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EMPLOYER ASSOCIATIONS AND INDUSTRIAL RELATIONS OUTCOMES OF OIL SERVICING FIRMS IN RIVERS STATE.

Dr. N. A. Agabe
agabenlemaa@gmail.com, 08035079290
Department of Business Administration, Faculty of Administration and Management, Ignatius Ajuru University of Education, Rumuolumeni, P.M.B. 5047, Port Harcourt, Rivers State.

Abstract
This study examined the relationship between employer associations and industrial relations outcomes of oil servicing firms in Rivers State, Nigeria. The study specifically investigated the relationships between policy representation and workplace stability, employer solidarity and workers' satisfaction, and regulation of labour standards and peaceful coexistence. The study was anchored on Collective Action Theory. A correlational survey design was employed, with data collected via questionnaire from 178 management staff across 22 registered oil servicing firms in Rivers State. The data were analysed using Spearman's Rank Order Correlation Coefficient. The results revealed a statistically significant positive relationship between policy representation and workplace stability, a strong and significant positive relationship between employer solidarity and workers' satisfaction, and a significant positive relationship between regulation of labour standards and peaceful coexistence. These findings underscore the critical role of organised employer collective action in shaping favourable industrial relations climates within the high-risk and heavily unionised context of the oil servicing sector. The study concludes that active engagement with employer associations, particularly in the areas of policy representation, employer solidarity, and labour standards regulation, is instrumental in improving workplace stability, workers' satisfaction, and peaceful coexistence in oil servicing firms. It was recommended among others that oil servicing firms in Rivers State should strengthen their participation in relevant employer associations and support the coordination of collective bargaining positions to safeguard workplace stability.

Keywords: Employer Associations, Industrial Relations Outcomes, Policy Representation, Employer Solidarity, Labour Standards, Workplace Stability, Workers' Satisfaction, Peaceful Coexistence, Oil Servicing Firms.

Background to the Study
Industrial relations outcomes represent the results of the relationship between employers, employees, and their representatives within the workplace. When this relationship is positive, employees feel fairly treated, workplace disputes are resolved quickly, and organisations operate effectively; when it is poor, conflicts become frequent and productivity suffers (Amadi & Nwosu, 2022). In the oil servicing industry in Rivers State, one of Nigeria's most important industrial and commercial sectors, industrial relations have remained a major concern because of the risky nature of the work, the involvement of numerous employers and contractors, and the strong presence of labour unions. One factor that has received limited empirical attention in this context is the role of employer associations, which are groups formed by employers to promote and protect their common interests in matters relating to employment and labour relations (Sheldon & Thornthwaite, 2021). Just as employees form trade unions to protect their rights, employers form associations to coordinate positions on wages, working conditions, and negotiations with labour unions, and to represent member firms before government agencies and regulatory bodies (Traxler, 2020).

The oil servicing industry in Rivers State operates in a highly regulated environment where labour unions such as the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) and the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) actively protect the interests of workers, while employees increasingly demand better wages, improved conditions, and greater job security. Individual oil servicing firms often lack the resources or bargaining power to respond effectively to these demands, and employer associations help address this challenge by bringing employers together to coordinate positions and develop common approaches to labour relations issues (Benner & Mayer, 2020). Studies have shown that strong employer associations are linked to fewer industrial disputes, more stable workplaces, and better cooperation between employers and employees (Traxler, 2020); however, in Africa, and particularly in industries involved in natural resource extraction such as oil and gas servicing, very few studies have examined this role (Okafor & Okeke, 2023). This study therefore examined the relationship between employer associations and industrial relations outcomes in oil servicing firms in Rivers State, focusing on three functions of employer associations: policy representation, employer solidarity, and the regulation of labour standards, and how these relate to workplace stability, workers' satisfaction, and peaceful coexistence.

Statement of the Problem

Industrial relations have remained a major challenge for many oil servicing firms in Rivers State. Although the industry plays an important role in supporting Nigeria's oil and gas sector, many firms continue to experience frequent disputes between employers and employees, poor workplace stability, and low worker satisfaction. Workers often complain about unresolved grievances and poor protection of their rights, while employers face work disruptions, reduced productivity, and reputational damage whenever industrial conflicts occur. Employer associations are expected to help address these challenges by bringing employers together to speak with one voice on labour issues, represent their interests before regulatory agencies, promote cooperation among employers, and encourage compliance with acceptable labour standards. However, little empirical evidence exists on how well employer associations perform these roles in oil servicing firms in Rivers State, or how much they contribute to industrial relations outcomes, as most previous studies have focused mainly on trade unions with limited attention to employer associations. Consequently, this study examined the relationship between employer associations, through policy representation, employer solidarity, and labour standards regulation, and industrial relations outcomes, measured by workplace stability, workers' satisfaction, and peaceful coexistence, in oil servicing firms in Rivers State.

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Conceptual Framework

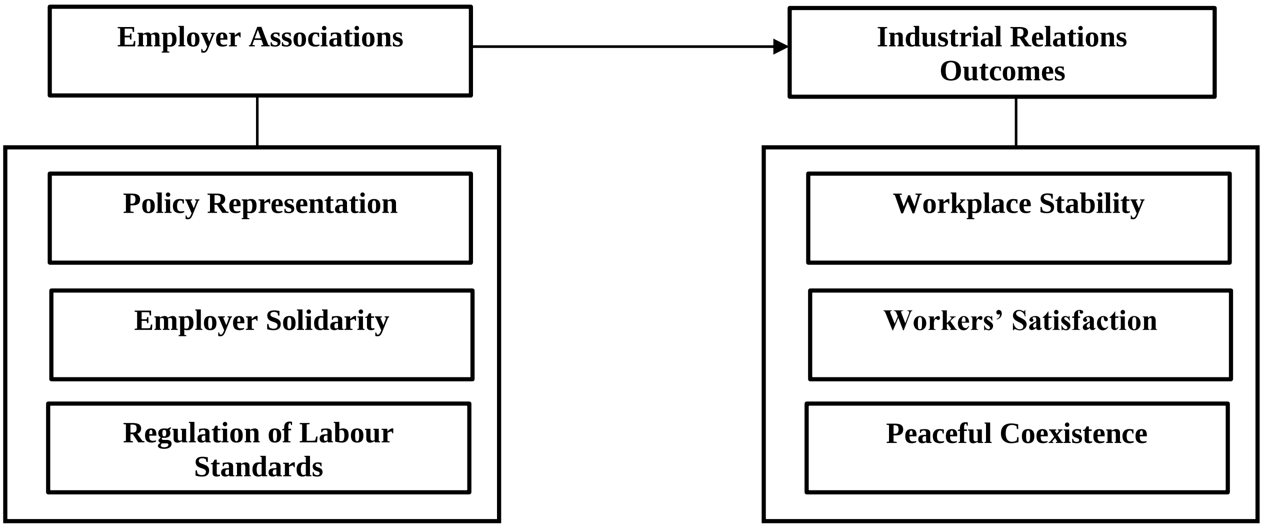

Figure 1.1: Conceptual framework showing Employer Associations and Industrial Relations Outcomes.
Source: Dimensions of Employer Associations adopted from Traxler (2020); measures of Industrial Relations Outcomes adopted from Dunlop (1993).

Aim and Objectives of the Study
The aim of the study was to examine the relationship between employer associations and industrial relations outcomes of oil servicing firms in Rivers State. The specific objectives are to:
1. investigate the relationship between policy representation and workplace stability of oil servicing firms in Rivers State.
2. determine the relationship between employer solidarity and workers' satisfaction of oil servicing firms in Rivers State.
3. assess the relationship between regulation of labour standards and peaceful coexistence of oil servicing firms in Rivers State.

Research Questions
The following research questions guided the study:
1. What is the relationship between policy representation and workplace stability of oil servicing firms in Rivers State?
2. What is the relationship between employer solidarity and workers' satisfaction of oil servicing firms in Rivers State?
3. What is the relationship between regulation of labour standards and peaceful coexistence of oil servicing firms in Rivers State?

Research Hypotheses
The following research hypotheses were formulated and tested in the study:
H01: There is no significant relationship between policy representation and workplace stability of oil servicing firms in Rivers State.
H02: There is no significant relationship between employer solidarity and workers' satisfaction of oil servicing firms in Rivers State.
H03: There is no significant relationship between regulation of labour standards and peaceful coexistence of oil servicing firms in Rivers State.

Review of Related Literature

Concept of Employer Associations

An employer association is a formal organisation made up of employers who come together voluntarily to pursue objectives related to employment, labour relations, and industrial policy that they could not achieve as effectively on their own (Traxler, 2020). Sheldon and Thornthwaite (2021) described employer associations as multi-functional organisations that operate simultaneously in the political, economic, and social dimensions of industrial relations, representing employer interests before government and regulatory bodies, coordinating employer behaviour in labour markets, and promoting norms of responsible employment practice. In the Nigerian context, employer associations operate at both national and sectoral levels; nationally, the Nigerian Employers' Consultative Association (NECA) represents employers in tripartite industrial relations forums, while sectorally, associations such as the Petroleum Technology Association of Nigeria (PETAN) and the Oil Producers' Trade Section (OPTS) represent the specific interests of oil servicing and oil producing firms (Akpan & Bassey, 2021).

Policy Representation: Policy representation is the function through which employer associations engage government, legislative bodies, regulatory agencies, and other institutions to advocate for policies, laws, and regulations that create a more favourable environment for productive employment relationships (Ibarra-Colado et al., 2020). Effective policy representation requires organisational capacity to monitor policy developments and the political access to have members' views seriously considered by decision-makers (Okafor & Okeke, 2023). Adeniji and Oladele (2022) found that Nigerian employer associations that actively engaged in policy advocacy were associated with more stable and predictable regulatory environments for their members, contributing to more positive industrial relations outcomes.

Employer Solidarity: Employer solidarity refers to the capacity of employer associations to ensure that member firms act in a coordinated and consistent manner in the face of collective bargaining demands and industrial disputes, preventing unions from playing individual firms against one another (Sheldon & Thornthwaite, 2021). In the Nigerian oil servicing sector, where the workforce is highly unionised through NUPENG and PENGASSAN, employer solidarity provides member firms with shared bargaining expertise and mutual support in the event of industrial action (Fajana, 2021). Amadi and Nwosu (2022) found that oil servicing firms in Rivers State that reported higher engagement with employer association solidarity mechanisms also reported greater confidence in managing union demands and lower rates of costly industrial disputes.

Regulation of Labour Standards: This refers to the activities through which employer associations establish, promote, and monitor minimum standards of employment, including wages, working conditions, safety, and welfare provisions, across member firms (Traxler, 2020). Benner (2020) identified the regulation of labour standards as the employer association function most directly linked to industrial relations outcomes, since it addresses the most common sources of worker grievance at the level of the industry rather than the individual firm. In the oil servicing context, where casualisation of labour and irregular wage payments have been persistent sources of industrial conflict, the regulation of labour standards by employer associations has the potential to address these structural problems in ways individual firm-level interventions cannot (Okafor & Okeke, 2023).

Industrial Relations Outcomes

Industrial relations outcomes are the measurable consequences of the employment relationship, indicating whether the relationship between employers, workers, and their representatives is working well or badly (Dunlop, 1993). In this study, industrial relations outcomes in oil servicing firms in Rivers State were measured through workplace stability, workers' satisfaction, and peaceful coexistence.

Workplace Stability: Workplace stability refers to the degree to which an organisation's operations are characterised by consistent, predictable, and conflict-free employment relationships (Kochan et al., 2019). Okafor and Okeke (2023) found that oil and gas service companies in Rivers State that were active members of relevant employer associations reported lower rates of industrial action and greater operational continuity.

Workers' Satisfaction: Workers' satisfaction refers to the overall positive evaluation that employees hold toward their jobs and the employment relationship, reflecting the degree to which the actual experience of employment meets their expectations across pay, conditions, supervision, and fairness of management practices (Spector, 2022). Adeniji and Oladele (2022) noted that when employer associations successfully enforce minimum standards of employment across member firms, the floor of employment conditions is raised for all workers, directly addressing common sources of worker dissatisfaction.

Peaceful Coexistence: Peaceful coexistence refers to the state in which management and workers maintain respectful, cooperative, and productive employment relationships, characterised by open communication, mutual trust, and a shared commitment to resolving disagreements through dialogue rather than confrontation (Fashoyin, 2020). Sheldon and Thornthwaite (2021) noted that employer associations can improve peaceful coexistence by promoting a culture of dialogue among member firms and creating institutional forums for employer-union engagement at the sectoral level.

Theoretical Review: Collective Action Theory

Collective Action Theory was propounded by Mancur Olson in 1965 in his work, "The Logic of Collective Action." The theory begins from the observation that groups of individuals with shared interests do not automatically act collectively to pursue those interests, even when doing so would benefit every member, because of the free-rider problem: each individual has an incentive to benefit from the collective action of others without contributing to it personally, since the benefits of collective action are available to all members of the relevant group regardless of whether they contributed to achieving it. Without mechanisms to overcome this free-rider problem, collective action will be undersupplied.

The major assumptions of Collective Action Theory include the belief that individual actors are rational and pursue their own interests unless given incentives to cooperate; that collective goods will be undersupplied without organised collective action; that the effectiveness of collective action depends on the strength of the organisational mechanisms available to overcome free-rider incentives; and that larger groups face greater collective action challenges than smaller ones. Effective employer associations manage the free-rider problem through a combination of selective incentives available only to active members and sanctions against non-compliance with agreed collective positions.

Collective Action Theory is relevant to this study on employer associations and industrial relations outcomes in oil servicing firms in Rivers State. When oil servicing firms act individually in the face of collective bargaining demands from NUPENG and PENGASSAN, each firm has an incentive to concede to union demands rather than bear the costs of a dispute, but the cumulative effect of these individual concessions is an industry-wide escalation of labour costs. Employer associations, by providing a framework for collective action that overcomes the free-rider incentives of individual firms through policy representation, employer solidarity, and labour standards regulation, can produce better industrial relations outcomes for the employer community as a whole than individual firms could achieve acting alone.

Methodology

The study adopted a correlational survey research design. The population of the study comprised 198 management staff drawn from 22 registered oil servicing firms operating in Rivers State. Data on the population and participating firms were obtained from Finelib (2026). A census sampling technique was adopted because the population was small and manageable, and a purposive sampling technique was used to identify management staff directly involved in operations, human resource management, and industrial relations within the firms. Data were collected using a self-designed structured questionnaire titled the Employer Associations and Industrial Relations Outcomes Questionnaire (EAIRQ), developed on a four-point Likert scale of Strongly Agree, Agree, Disagree, and Strongly Disagree. The instrument was validated by experts and subjected to the study supervisor's corrections to achieve face and content validity. Its reliability was confirmed through a Cronbach Alpha reliability test, yielding a coefficient of 0.74, which indicated acceptable internal consistency. A total of 198 copies of the questionnaire were administered across the 22 oil servicing firms in Rivers State. Out of these, 178 copies representing 90% were successfully retrieved and used for analysis. Data were analysed using Spearman's Rank Order Correlation Coefficient at a 0.05 significance level via the Statistical Package for the Social Sciences (SPSS).

Results

H01: There is no significant relationship between policy representation and workplace stability of oil servicing firms in Rivers State.

Table 1: Correlation between Policy Representation and Workplace Stability

			Policy Representation	Workplace Stability
Spearman's rho	**Policy Representation**	Correlation Coefficient	1.000	.412**
		Sig. (2-tailed)	.	.000
		N	178	178
	Workplace Stability	Correlation Coefficient	.412**	1.000
		Sig. (2-tailed)	.000	.
		N	178	178

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

Table 1 presents the Spearman's correlation between policy representation and workplace stability in oil servicing firms in Rivers State. The correlation coefficient is 0.412, indicating a positive and moderate relationship between policy representation and workplace stability. The p-value (Sig. 2-tailed) is 0.000, which is less than the 0.05 significance level, indicating that the correlation is statistically significant. This suggests that firms whose employer associations engage more actively in policy representation tend to experience greater workplace stability. Therefore, the null hypothesis ($H0_1$) that there is no significant relationship between policy representation and workplace stability is rejected.

H02: There is no significant relationship between employer solidarity and workers' satisfaction of oil servicing firms in Rivers State.

Table 2: Correlation between Employer Solidarity and Workers' Satisfaction

			Employer Solidarity	Workers' Satisfaction
Spearman's rho	Employer Solidarity	Correlation Coefficient	1.000	.517**
		Sig. (2-tailed)	.	.000
		N	178	178
	Workers' Satisfaction	Correlation Coefficient	.517**	1.000
		Sig. (2-tailed)	.000	.
		N	178	178

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

Table 2 shows the Spearman's correlation between employer solidarity and workers' satisfaction in oil servicing firms in Rivers State. The correlation coefficient is 0.517, indicating a strong positive relationship between employer solidarity and workers' satisfaction. The p-value (Sig. 2-tailed) is 0.000, which is below the 0.01 significance level, meaning the relationship is highly statistically significant. This implies that firms whose employer associations demonstrate stronger solidarity mechanisms tend to have more satisfied workers. Consequently, the null hypothesis ($H0_2$) that there is no significant relationship between employer solidarity and workers' satisfaction is rejected.

H03: There is no significant relationship between regulation of labour standards and peaceful coexistence of oil servicing firms in Rivers State.

Table 3: Correlation between Labour Standards Regulation and Peaceful Coexistence

			Labour Standards Regulation	Peaceful Coexistence
Spearman's rho	Labour Standards Regulation	Correlation Coefficient	1.000	.463**
		Sig. (2-tailed)	.	.000
		N	178	178
	Peaceful Coexistence	Correlation Coefficient	.463**	1.000
		Sig. (2-tailed)	.000	.
		N	178	178

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

Table 3 presents the Spearman's correlation between regulation of labour standards and peaceful coexistence in oil servicing firms in Rivers State. The correlation coefficient is 0.463, indicating a positive and moderate-to-strong relationship between regulation of labour standards and peaceful coexistence. The p-value (Sig. 2-tailed) is 0.000, which is below the 0.05 significance level, indicating that the correlation is statistically significant. This suggests that firms whose employer associations more effectively regulate labour standards experience more peaceful and cooperative relationships between management and workers. Therefore, the null hypothesis ($H0_3$) that there is no significant relationship between regulation of labour standards and peaceful coexistence is rejected.

Discussion of Findings

Policy Representation and Workplace Stability

The analysis revealed a positive and statistically significant relationship between policy representation and workplace stability ($r = 0.412$, $p < 0.05$), indicating that firms whose employer associations actively advocate for favourable labour policies experience greater operational continuity and fewer disruptive disputes. This finding aligns with Adeniji and Oladele (2022), who found that the quality of employer association policy representation was significantly related to workplace stability across Nigerian industries. In the oil servicing sector, where regulatory uncertainty and contractor-operator relationships create additional sources of friction, effective policy representation reduces uncertainty and provides firms with a more predictable regulatory environment, thereby reinforcing workplace stability. This result also supports Collective Action Theory, as coordinated advocacy through employer associations produces regulatory outcomes that individual firms could not secure acting alone.

Employer Solidarity and Workers' Satisfaction

The findings indicate a strong and statistically significant relationship between employer solidarity and workers' satisfaction ($r = 0.517$, $p < 0.01$), suggesting that firms whose employer associations coordinate consistent employment positions across member firms tend to have more satisfied workers. This supports Amadi and Nwosu (2022), who found that employer solidarity was associated with greater confidence in managing union demands and fewer costly disputes, conditions that plausibly translate into a more stable and satisfying working environment for employees. Coordinated employer positions reduce the inconsistency in employment conditions that often breeds resentment among workers, reinforcing the Collective Action Theory proposition that overcoming free-rider incentives among employers produces collective benefits, including improved worker outcomes.

Regulation of Labour Standards and Peaceful Coexistence

The results show a positive and statistically significant relationship between regulation of labour standards and peaceful coexistence ($r = 0.463$, $p < 0.05$), indicating that firms whose employer associations establish and enforce shared minimum standards of employment experience more cooperative relationships between management and labour. This finding is consistent with Sheldon and Thornthwaite (2021), who found that the labour standards regulation function served as a trust-building mechanism that contributed directly to peaceful coexistence. By raising the floor of employment conditions across member firms, labour standards regulation removes some of the most common sources of worker grievance, creating a foundation for dialogue-based rather than confrontational industrial relations, in line with the expectations of Collective Action Theory.

Conclusion

The study concluded that policy representation positively influences workplace stability, highlighting the importance of coordinated employer advocacy in securing a predictable and favourable regulatory environment for oil servicing firms. Similarly, employer solidarity was found to significantly impact workers' satisfaction, while regulation of labour standards significantly influenced peaceful coexistence between management and workers. These results underscore the broader importance of organised employer collective action in complex and high-risk industrial settings such as oil servicing, where technical capabilities alone are insufficient to guarantee a stable industrial relations climate. The study further highlights the practical relevance of active employer association membership as a strategic tool for achieving positive industrial relations outcomes in Rivers State.

Recommendations

The following recommendations were made among others that:

1. Oil servicing firms in Rivers State should strengthen their participation in relevant employer associations such as PETAN and OPTS, and support the coordination of policy representation efforts to improve workplace stability.
2. Management of oil servicing firms should actively engage with employer solidarity mechanisms, including coordinated bargaining positions, to enhance workers' satisfaction and reduce costly industrial disputes.
3. Employer associations should strengthen the regulation and monitoring of labour standards across member firms to promote peaceful coexistence and consistent employment conditions industry-wide.

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