representing workers (or an association of such organizations) of the one part and an organization of employees or an organization representing workers (or an association of such organizations) of the other part". The primary objective of collective agreement is to create harmonious contract and work environment because the terms and conditions relating to protection and compensation system are embedded in the agreement and negotiated to satisfy both parties equally.

Collective agreement is the outcome of the process of collective bargaining between the employer(s) and trade unions representing workers. Collective bargaining is a process of mutual negotiations between employer(s) and workers (Fashoyin, 1992) and joint decision making that basically represents a democratic way of life in industry. It refers to a culture of bipartite and tripartite system of settlement of industrial disputes (Panigrahi, 2006). The issue of collective bargaining in Nigeria is provided for under the Labour Act, Cap L1 Laws of the Federation of Nigeria (2004). The Labour Act defines collective bargaining as the "process of arriving or attempting to arrive at a collective agreement". Peretomode and Peretomode (2001) identified six basic elements of collective bargaining as involving at least two parties, involving an issue or conflict that should be resolved, involving give-and-take between the major actors or parties involved, aiming at reaching mutual agreement, an ongoing process, and a complex relationship because of the dynamic elements of the process involved.

Trade unions are a major component of collective agreement process. A trade union is an organization of workers that represents and furthers the social and economic interests of the members in one organization or in an occupation (Peretomode and Peretomode, 2001). Trade unions came into being for a variety of purposes (Panigrahi, 2006) which include improving the economic situations of members, ensuring that members' rights are protected, for social reasons Aminuddin (2007), and participating actively in the process of national development (Peretomode and Peretomode, 2001). According to the Nigeria Union of Petroleum & Natural Gas Workers (NUPENG), the first organized trade union movement in Nigeria was formed in 1912 when the workers in the civil service under the colonial administration organized themselves into workers representatives known as the Civil Service Union (CSU) that later came to be called the Nigerian Civil Service Union (NCSU) (Peretomode and Peretomode, 2001). This became the base under which workers in other sectors began the agitation for the formation of trade unions before and after independence in 1960. Earlier in 1942, the department of labour was established to entertain union and other labour matters in Nigeria. It was an extension of the British government's department of labour (Peretomode and Peretomode, 2001). In 1975 (fifteen years after independence), trade unions in the country have risen to over 1000. In 1976, the government established a commission of inquiry into the activities of the various unions with a view to come up with a proper structure for union administration. The many unions were restructured into 42 along industrial line in 1977 and in February 1978, the Nigeria Labour Congress (NLC) was formed and inaugurated which made the 42 industrial unions become affiliates of the NLC with a legal backing. In 1989, the trade unions were restructured to become 29 affiliates to the NLC. Recently, the government is considering paving ways to multiple centres.

Labour legislation governs collective agreement and industrial relations among employer(s) and trade unions (The Canadian Encyclopedia). Modern labour legislation provides stability and ensures more orderly production by regulating the union power tactics such as strikes, work-to-rule, sick out, picketing and boycott (Peretomode and Peretomode, 2001) to an instrument of persuasion, relief and negotiation by the process of certification, arbitration and to a variety of timeliness requirements (The Canadian Encyclopedia). The Nigeria labour Act was passed to law in 1971 and no changes or modifications have been added to it in order to suit the emerging trends therefore, making it obsolete. According to Oserogho, (2010) the Nigeria labour law in the 21st century is restrictive and outdated and has not been able to promote the much needed human capital development in the Nigerian economy.

Theories of industrial relations

The field of industrial relations cannot be solved by a single discipline since it is derived from the contributions of management, law, economics, psychology, sociology, et cetera (Panigrahi, 2006) and as such, needs a multi-disciplinary approach drawn from the major theories of the subject. Theories are sets of interrelated concepts, definitions and propositions that present a systematic view of phenomena by specifying relations among variables with the purpose of explaining and predicting the phenomena (Peretomode and Peretomode, 2001). Industrial relations theories incorporate both the conflictive and the consensus factors and explain why certain events happen and how and why the rules of the system change (Panigrahi, 2006). The five theories discussed in this study namely unitary, conflict, social, systems and marxist theories

were adapted from the work of Farnham and Pimlett (1997) cited in Peretomode and Peretomode (2001).

An organization in unitarianism perspective is perceived as an integrated and harmonious whole with the ideal of "one happy family", where management and other members of the staff all share a common purpose and emphasizing mutual cooperation. Unitarianism perspective assumes that each employee identifies unreservedly with the aims of the organization and with its methods of operating. Both owners of capital and labour are joint partners to the common purpose of efficient production and profit therefore there is no conflict of interest in the organization. Employers and employees are part of same team therefore there cannot be two sides in the organization. Furthermore, unitarianism has a paternalistic approach where it demands loyalty of all employees making leadership to come from the top and to keep it working with full commitment to tasks. Consequently, trade unions are deemed as unnecessary since the loyalty between employees and organizations are considered mutually exclusive (Wiljoy, 2009).

Conflict theory is also regarded as the industrial relations pluralism perspective (Peretomode and Peretomode, 2001). In pluralism, the organization is perceived as being made up of powerful and divergent sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. In particular, the two predominant sub-groups in the pluralistic perspective are the management and trade unions. Consequently, the role of management leans less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees and conflict is viewed as rational and inevitable. Conflict is dealt by collective bargaining and the purpose is to secure a balance of power between the management and the employees (Panigrahi, 2006).

Social action theory is pre-eminently associated with the studies of Max Weber and the theory in industrial relations stresses as the individual responses to the social actors like the managers, employees and union representatives to given situations. Social actors are constrained by the ways they construct their own social realities since they do not share the same value systems. Jackson (1982) cited in Peretomode and Peretomode (2001) opines that the most useful feature of social action theory in industrial relations is the way in which it stresses that the individual retains at least some freedom of action and ability to influence events.

The system theory to industrial relations was first articulated by Dunlop (1958) who suggested that the system could be divided into four interrelated elements comprising certain actors (trade unions, employers, government agencies and specialized third party private agencies); certain contexts (the significant aspects of the environment in which the actors interact such as the characteristics of the work place and work community, the market or budgetary constraints and the locus and distribution of power in the larger society); an ideology binding the industrial relations system together; and, a body of rules created to govern the actors at the workplace (Panigrahi, 2006). In the system theory, certain inputs like human labour, capital, and managerial skills are combined through alternative processes like collective bargaining, unilateral managerial decisions to produce certain outcomes like industrial peace, job satisfaction and wage rates. In Nigeria, virtually all the authors employed the system perspective as the most appropriate industrial relations theory (Fashoyin, 1992).

The Marxist view of industrial relations looks at the nature of the capitalist society, where there is a fundamental division of interest between capital and labour, and sees workplace relations against this history. This perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital. Whilst there may be periods of acquiescence, the Marxist view would be that institutions of joint regulation would enhance rather than limit management's position as they presume the continuation of capitalism rather than challenge it. The pessimist view propounded by Lenin, Trotsky and Michels and the optimist view propounded by Marx and Engels are two variants of the Marxist view (Wiljoy, 2009).

METHODOLOGY

This study employed the survey research design. Surveys are usually appropriate in the case of social and behavioural sciences and they are also concerned with hypothesis formulation and testing the analysis of the relationship between non-manipulated variables (Nwidum, 2006). Surveys are also useful in describing the characteristics of a large population. Consequently, if using very large samples are feasible, it makes results statistically significant even when analyzing multiple variables. The study derived data from two sources namely primary and secondary (Onuoha, Ohiri, Kalu, Onyeike and Okpanku, 2011). Primary data are those collected afresh and for the first time, and this happens to be original in character. In this study, the primary sources of data were mainly obtained by questionnaire and interview. A five point Likert's scale (Kothari, 2004) was employed to design the questionnaire for the study's objectives and the interview questions were designed in a semi-structured form allowing for open-ended answers from respondents (Onuoha, Ohiri, Kalu, Onyeike and Okpanku, 2011). Secondary data are second hand data which are considered valid for the study and in this study, relevant and sufficient secondary data were collected from textbooks, journals, magazines, bulletins and other digital materials or information downloaded from the internet.

The target population of the study comprised of staff of the four commercial banks that were studied and the size is 7122 as shown in Table 1. The population size of this study was considered too large and very cumbersome to cover. Therefore, stratified random sampling method was primarily employed for this study to enable us obtain a representative sample since the population from which the sample was drawn does not constitute homogenous group (Kothari, 2004). The study employed Taro Yamane's sample size determinant (Onuoha, Ohiri, Kalu, Onyeike and Okpanku, 2011) to calculate the sample size (n).

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size
N = Population size
e = Margin of error

$$\text{Sample size (n)} = \frac{7122}{1 + 7122(0.05)^2} = 379$$

However, the sample size (379) was considered low for the study (Unyimadu, 2005) because the larger a sample size, the more reliable and valid the results based on it will become (Nwana, 1981). To this end, the study depending on a suggestion by Israel (1992) added 10% (i.e. 38 copies) to cater for persons that the research may or may not reach, and additional 30% (114 copies) to take care of non-respondents in line with Nwana's view (1981). Therefore, the total sample size (531) considered adequate for the study was derived (Table 2) to ensure desired levels of confidence, precision and validity.

Construct and content validity was used to assess the validity of the instruments by means of assessing the adequacy, appropriateness, inclusiveness and relevancy of the questions to the subject under study. Experts in the specific study field were called upon to judge whether or not the instrument reflects the known content area. Copies of the research instrument (questionnaire) were distributed to 30 respondents and two weeks after, the same instrument was re-distributed to the same respondents. The scores from the two exercises were correlated using Kuder-Richardson-21 (KR-21) correlation reliability formula (Onuoha, Ohiri, Kalu, Onyeike and Okpanku, 2011) and a reliability co-efficient of 0.861 was obtained. The data collected from the respondents were processed through the means of editing, coding, classification and tabulation (Kothari, 2004), and 502 (95%) copies of the questionnaire distributed were returned, accepted and considered adequate for the analysis (Table 3). The study employed simple percentage to analyze the research questions as well as Z- test (Asika, 1991) for hypothesis testing. Finally, the discussions revolved around the objectives of the study and the study findings were compared with findings made in other related studies.

FINDINGS AND DISCUSSION

Effects of globalization: To analyze the effects of globalization on industrial relations in the Nigerian commercial banking sector, respondents were given a five rating options (strongly agree, agree, undecided, disagree, and strongly disagree) in the questionnaire to indicate if globalization has an effect on industrial relations in the Nigerian commercial banking sector. The study's findings revealed that globalization has a significant impact on industrial relations in the Nigerian commercial banking sector since the response rates indicated strongly agree (65%), agree (24%), undecided (2%), disagree (7%), and strongly disagree (2%), with a mean frequency of 4.43 that is greater than the acceptance cut-point of 3.0. This also corroborated with the findings accepted by previous studies (Ostry, 1997; Macdonald, 1997; and Kaufman, 2004), and the hypothesis test result using Z- test aided by computer through the application of statistical packaging for social sciences (SPSS 0.17 version) of Microsoft rejecting H_0 as the computed Z-value of 6.332 is greater than the critical value of 1.96 at a significance of 0.000 (Table 4).

Globalization affects industrial relations practice directly and indirectly (Philips and Eamets, 2007) and has its positive and negative aspects (Harris, 2002). Kim, Kim and Morishima (2001) identified increased workers reliance on labour organizations as protective institutions and improved labour rights and standards as the fundamental positive aspects of globalization on industrial relations practice while that of the elemental negative aspects include decreased bargaining power of labour and deteriorated working conditions and recession in employment facet. A significant number of interview respondents substantiated decreased bargaining power of labour and deteriorated working conditions as pertinent industrial relations problems faced by

employees as a result of globalization in the Nigerian commercial banking sector. Izuogu (2007) underscored the effect of globalization on industrial relations as more of a challenge. This is shown in his view that countries deal with strong challenges stemming from globalization in the form of deregulation of markets and intensified competition, production relocation outside parent countries, migration, job losses, unemployment and rapid structural changes (Philips and Eamets, 2007).

Regarding the effect of home and host countries characteristics on industrial relations in the Nigerian banking sector, the study observed that the industrial relations system is skewed in favour of affiliate or host countries characteristics. This is because host nations banks have advantage over parent nation in understanding the business practices, culture, political and regulatory conditions, in addition to the high demand for host based expertise by bank customers making it relevant for global banks to employ indigenous workforce. Furthermore, findings revealed that domestic banks possess relative advantage that may significantly limit the global integration of the banking sector (Judge, 2003)

Collective agreement: To analyze the extent of effectiveness of the utilization of collective agreement in the Nigerian commercial banking sector in global context, respondents were given a five rating options (very high, high, undecided, low and very low) in the questionnaire to indicate the extent of effectiveness of the utilization of collective agreement. The response rates (Table 5) showed very high (2%), high (6%), undecided (2%), low (25%), and very low (65%). A significant number of respondents through interview attributed the very low level of effective utilization of collective agreement in global context in the Nigerian commercial banking sector to lack of true freedom of contract as a result of outsourcing which has drastically increased labour insecurity and reduced the degree of freedom of unions to shape the employment contract in the sector. Zappala (2000) defined outsourcing as the situation where an external vendor provides on a recurring basis a service that would normally be performed within the organization. Outsourcing as an instrument of globalization reduces labour cost (Smirnykh and Worgotter, 2013) but induces wage inequality (China Europe International Business School, 2008), increases the bargaining strength of capital and decreases the bargaining power of labour movement in a bid to remain competitive in the global era (Theron, 2005). Outsourcing as well affects workers performance as it relates to commitment and loyalty (Camilleri, 2002; Jamil and Naeem, 2013). To substantiate the negative impact of outsourcing in the Nigerian banking sector, the president of the Association of Senior Staff of Banks, Insurance and other Financial Institutions (ASSBIFI) Comrade Sunday Salako viewed outsourcing and casualization of jobs and services as satanic influences and means of enslaving Nigerians by employers of labour in the country (Enoghase, 2013).

The study's findings revealed that outsourcing has led to employee compensation disparity in the Nigerian banking sector because employees in the commercial unit are relatively more remunerated when compared to their counterparts in the operations unit. Some respondents in the operations unit queried why their counterparts in commercial units are compensated more especially in the area of profit sharing when according to them they are more committed to the organization in relation to time and risks. It was observed that outsourcing stimulates labour turnover in the Nigerian commercial banking sector because a significant number of respondents revealed that some bank executives are invisibly involved in providing the services of a vendor

and on exit of such an executive from the bank, the services of the affected vendor is terminated causing high rate of labour turnover. According to Wikipedia the free encyclopedia, labour turnover is the rate at which an employer gains and losses employees. High rate of labour turnover reduces employee morale and affects productivity.

The upshot of outsourcing is the reduction in the number of permanent fulltime workforce (Theron and Godfrey, 2006) which is eminent in the Nigerian banking sector as observed in the study. This situation makes the temporary and casual employees vulnerable because they are usually not represented by trade unions which are a major component of collective agreement thereby promoting individualism in the sector. Effective collective bargaining performs the function of providing employees with a collective voice through the unions to establish standardized terms and conditions of employment (de Silva, 1997). However, union membership and bargaining strength in the Nigerian banking sector have declined significantly. Recently, about 8,000 members of the Association of Senior Staff of Banks, Insurance and other Financial Institutions (ASSBIFI) were disengaged and also, the management of union bank in 2011 proscribes the Union Bank Association of Senior Staff (UBASS) and ASSBIFI (Oronsaye, 2011).

Collective agreement is a product of collective bargaining and the problem of collective bargaining in the Nigerian banking sector is restricted in nature not only as a result of lack of collectivism but also because of the development in the national polity since industrial relations in Nigeria is made with a background which reflects not only economic buoyancy but also political conditions (Fashoyin, 1992). Dispute settlement in Nigeria as highlighted by the Nigeria Labour Congress (NLC) provides for mediation, conciliation and compulsory adjudication through the Industrial Arbitration Panel (IAP) and the National Industrial Court (NIC). However, conciliation and mediation especially in the areas of accessing processes and giving awards have greatly declined due to political considerations and bureaucratic bottleneck (Badejo, 2011).

Labour legislation: To Analyze the effectiveness of the enforcement of labour legislation in the Nigerian commercial banking sector in global context, respondents were given a five rating options (very effective, effective, undecided, ineffective and very ineffective) in the questionnaire to indicate the extent of effectiveness of the enforcement of labour legislation. Responses showed very effective (4%), effective (10%), undecided (1%), ineffective (40%) and very ineffective (45%). The findings revealed that enforcement of labour legislation in the Nigerian commercial banking sector has shortcomings (Table 6). Oserogho (2006) identified the shortcomings of labour law in Nigeria as glaring ineffectiveness of the regulators, insufficient and ridiculous penalties for breaches of the provisions of the labour laws by employers. Badejo (2011) opined that labour legislation favours the State and not the employees and the need for modification, repeals or change in the methods of enforcement has always suffers setbacks because of political considerations. Underscoring the study's findings, Bakare et al (2013) corroborated that Nigerian banking sector amidst current reforms cannot satisfy most of the globalization requirements in the areas of corporate governance as well as adequate and effective regulatory and supervisory framework of the banking services.

Regarding global labour regulatory institutions, Nigeria for instance has ratified all the 8 fundamental conventions. However, the country has only ratified 2 of the 4 governance and 30 of

the 177 technical conventions respectively of the International Labour Organization (ILO). Out of the 40 conventions ratified, 32 are in force and 8 have been denounced (International Labour Organization). Badejo (2011) emphasized that even the ratification of the ILO conventions by Nigeria are done on the paper or in principle and not in practice implying that labour legislation and regulation are relatively more influenced by national characteristics than global demands.

Globalization is an emerging and current phenomenon because today's world is organized by accelerating globalization (Gachunga, 2008) but the labour laws in Nigeria are still regulated by the Labour Act 1971 now Cap L1 LFN (2004) making the legal framework of industrial relations outdated. The obsolete situation of labour legislation in Nigeria made a significant number of respondents to doubt the existence of labour legislation talk less of the effectiveness of its enforcement. The Trade Union Act Cap T14 LFN (2004), guarantees unconditional recognition of trade unions by employers but they do not recognize that the organization of unions entails right to collective bargaining. The ineffective enforcement of the Trade Union Act contributed to the high response rates of very low and low extents of the utilization of collective bargaining in the Nigerian banking sector. The study observed that if collective agreement is enforced, it is done in favour of capital by reducing industrial unrest in order not to disrupt production and not for favourable social considerations and harmonious relations, corroborating with the assertion that globalization increases the bargaining strength of capital and decreases the bargaining strength of labour.

Relating collective agreement and labour legislation, the objective of collective agreement is to maintain industrial cooperation, but the Nigerian Supreme Court held in a number of its judgment that except collective agreement is incorporated or embodied expressly or by necessary implication in the terms and conditions of a contract of service of an employee it is not enforceable (Oserogho, 2006). This negatively affects employees in the Nigerian banking sector since a significant number of the workforce are engaged through a third party on a non-permanent and casual basis as a result of outsourcing, making their terms and conditions of employment subject to individual commitments to the vendor.

Conclusion and Recommendations

The impact of globalization extends from economic and technological perspectives to human or social perspective. Several research findings reveal that there is a significant relationship between globalization and industrial relations which also corroborates with the findings of this study. However, the impact of globalization varies considerably according to the institutional setting within each country since the institutional framework influences employer strategies and business interest. The study's findings revealed that industrial relations in global context regarding Nigerian indigenous banks are skewed in favour of host national characteristics. Globalization promotes individualism as a result of outsourcing in the Nigerian banking sector, and the Nigeria labour law is obsolete to meet global challenges and therefore ineffective.

Globalization does not encourage strict government regulation because of the element of liberalization, however, there is need for government to establish a common framework of terms and conditions of employment based on equity and international labour standards in the Nigerian banking sector. This will improve the living standard of indigenous workforce in the sector since

a significant number of employees in the sector are locals. Nigerian legislature should amend the provisions of the labour laws to meet fundamental global requirements and standards though in consideration to national characteristics. Government and organizations should promote bipartite and in some cases tripartite institutions and processes to establish appropriate labour policy and standards that will move away from regulatory to participative through stability in relationship between management and workers and ensure equitable participation by workers. This will provide mechanism to protect workers, promote equity and discourage individualism thereby reducing conflicts.

Table 1
Study population by States and banks types

States	Commercial Banks				Total (N)
	First bank	Union bank	United bank for Africa (UBA)	Zenith bank	
Akwa-Ibom	420	130	336	66	952
Bayelsa	90	50	171	78	389
Cross-River	330	110	176	126	742
Delta	510	246	552	293	1601
Edo	630	178	335	307	1450
Rivers	720	195	671	402	1988
Total (N)	2700	909	2241	1272	7122

Source: Survey data, 2012

*Note**:* The population size was derived based on confidential data collected from senior staff of the respective banks in the six States of the South-South geo-political region.

Table 2
Sample size determinants

Source	Sample size (n)
Taro Yamene	379
Inaccessible respondents (10%)	38
Non responses (30%)	114
Total (n)	531

Table 3
Questionnaire distribution

Staff	Number distributed	Number returned and accepted	%	Number not returned	%
Akwa-Ibom	71	68	12.81	3	.56
Bayelsa	29	24	4.52	5	.94
Cross-River	55	52	9.79	3	.56
Delta	120	112	21.09	8	1.51
Edo	108	102	19.21	6	1.13
Rivers	148	144	27.12	4	.75
Total	531	502	94.54	29	5.45

Source: Survey data, 2012

Table 4
Globalization and industrial relations

Rating	Total	
	Frequency	%
Strongly Agree	326	65
Agree	122	24
Undecided	9	2
Disagree	35	7
Strongly Disagree	10	2
Total	502	100
Mean	4.43	
SD	0.97	

Source: Survey data, 2012

Descriptive Statistics	N	Mean	Std. Deviation	Minimum	Maximum
Globalization has a positive effect on industrial relations practices in the commercial bank	502	1.8845	1.04327	1.00	5.00

One-Sample Kolmogorov-Smirnov Test

		Globalization has a positive effect on industrial relations practices in the commercial bank
N		502
Normal Parameters ^{a,b}	Mean	1.8845
	Std. Deviation	1.04327
Most Extreme Differences	Absolute	.283
	Positive	.283
	Negative	-.198
Kolmogorov-Smirnov Z		6.332
Asymp. Sig. (2-tailed)		.000

Note**: test distribution is normal; calculated from data

Table 5
Globalization and collective agreement

Rating	Total	
	Frequency	%
Very high	12	2
High	28	6
Undecided	10	2
Low	124	25
Very low	328	65
Total	502	100

Source: Survey data, 2012

Table 6
Globalization and labour legislation

Rating	Total	
	Frequency	%
Very effective	18	4
Effective	51	10
Undecided	6	1
Ineffective	201	40
Very ineffective	226	45
Total	502	100

Source: Survey data, 2012

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