# Labour reforms and their impact on employment security in Shell Petroleum Development Company in Nigeria



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This research study is:

Submitted in fulfilment of the requirements for the Degree of Doctor of Philosophy in the College of Humanities,

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#### **Declaration**

I, Ibukun Olorunisola Kolawole, declare that the research reported in this thesis, except where otherwise indicated, and is my original research. This thesis has not been submitted for any degree or examination at any other university. This thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons. This thesis does not contain other persons' writing, unless specifically acknowledged as being sourced from other researchers. Where other written sources have been quoted, their words have been rewritten, but the general information attributed to them has been referenced. Where their exact words have been used, their writing has been placed inside quotation marks, and referenced. This thesis does not contain text, graphics or tables copied and pasted from the internet, unless specifically acknowledged, and the source being detailed in the thesis and in the references sections.

22 January 2013

So Cocksfaurica

Signed:

#### Acknowledgements

One day, I will define success using myself as an example, and I will say a big thank you to those whose shoulders I leant on when I couldn't do it all by myself. Writing this thesis was a lonely and frustrating endeavour and I would like to acknowledge and thank various friends, who made it bearable and cheered me all the way to the end.

I am indeed very grateful to Dr. Elias Cebekhulu for his endless guidance and support during this work; in spite of his busy academic schedule and union activities, he still found time for me. He provided insightful comments that made the work better and gave me encouragement when the journey was thorny. I am highly indebted to him. Professor Banji Fajonyomi, as dean of the Faculty of Management Science, was instrumental in creating the space for me to take time off from my desk at the Lagos State University to embark on a PhD.

Oluyinka Kolawole, I cannot express sufficient gratitude to you for your understanding, listening from start to finish, especially for encouraging me at those lowest times when I felt like quitting. My mother, for her contribution to my basic education, support and prayers during the course of this programme; she was always willing to give me support and, several times, offered to assist financially.

Bolaji has proved to be a very good friend; he is always there to remind me that 'man shall not live by books alone' by the occasional outings that normally gave me some relief from research. Dele Asokere and Dr. Yunus Dauda have indeed proved to be a great friends and brothers; when funding was not forthcoming, they were there to assist. Hart has also proved to be a good friend by encouraging me and for things too numerous to mention and to Professor Sola Fajana and Funmi Adewumi for their contributions to my academic growth and career.

Cyril Mthembu, the former post-graduate administrator in the faculty, for his recommendations; he initiated the discussion to be supervised by Dr Elias Cebekhulu and he has been a great friend thereafter. Nqobile Khuzwayo and Oloyede Ajiboye have been very helpful during these past three years and lastly, Professor Kola Odeku and Dr Olasunkanmi Anwo for encouraging me to embark on this academic voyage. I also appreciate and send fraternal greetings to my friends and comrades in

the struggle for the emancipation of Nigerian oil workers from the exploitative tendencies of the capitalist multinational oil companies. I remind you that it is only by struggle that victory comes.

# **Dedication**

This study is dedicated to the memory of my late father, Olatunji Kolawole, who contributed significantly in my basic education and would have enjoyed witnessing this moment of my life.

#### **Abstract**

The central aim of this study is to examine and investigate the impacts of labour market reforms and flexibility trends on employment security in Shell Petroleum Development Company in Nigeria. The implementation of these labour market reforms has led to the decline in permanent employment in the oil sector, where outsourcing, part-time jobs, temporary employment and other forms of atypical employment has taken over. The study also considers the international dimensions to labour flexibility as organisational methods of reducing labour cost. The rationale behind these reforms was to deregulate the sector and make it more flexible to the laws of supply and demand. The study asked some questions that are centrally concerned with labour market regulations and atypical employment. The research is informed by a number of problems that relate to the types of labour market reforms that were implemented by the management of Shell Petroleum Development Company in Nigeria: how have the labour market reforms affected job security and benefits of workers in Shell Petroleum Development Company; the implications of such reforms on the livelihood of the workers; and how have these labour market reforms ignited worker-organised union and community resistance in Nigeria.

In providing answers to these questions, the researcher was able to achieve the objective of the study, which is to investigate the impacts of labour reforms on the employment security of Shell workers in Nigeria. Firstly, the study examined different theoretical contributions to the study of labour market flexibility. Secondly, it engages literatures on the growing trend of labour market flexibility and the erosion of job and employment security, which subsequently led to labour market regulation. Thirdly, the work situation in Shell was considered using contemporary research and data, and it was discovered that there is a degradation of work and lack of quality working life, particularly among the segmented workers. Finally, I gave some recommendations that could bring about improvement in the employment conditions of segmented workers in Shell Petroleum Development Company in Nigeria.

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# **Acronyms and Abbreviations**

BPD Barrel Per Day

COSATU Congress of South African Trade Unions

DPR Department of Petroleum Resource

GDP Gross Domestic Product
HCT Human Capital Theory

HRD Human Resources Development

ICEN International Federation of Chemical, Energy, Mines and General Workers

ILO International Labour Organisation

IOLS Industrial Organisation & Labour Studies

JIT Just in Time

MNC Multinational Company

MNOC Multinational Oil Companies

MOSOP Movement for the Survival of Ogoni People

NAPPIMS National Petroleum Investment Management Services

NCDMB National Content Development Monitoring Board

NDDB Niger Delta Development Board

NDDC Niger Delta Development Commission

NLC Nigeria Labour Congress

NNPC Nigerian National Petroleum Corporation

NUPENG National Union of Petroleum and Natural Gas Workers

OMPADEC Oil Mineral Producing Area Development Commission

PENGASSAN Petroleum and Natural Gas Senior Staff Association of Nigeria

SMT Senior Management Team

SPDC Shell Petroleum Development Company

TQM Total Quality Management

TUC Trade Union Congress

### **Chapter One**

# The New World Order

Labour Market Reforms and Flexibility: Implication for Employment Security

#### 1.1 Introduction

Many researchers and scholars have agreed that the configuration of space and other developments linked with globalisation have had eminent repercussion for labour in many parts of the world. The recent decade has seen major changes in the world of work and the way in which the world is organised. The trend is for the core, once-upon-a-time beneficiaries of lifetime employment to shrink in numbers while insecure, part-time, temporary and contract employment are continuously growing. From being a new way of working that promised a more humane workplace, it has been revealed as a system of brutal work intensification and a means of bypassing and undermining unionism. There has been a global 'downsizing' and outsourcing associated with a splintering of production and distribution processes, and a trend for medium- and large-scale firms to contract out their employment functions' (Standing, 1999: 84).

This period of great flexibility has been defined by many as a neo or post-fordism period, or a period that is against the fundamental principles of mass production and rather focuses on flexible means of production (see Hardt & Negri, 2000; McGrew et al, 1992; Allen et al, 1995; Koffman & Youngs, 2000; and Harvey, 1989). This process, which has been characterised by technological change, automation, the search for new product lines and market niches, geographical dispersal to zones of labour control, mergers, acquisitions and take-overs, and steps to accelerate the turn, over time, of their capital, surged to the fore of corporate strategies for survival under the new era (see Standing, 2014; Harvey, 1989).

It rests on flexibility with respect to labour process, labour market products and patterns of consumption, and it is characterised by the emergence of entirely new sectors of production, new ways of providing financial services, and, above all, greatly intensified rates of commercial, technological and organisational innovation.

With the emerging of economic globalisation in the 1980s, corporations have found themselves with a lot of unusable excess capacity, such as idle plants and equipment under conditions of intensified competition. In this situation, Standing (2011) suggests, forced managers of industries into a period of rationalisation, restructuring and intensification of labour control, thereby creating a new dangerous class of workers he referred to as 'the precariat', which emerged from the liberalisation that underpinned globalisation and has been accelerated by the financial shock with more temporary and agency labour, outsourcing and abandonment of non-wage benefits by firms.

The word precariat, according to Standing (2014), was originally used in the 1980s in France to denote temporary and seasonal workers, but, now, with labour insecurity, which has become the feature of most Western economies, it has become a perfect word for a great mass of people, including the army of unemployed and a detached group of socially ill misfits, who have been deprived of the benefits won by the organised labour.

This new dangerous class, according to Standing (2014), has continued to increase in size and range, spanning no end of occupational categories. They consist of a multitude of insecure people, living 'bits and pieces lives', in and out of short-term jobs without a narrative of occupational development, including millions of frustrated educated youth who do not like what they see before them, as well as millions of women abused in oppressive labour. Ideas such as dignity of labour, and the notion shared by both old left and his reforming successors that 'to toil is the expression of human dignity is alien and strange to the precariat. As Standing puts it: "The precariat can accept jobs and labour as instrumental... not as what defines or gives meaning to life" (Standing, 2014: 112).

In Standing's view, this new dangerous class increasingly resembles denizens rather than citizens: "People with restricted rights, largely living towards the bottom of a 'tiered membership' of a society, in which a plutocratic elites takes the single biggest share, while other classes – the salariat, free-ranging 'proficians', and what remains of the old working class – divide up most of what remains." (Standing, 2014: 166) Standing points out that, while proletarian consciousness is likened to long-term security in a firm, mine, factory or office, the precariat's consciousness is linked to a search for security outside the workplace.

In this investigation, it is hypothesised that there is a negative relationship between labour market reforms and employment security in Shell Petroleum Development Company in Nigeria. Secondly, the growing insecurity in employment and wages in Nigerian Shell-dominated communities in the Niger Delta is linked to the ongoing restructuring in the sector.

The implementation of labour market reforms in Shell Petroleum Development Company in Nigeria began in 1998. The rationale behind these reforms was to deregulate the sector and make it more flexible to the laws of supply and demand. At the core of reforms implemented from 1998 were outsourcing, part-time jobs, temporary employment, 'casualisation', flexi-time work, and contractual staffing. According to Dekare et al, (2011) the implementation of these labour market reforms has led to the decline in permanent employment in the oil sector. The introduction of flexibility trends in Nigeria has further compounded the unemployment situation to an extent that the oil sector has accounted for more job-shedding than any other sector in Nigeria (see Fajana, 2005:5).

A cursory analysis of employment statistics depicts that, soon after the implementation of the reforms, permanent employment figures at Shell declined drastically by almost 50% (see Dekare et al, 2011). Employment statistics also reveal that the total number of employees holding permanent tenure was reduced by more than half from 10, 000 to 4, 500, and about 20, 000 workers have since been retained in the peripheral segment of the company labour force as contract staff (Fajana, 2005). This paints a tepid picture of the growing insecurities faced by workers in Nigeria. Unlike in South Africa where the Labour Relations Act of 1995 as amended in 2002 makes clear guidelines of how reforms should be implemented in the workplace, in Nigeria, there are no statutory obligations that safeguard employees against the unilateral variations of their terms and conditions of employment by the employer.

As noted by Thompson (1989; 1997) and Mordi & Mmieh (2009), companies are looking beyond the traditional boundaries of the firm to obtain performance improvement and, in their pursuit to control and maximise labour surplus, organisations are devising a variety of work control strategies aimed at sustaining production, efficiency, greater diversity and a competitive workforce. One way these companies can implement these strategies is through flexibility trends such as numerical flexibility (see Cebekhulu 2004:46; Valverde et al 2000:651; Conley 2006; Voudouris 2007). This view is in

line with the concept of 'dual labour market model', which is located within the remit of the labour market segmentation thesis (Sakamoto and Chen, 1991; Dickens and Lang, 1985; 1988). In this model, 'secondary jobs are poorly paid, open to market volatility, have little job security and often of poor condition of work' (Sakamoto and Chen, 1991: 296), whereas primary jobs are better paid, with job security and better job conditions than their counterparts in secondary jobs.

This new form of work arrangement is, however, of great financial advantage to the Shell multinational oil company and this is evident by the continuous rise in their gross income. From the fiscal point of view, Shell has continued to make profit in Nigeria year after year. In 2008, Shell posted \$7.1 billion and, in 2009, there was a profit improvement of \$1.6 billion as the company announced a profit of \$8.7 billion at its Annual General Meeting for the year 2010 (Shell Sustainability Annual Report 2010:15). At the average selling prices of \$79.63 per barrel, the revenue from oil and natural gas liquids put Shell's daily earnings at an estimated \$25.2 million or \$9.2 billion in 2010. Shell recently reported profits of \$7.2 billion for June to October 2011, and Mutiu Sunmonu, the managing director of Shell Nigeria, attributed this to the various forms of labour market reforms embarked on by the company, among other factors 1.

The reforms driven through flexibility trends in the form of 'casualisation', temporary employment, fixed-term employment and outsourcing adopted by Shell are also evident across the globe (see Rodgers & Rodgers, 1989; Standing, 1986; Freeman, 2005). This practice in South Africa is enshrined in the 1998 Basic Conditions of Employment Act. In Nigeria, however, there is only one category of worker defined in the Nigerian Labour Act, Cap 198, Law of the Federation of Nigeria 1990, and this definition does not recognise workers in the atypical work arrangements (see the Labour Relations Act 66 as amended in 2002; Constitution of the Federal Republic of Nigeria, 1999). The implication of this is that there is no legal protection for these categories of workers. Section 7(1) of the Act provides that:

"Not later than three months after the beginning of a worker's period of employment with the employer, the employer shall give to the worker a written statement specifying the terms and

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<sup>&</sup>lt;sup>1</sup> Please see the Shell Sustainability Report of 2011 for a detailed statistical analysis of Shell profits since the implementation of flexibility trends.

conditions of employment, which include the nature of employment and, if the contract is for a fixed term, the date when the contract expires."

Overall, the implementation of flexibility trends in the oil sector has subjected workers to demeaning, less favourable employment conditions and a decline in real wages.

#### 1.2 Background

Labour market policy reforms are important determinants of income distribution and poverty incidence even in countries where the relative importance of the covered sector in the overall labour market is small. This is because of the indirect effect of the policies and the reforms on the rest of the economy. When the focus is on improving overall social welfare and reducing poverty, labour market interventions and reforms might act as a double-edged sword by protecting the income levels and security of those covered by the policies. Workers covered by policies are classified as the 'insiders' and the vulnerable workers fall in the category of the 'outsiders'. The outsiders face increasing barriers to employment and have access only to jobs in the uncovered sector of a typically dual labour market.

For this reason, any reform of the prevailing labour market is unlikely to be *Pareto neutral*. It will leave some members of society worse off, while improving the living standards of others and will, therefore, have an important distributional impact. As to who are the winners and the losers, it will depend on a number of factors, ranging from the type and direction of the reforms – that is, more intervention versus increased liberalisation – to the characteristics of the labour and output markets. In deciding the implementation of these policies and reforms, it is advised that policy makers should be fully aware of the potential direct and indirect impact on the distribution of income at both individual and household levels so that the full significance of the policies and reforms in terms of efficiency, equality and poverty reduction can be adequately understood.

Debates about market reforms are not new. The evolution of labour markets has been marked by periods when market forces dominated thinking and policy, alternating with periods when there was a spread of institutions to provide representation or regulate outcome (see Voudouris, 2007; Conley, 2006). According to Beatson (1995), flexibility is about the market's ability to adapt and respond to changing conditions. He further points out that labour markets can adjust through quantities

(employment or hours worked) or price (wages) and relevant indicators of each are covered at both microeconomic and macroeconomic levels. Despite the attention that these various forms of reforms attract, there is little empirical evidence on its positive contribution to the nature of work, labour processes and livelihood of the people affected by such reforms. Decades ago, Polanyi (1944), in his seminal contribution, analysed the development of the capitalist system in the latter part of the 19<sup>th</sup> century and the early part of 20<sup>th</sup> century, and drew particular attention to the tensions that arise when economic relationships are divorced from their social context.

It is certainly true that much labour market regulation reflects efforts by government and other actors to address the consequential need for coherence between economic and social goals and relationships. According to Standing (1999:30), 'labour market is an institutional framework by which jobs are allocated, exploitation is achieved or combated, and control and resistance take shape'. He further emphasised that, in the globalised economy, flexibility is a precondition for employment creation. His view was supported by Rogers' (2007) argument that highly regulated labour markets is easier to maintain in relatively closed economies, where competitive pressures were less. Rodgers further outlined that globalisation has sharply increased the range and intensity of competition, and more adaptable production systems and labour markets are essential if firms are to survive in the new global economy.

In the age of rapid neoliberal globalisation, the discourse dominating the labour market revolves around more or less regulation (more flexibility or less flexibility). Scholars such as Media (2008) argue for more regulated labour markets on the ground that they induce human capital accumulation by increasing the proportion of skilled workers, thus leading to increased productivity and growth. She further contends that any decrease in the minimum wage should probably be matched by appropriate educational and industrial or employment subsidies in order to compensate the possible welfare losses arising from lowering this measure.

Atkinson (1985) maintains that the flexible firm is a pragmatic and opportunistic model aimed at creating a two-tier in-firm labour market of a core group of workers who undertake the organisation of key firm-specific activities, supported by a 'cluster of peripheral workers, who are meant to conduct indeterminate and secondary activities within the firm. It is in this context that Vallas (1999),

among other labour market segmentation theorists, argued that this calibre of workers should be accepted as core workers of the company if they have worked for the company for a longer period. Arulampalam & Booth (1998) deeply investigated the relationship between fixed-term contract and training, part-time vs. full-time work and the complementariness between education and training. According to the human capital predictions, they found, in five European countries, a significantly lower probability for men with temporary contracts to receive training. On the contrary, they did not observe any significant differences in training between part-time and full-time workers. In essence, workers who are part of the atypical labour force are deprived of opportunities for upward mobility, as employers are not willing to invest resources in them. This, in turn, limits the employees' opportunities of ever attaining permanent tenure and 'decent work'.

The evolution of flexibility trends in Nigeria is best captured by Alozie's (2009) opinion that flexibility became a feature of the Nigerian labour market in the late 1980s when the country adopted the Structural Adjustment Programme in line with the neoliberal policies of the International Monetary Fund and the World Bank. Anugwom (2007) opined that Nigeria's contact with the post-adjustment economic measure has resulted in the implementation of some externally sponsored macroeconomic policies; namely, trade liberalisation, floating exchange rate, privatisation and commercialisation, government withdrawal from social provisioning, retrenchment and rationalisation in the civil service. According to Okafor (2007), all these alien practices made some work organisations resort to unethical business practices and violation of some fundamental labour laws.

A study conducted by Fajana (1987) revealed that, in Nigeria, like any economy, livelihoods of people are significantly affected by the opportunities available to participate in the labour market. Olowosile (2004) noted with concern that continuous reforms have significantly contributed to job losses and insecurity and continue to jeopardise the livelihoods and well being of workers and their families. As work undergoes restructuring, there are fewer opportunities for Nigerians to improve working and living conditions of local communities. In essence, these communities have seen little benefits from the profitable sector. The opportunities for regular, decent jobs in the oil sector that once kept the hopes of host communities alive are getting depleted by 'casualisation' and

outsourcing. The outcome is that the jobs are cheaper for employers, but more precarious for workers.

Studies by Bodice (2006), Cheadle (2006) and Danesi (2011) have shown that poor households depend on labour income and the size of labour income depends on age-structure, sex, prospect of employment or self-employment and wage rate or daily reward on own account. An interesting feature of the Nigerian labour market is the high incidence of casual and contract jobs by formal firms (Odigie, 2007) and the trade unions who have tried to organise these set of workers have been met with stiff resistance from employers, backed tacitly by the state<sup>2</sup>.

The proponents of labour market regulation argue that intervention in labour market plays important and positive roles and rejects the standard neoclassical analysis as being fundamentally flawed. According to Jha & Golder (2008), Kilicaslan & Taymaz (2008), and Michie & Sheehan-Quinn (2001), neoliberal market restructuring has accounted for the sharp increase in atypical forms of employment, as it seeks to deregulate the markets, including labour markets, to increase labour flexibility. In the general opinion of the regulation theorists, labour markets without proper regulations tend to do a poor job of protecting unemployed and peripheral workers. According to Kalleberg (2003) and Conley (2006), these practices are classical representations of current debates on shifting employment trends in the workplace and added evidence that large firms have strategically accelerated moves towards internal segmentation of their labour market.

It is evident that the departure from the 'integrated firm' towards the outsourcing of non-core activities and workers was largely achieved through the flexible firm model advocated by Atkinson (1985). A quick snapshot at the Atkinson's model shows that it embraces the three forms of flexibility (numerical, functional and wage)<sup>3</sup>. The most common flexible approach adopted in the

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<sup>&</sup>lt;sup>2</sup> See Nigerian Labour Congress News Publication, November edition, 2005. www.nlc.ng

<sup>&</sup>lt;sup>3</sup> Similarly, Bodibe (2006), Rogers (2007) and Arvanitis et al (2002) identified three kinds of flexibility: employment flexibility (the freedom to determine employment level quickly and cheaply), wage flexibility (the freedom to alter wage level without restrain), and functional flexibility (the freedom to alter work processes, terms and conditions of employment cheaply).

Nigerian oil sector is numerical flexibility. The notion of numerical flexibility hinges on the ability of the manager to bring workers in just in time to furnish services the employer wants them to fulfil and lay them off when they are not needed (see Conley, 2006, and Valverde et al, 2000). Unlike in Nigeria, numerical flexibility in South Africa is further complicated by the presence of labour brokers. These labour brokers serve the function of an employment conveyer belt between the employer and employees. This is the main reason that the Congress of South African Trade Unions (COSATU) in South Africa is calling for amendment of the Labour Relations Act in order to do away with labour broking.

Taking the discourse further, Theron (2005) noted that the ILO has used terms like 'disguised employment' or 'triangular employment relationship' to define the emergence of labour flexibility and all manner of non-formalised work. Looking at flexible jobs from the legal perspective, DiPrete et al (2003) did a comparison of flexibility trends in the USA and France and concluded that flexible jobs have a manifestly different meaning in the United States to that held in France. In contrast to the French situation, American employers have no legal requirement to define the duration of a job, or even to sign an employment contract with a person they hire. Their findings are further corroborated by the findings of Polivka (1996), Muhl (2001) and Sweeney (2006), which highlighted that, in the American context, there is no legal definition of a contingent job. For them, the concept is behaviourally constructed in more or less restrictive ways based on whether the worker is employed by a temporary agency or on a limited contract, has limited tenure, and has expectations that the job will last only for a fixed duration.

According to Solidarity Centre (2010), casual workers make as little as 30 to 50 percent of the union wages, but have no job security and receive few, if any, benefits. The sad reality of the matter is that the oil companies embarked on such a large-scale job deregulation without necessarily consulting or negotiating with the labour formations (Olowosile, 2004). The little literature written on the impact of labour market flexibilities in the Nigerian oil sector bears testimony to the negation of the flexibility discourse in Nigeria. Even the existing literature on labour market flexibilities in Nigeria was mostly undertaken during the era of repressive military regimes that, at most times, silenced

progressive union voices. The rationale for choosing the Shell Petroleum Development Company was informed by the reality that Nigeria is heavily reliant on oil and gas<sup>4</sup>.

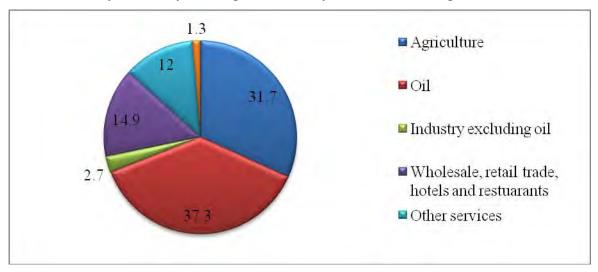


Figure 1: GDP by Sector in 2006 (Percentage). Source: Adapted from Economic Outlook (2008)

From ten of the major oil companies that operate in Nigeria, Shell Petroleum Development Company (SPDC) is the largest employer and has a high annual turnover. Shell has been operational for over 60 years in Nigeria and controls about 60 percent of Nigerian oil production, with 16 percent of the total workforce in the sector (see Shell Petroleum Development Company of Nigeria Report of 2010; People and Environment Annual Report of 2010; Federal Office of Statistics Report of 2009). Shell is also the operator of a Joint Venture Agreement with the government-owned Nigeria National Petroleum Corporation (NNPC) that holds 55% shares, and Shell holds 30% of the shares. Shell also holds 26% interest in the Nigeria Liquefied Natural Gas that exports liquefied natural gas around the world.

<sup>&</sup>lt;sup>4</sup> See Figure 1 on GDP contribution by sectors in 2006.

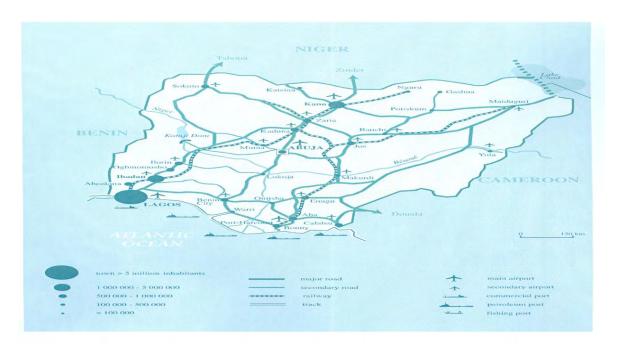


Figure 2: Strategic Location of the Petroleum Ports in Nigeria. Source: African Economic Outlook (2008)

Therefore, understanding the impact of labour market reforms on the work process is vital to the success of Shell as a company, job security and the livelihoods of the workers. The study is significant, because it seeks to address theoretical and methodological issues regarding the conceptualisation of labour flexibility and job security and its antecedents and consequences, as well as highlight areas in which future research is required.

It is centrally concerned with several questions relating to this significant labour market restructuring event. It will be of great interest to the multinational oil companies that are seeking to embark on labour flexibility and other forms of labour segmentation without losing workers' commitment (see Sverke, Hellgren & Näswall, 2002, and Näswall & De Witte, 2003). Additionally, with that knowledge, it might be possible to 'adjust' the factors in order to bring individual and union attitudes in alignment with organisational goals and desires.

## 1.3 Hypothesis

Thus, the hypothesis advanced in this study is that:

There is a negative relationship between labour market reforms and employment security linked to the ongoing restructuring in the sector. This relationship is expressed in the growing insecurities in employment and wages in Shell Nigeria.

# 1.4 Objectives of the Study

The research examines the changing nature of the labour market and job insecurity in Shell Petroleum Development Company in Nigeria. The labour market is a very important source that offers explanations for earnings and inequality/insecurity. The structure of the labour market has a significant consequence on employment status and it serves as an important determinant of household income, welfare and livelihoods. Like most labour markets in developing countries, the Nigerian labour market represents one of the major sources of risk through which people fall into poverty; thus, it is important to identify some of the factors that affect earnings and entry into the labour market.

# 1.4.1 The overall objectives of this study are to:

- Assess the impact of labour market reforms implementation on the workers of Shell Petroleum Development Company in Nigeria;
- Ascertain what other types of labour market reforms have been implemented in the oil-producing sector in Nigeria;
- Understand the reasons that led the private sectors, in this case, Shell Petroleum Development Company, implementing labour market reforms in Nigeria;
- To investigate the impact of these labour market reforms on the size of the workforce working conditions, and job security;
- To ascertain if these reforms were negotiated with labour formations before implementation; and
- To determine how this new form of work order has impacted individual and household income and livelihoods.

#### 1.4.2 The key questions that informed the research are:

• What types of labour market reforms were implemented by the management of Shell Petroleum Development Company in Nigeria?

- How have the labour market reforms affected job security and benefits of workers in Shell Petroleum Development Company?
- What are the implications of such reforms on an individual worker's income in Shell Petroleum Development Company?
- What are the implications of such reforms on the livelihood of the workers?
- How have these labour market reforms ignited worker-organised unions?
- Is there community resistance in Nigeria?

### 1.5 Research Methodology and Methods

To achieve the research objectives, this study engages in both quantitative and qualitative research methods, and answering the questions allowed the researcher to achieve the central aim of the project, which is to understand the impact of the labour flexibility trends on job security in Shell Petroleum Development Company in Nigeria. The selection of the research method is crucial for what conclusions one can make about a phenomenon. It affects what you can say about the cause and factors influencing a phenomenon. At first, the researcher intended to utilise a probability sampling technique by filtering questions to eliminate non-group members. The idea behind the rationale was to enable the researcher to self-administer questionnaires to a group as large as 5000 (employees, employers and government officials). If this method had been utilised, it would have enabled the researcher to minimise the generally very poor level of returns and, in the end, the researcher would have been able to generalise the results. However, due to the financial limitations associated with a large sample of respondents, a non-probability sampling technique known as purposive sampling was used in this project. This is because the project aims to investigate a particular group of people who have been affected by the labour market reforms. A project of this nature requires a wide range of opinions on the subject matter and this was achieved through the administration of questionnaires. As such, self-administered questionnaires were used to gather all relevant information on the subject matter.

Based on the research questions stated above, the researcher designed the questionnaires administered for this study. In order to make the results of the research valid and for the purpose of reliability, 304 respondents were selected from a population of 20, 000 workers of Shell Petroleum Development Company's in five locations across Nigeria; this represents the required ratio of

drawing samples from population (see Sekeran, 1992). The respondents were drawn from different departments of Shell Petroleum Development Company. All the levels of organisational hierarchy, including junior, middle and senior employees, are represented in the sample. Questionnaires were administered to ten management staff members at Shell Petroleum Development Company. An additional ten government officials from the Ministry of Labour, including the Director General, and other senior officials were included as part of the sample. All these respondents were included in order to have a cross-section of all types of opinions.

The findings generated were supported by secondary and primary documentary data. This data included Shell's policy, such as original letters of employment from workers on open-ended contracts and casual/contract workers, annual reports and union agreements and communiqués. The use of these types of documentary evidence was aimed at maximising a situation whereby the researcher relies on single data source.

From the onset, the limitation envisaged in this research was a situation where management of Shell would not grant access and co-operate with the researcher. This was resolved by using the trade union organisation as a mouthpiece towards gaining access to the workplace. Throughout the research, the researcher also ensured that the respondent's identities remained anonymous.

# 1.6. The Scope and Outline of the Chapters

Each of the chapters in this research work addresses one or more of the key questions, and the arrangement of the chapters is closely related and based on this set of questions. Chapter Two is the analysis of existing relevant literature and evaluation of academic debates. The researcher engaged, interrogated and drew from a wide range of both local and international literature on the topic under investigation to support its claims. This chapter theoretically contributes to an understanding of labour market reforms and its impact on employment security. Chapter Three lays down the key conceptual issues and theoretical framework underpinning the study and forms the backbone of this research. It provides a theoretical and conceptual context for understanding the global trends in labour market.

Chapter Four focuses on the research methods of data collection and the reasons the method used is preferred to the others for the purpose of this research. It provides insight into the choice of research design, methods and methodology employed in this investigation. It makes an argument for the use of case study method as the most appropriate research design strategy to conduct this investigation. Chapter Five provides the analysis and the presentation of data generated through questionnaires, as well as the social and biological data of respondents.

Chapter Six is the discussion and interpretation of results, and the researcher evaluated the labour and community resistance as a fundamental issue in the oil-producing areas of Nigeria and concluded that the workers and communities where the oil companies are located live in abject poverty, despite the enormous wealth derived from the extraction of oil and gas in the country. Lastly, Chapter Seven presents the conclusion and policy recommendations emanating from the arguments. It also outlines contributions of this thesis to scholarship in the field of management sciences, particularly human resources and labour relations. Finally, suggestions for further studies were made, given the fact that the researcher has only limited his investigation to Shell Petroleum Development Company in Nigeria.

#### **Chapter Two**

#### **Analysis of Existing Literature and Evaluation of Academic Debates**

#### 2.1 Introduction

Various scholars in the field of industrial and labour relations, sociology of labour market, and labour economics have different conceptualisations of the labour market. Labour market issues include employment, unemployment, participation rates and wages. In recent times, and as a result of globalisation, demographic changes have resulted in an increasingly ageing workforce. Firstly, labour markets provide the structure through which workers and employers interact in relation to jobs, working conditions and pay. The analysis of existing literature and evaluation of academic debates interrogated in this chapter also seeks to highlight that institutions and processes of collective bargaining, including the roles played by employers' organisations and trade unions, influence the labour market outcomes. Furthermore, the researcher highlighted the distinctions between the primary and the secondary labour market, which emanated from the dual labour market theory and segmented labour markets. The researcher also discussed the notion of insiders and outsiders. The researcher critically examined literatures on the rise of precariousness and atypical employment, as well as flexible labour trends and outsourcing and their impacts on reorganisation of work.

# 2.2 Conceptual Understanding of Labour Market Reforms

The concepts of labour market are frequent in economic, labour relations and general management literature. There is debate as to what labour market flexibility consists of and a number of contributions highlight that it is a multi-dimensional concept that operates at individual, organisational and societal level of analysis, and it focuses on responses to changing economic conditions and appears to be culturally reflexive (McGuire et al, 2002).

Labour market information covers the principal elements of the labour market and its operations. The principal elements are the demand for labour and the supply of labour. Demand means the number of jobs available. Supply tells you the number of people who are able work. Time, periods, sector, industries and geographic areas organise this information. The labour force is the number of people available to work. These numbers are broken down by age, gender, ethnic background, education

level and skills. Unemployment happens when there are more people (who want to work) than jobs that are available

Labour exchange, searching for workers, offering people jobs and hiring activities are government policies and activities created towards reducing the number of jobless people. The development of the labour market in recent times is viewed as a simultaneous process of assimilation and social exclusion, and many countries faced with the challenge of low employment have increasingly turned towards labour market reforms. Thus, Weller (2001) argues that labour market reforms are seen as means of job creation and growth.

A study by Akindele (2008) monitored developments in pay, working time and quality of work and employment in the European Union. His report on labour market policies and new forms of work organisation and employment, labour flexibility and trends in job creation and labour market mobility is of magnitude value. He observed that labour market reforms are significant, both for competitiveness and as mechanisms to encourage greater levels of foreign direct investment. The search for competitiveness is a critical issue facing national governments, particularly in the developing and emerging market economy. Traditional approaches to determining labour market policy have been confronted with the challenge of balancing economic efficiency with an adequate level of social protection. Underscoring the need for greater labour market reforms is the drive of organisations to maximise the effectiveness of human capital.

#### 2.3 General Concept of labour market flexibility

This idea of labour market flexibility derives from neoclassical theory, which suggests that, in a labour market with no regulation, the price mechanism stabilises the market and allocates resources Pareto efficiency. This theory suggests that, if market failures exist, such a market without regulations can be less efficient in resources allocation than an adequately regulated market.

Labour reallocation happens faster in flexible labour markets than in rigid labour markets. The concept of flexibility is often understood as 'less regulation means a more flexible labour market'. When companies are faced with the declining demand for products or poorly performing employees, employers generally regard flexible work arrangements as good. The expiration of labour contracts of

fixed-term employees is a cheap way to get rid of personnel, since it is excluded from all redundancy procedures and severance pay that companies have to face when firing permanent workers. Moreover, temporary employment agencies supply workers on short notice, which makes it possible for companies to adjust their workforce quickly. However, on the supply side of the labour market, the advantages of flexible work are ambiguous. On the one hand, Author & Houseman (2010) argue that, for the medium and long term, the unemployed might be better off investing in further job searches to find permanent jobs rather than accepting a temporary job. Several empirical studies have found evidence for short job spells bad pay and working conditions of flexible relative to permanent jobs. On the other hand, some studies have discovered more positive results on long-term labour market performance for those who accept a temporary job, particularly with respect to wage compensation and employment continuity (see Kvasnicka, 2005, and Addison and Surfield, 2007).

Faced with sky rocketing costs of health care and other employment-related benefits, employers have searched for and found a way to streamline their operating costs by creating a flexible or, more accurately, a disposable and marginal workforce. Labour flexibility allows companies to control their direct labour costs by reducing the number of permanent workers and using non-permanent workers who can be hired as the need arises. According to Jarvis et al (1999), labour flexibility is often a way of avoiding unionised workers and increasing the power of employers over workers who are not covered by collective agreements. However, positive outcomes arising from temporary employment are that it can improve job matching within the labour market, reduce job search time and expenses, and offer a transition to permanent employment (Shen, 2006).

According to Burgess and Connell (2006), the rationale for utilising temporary as opposed to permanent employee varied. It involves both short-term and ad hoc strategies through to long-term and carefully planned strategies. The consequences of these forms of atypical or non-standard employment can be considered from a number of perspectives – that of the workers, the employing organisation and the labour market.

Today's transnational or multinational companies increasingly rely on armies of 'reserve labour' around the globe, attracting migrant labour or offshoring work to staff its value chains, for both primary and secondary functions. The old secure 'core' is now itself under pressure through

outsourcing, bringing 'casualisation' into the heart of the modern formal economy. All this has had massive effects on labour, which now faces a far more diverse and fragmented working experience across the globe, bringing new challenges for workers and the organisation as well as the power of labour movements.

The issue of flexibility of the employment relationship has received considerable attention in academic circles in the last two decades, partly due to the influential work of Atkinson (1984; 1987) on the flexible firm. This attention is also evident among practitioners, as organisations continue to experiment with various atypical employment contracts and arrangements. Thus, it can be argued that the interest in employment flexibility is an integral part of the diffusion of human resources management, as flexibility is always one of its cardinal objectives (Adeleye, 2011). The forms and types of temporary employment vary across countries and industries according to employment regulations and labour use needs and strategies; in these forms of employment, the workers remain detached from the ongoing relationship with the organisation for which they work. This detachment can extend to factors associated with lack of any access to training, career development, employment benefits and organisational identification (Burgess and Connell, 2006).

Multinational organisations are fast adopting labour market flexibility as a key requirement to consolidate approaches to managing human capital in a global world. Storey et al (2002) opined that the rapidly changing market condition facing the multinational organisations have made them constantly seek new ways in which they can increase the level of flexibility within their rank. There is uncontroverted evidence of a radical transformation in employment relations with a shift from contractual agreements to an increased incidence of outsourcing among multinational organisations. McGuire et al (2002) argue that the desire for increased internal flexibility necessitates both the legal authorisation to engage in such practices and openness by national governments to reducing labour market rigidities in order to encourage a greater level of foreign direct investment and securing national competitive advantage. In a similar vein, Cooke (2001) argues in the context of foreign direct investment. He posits that multinationals give substantial weight to national differences in deciding upon levels of investment, arguing that there exists a negative correlation between levels of foreign direct investment and the perceived costs and constrains of government regulations and collective bargaining on multinational flexibility.

Flexibility is concerned with the market's ability to adapt and respond to changing conditions. The labour market can adjust through quantities (employment or hours of work) or price (wages) and relevant indications of each are covered at both the microeconomic and macroeconomic level.

Atkinson (1985) made a clear distinction of labour market flexibility trends, which are *numerical*, *functional and wage*. This can be classified as follows:

# • Numerical Flexibility

This type of flexibility is located at the microeconomic level and closely related to the strategies of enterprises. It is a process through which firms react to changes in the demand for their products and services by adjusting the amount of labour employed (Arvanitas et al, 2002). This is achievable through overtime, part-time work, variable working hours, fixed-term contracts or lay-offs. He made further distinction among the many forms of numerical variation of labour, which he identified as temporary and part-time work, which are, in most cases, permanent work. This distinction became necessary because the reasons and motivation of the employer for using the two types of labour might differ.

Jobs in the numerical flexibility context are temporary and some of the reasons for its temporary nature are that: they are temporarily replacing a worker, their job is seasonal, they are working only on specific project, or they are working on a fixed-term contract. Cappeli & Nuemark (2004) made further distinction between external and internal numerical flexibility. According to them, external numerical flexibility refers to the adjustment of the labour intake, or the number of workers from the external market. This can be achievable by employing workers on temporary work or fixed-term contracts or through relaxed hiring and firing regulations. On the other hand, internal numerical flexibility is achievable by adjusting working hours or schedules of workers who are already engaged by the firm.

#### Functional Flexibility

Functional flexibility implies a process through which organisations adjust to changes in the demand for their products/services by an internal re-organisation of workplaces based on multi-skilling, multitasking, team working and the involvement of workers in job design, innovation, technology

and the organisation of work. Arvanitas et al (2002) argued that this type of flexibility is generated through the combined use of information technologies and new forms of workplace organisation. With respect to functional flexibility, high average educational level, job-related training and intensive use of information technologies are some requirements.

#### Wage Flexibility

Wage flexibility refers to the ability of changes in real wages to eliminate imbalances between the supply of and demand for labour. It is the freedom to alter wage level without restraint. This is reflected in the expansion of performance-related pay. Freeman (2009) examined the view that wage flexibility in the United States is the panacea to European unemployment problems. For example, the wage flexibility in the US in the 1980s to 1990s was associated with rising inequality and falling real wages for many workers. It reduced rather than increased employment for the low-paid and less-skilled, whose wages fell and arguably contributed to the growth of a significant criminal population.

# 2.4 Evolution of Labour Market Reforms and Labour Flexibility

Debates on labour market reforms have become an issue in recent times. In its assessment of the global labour situation, the ILO (2012) claimed that one in three workers in the labour force is currently unemployed or poor; this implies that out of 3.3 billion, 200 million are unemployed and a further 900 million are living with their families below the US\$2 a day poverty line. It argued that, if the current economic and labour market trend persists, there is a risk that the deficit will escalate further. To arrest this development, labour flexibility tends to be the alternative available.

The word 'flexibility' has positive connotations – relaxed, informal and easygoing. Applied to the world of labour, though, the reverse is true. Flexibility describes a situation of increasingly insecure, pressure-driven employment, at the whim of employers, whose demands might change, forcing millions of workers to realign their lives, routines and other commitments in their struggles to get by.

Non-standard employment has become a globalised trend and multinationals and agencies have now established their presence in more than sixty nations across the globe, where they are placing employees in temporary positions across a range of occupations, from clerical, cleaning and light industrial work through to accountancy, law and information technology (Peck et al, 2005). The

terms of employment have been changing rapidly over the last fifteen years for a growing share of workers. The overall tendency is towards a 'casualisation' of the employment relations that incorporates not only the types of jobs traditionally marked as unskilled or 'casual' jobs, but also high-level professional jobs that, in many regards, are not casual (Sassen, 1997).

Flexible work arrangement is a cheap way to get rid of personnel, since it is excluded from all redundancy procedures and severance pay that companies have to face when firing permanent workers. The literature on temporary contracts has typically warned against the risk that liberalising such contracts might lead to segmented labour markets while failing to reduce unemployment. However, empirical evidence suggests that temporary workers enjoy a high rate of transition into permanent employment, and that temporary contracts decrease the unemployment rate. Rigidities in the labour market are widely believed to be at the heart of the surge and persistence global unemployment and, to date, the major policy response to high unemployment rates has been the liberalisation of temporary contracts.

Huws (2010:12) points out that our received views on flexibility as an anachronism swept away by industrialisation, the growth of a formal economy and state regulation are incorrect. Formed against the backdrop of the regulated post-war economy of the West and its model of employment (with permanent jobs, collective bargaining on pay and conditions of work), Huws argued that we have mistaken this temporary arrangement for a universal process and are now rudely confronted with a dramatic reversal in new political and economic circumstances.

The capitalist forces of modernity we once assumed would sweep it away are unleashing the unprecedented trends of casual employment. He further examines the boom in casual employment over the last quarter of a century, as globalisation, corporate restructuring and the dynamics of 'financialisation' have undermined established employment patterns and national accord between capital, labour and the state around the world.

Ferner et al (2002) argue that the roots of this lie in the dual nature of its modern form, both industrial conglomerate financial group. These giants are driven to expand value along both axes by short-term, market-led strategies, in a world where deregulated financial markets, new product

innovations and the offshore economy allow great scope for the asset management of their vast, but evanescent networks of portfolio companies. Thus, Edward & Ferner (2002) argue that the much-noted turbulent restructuring of global value chains, changes in corporate ownership, fragmentation of production processes and switch to cheaper, precarious workforces all flow from this central tendency.

Transnational corporations as mainspring of the new 'casualised' employment patterns were traced by Serfati (2001) and Edwards & Ferner (2002). They argue that the roots of this lie in the dual nature of its modern form, both industrial conglomerates and financial groups. These giants are driven to expand value along both axes by short-term, market-led strategies, in a world where deregulated financial markets, new product innovations and the offshore economy allow great scope for the asset management of their vast, but evanescent networks of portfolio companies. Thus, Edward & Ferner (2002) argue that the much-noted turbulent restructuring of global value chains, changes in corporate ownership, fragmentation of production processes and switch to cheaper, precarious workforces all flow from this central tendency.

Transnational corporations are able to develop their own integrated global spaces to co-ordinate these productive and financial activities, relying on extensive outsourcing, offshoring and the creation of intermediaries to house various forms of financial engineering, intra-company trading, transfer pricing, tax avoidance, and trade in intangible services, even foreign direct investment flows. The two strands are increasingly intermingled, with as much focus on rent appropriation through the exercise of financial and intellectual property rights, as value-producing manufacturing. In sum, the logic of 'financialisation' has clearly taken hold of transnational corporation activities, with drastic consequences for workers everywhere around the globe, as the case studies that follow show.

These studies, drawn from all corners of the global economy, illuminate some of the great variety in the contemporary forms of casual, informal and precarious employment. At one extreme are the Brazilian cosmetic resellers, an 800, 000-strong workforce for a company that provides no contracts of employment, has no shops or distribution outlets, and prescribes no defined form or place of work. Abilio (2012) suggests that it is this very amorphous and dispersed quality that holds the key to their effective exploitation. Their direct selling can be inserted into a variety of social relations and

spheres (home; work; family; neighbourhood; friends), combined with other existing social roles (paid work; domestic labour), and is open to all – a feature that underpins its recent expansion.

From the point of view of capital accumulation, the resellers bear all the risks and costs of selling their labour. They must deal with the ordering, delivery, storage and control of the stock, organise presentations and sales, manage the intense competition between themselves, and provide marketing and feedback functions for the company. Most remarkable in all this is that the workforce undertakes all these tasks willingly, with no sign of any resistance to the extra exploitation it brings. Alves (2000) took a closer look at what this generalised 'precariousness' means for workers caught up in it; he concluded that flexible employment practices covering working time, pay and contracts are creating 'a new structure of everyday life for the working class, affecting their working time, their subjectivities and overall quality of life.

Relationships between work and non-work times and spaces are now being redrawn to suit the needs of capital accumulation; the linking of pay and performance to targets generates pressure in work, as well as undermining collective wage negotiation, whilst the lack of any permanent contracts leaves workers uncertain and fearful, and fragments their working experiences. Looked at in its broadest terms, what we have here is not simply the dismantling of established labour relations, but a wholesale assault on workers' lives, their subjectivities and labour collectives.

Within the modern corporation itself, Figari (2001) cites evidence from Argentina to show how labour force re-composition and precarious employment fits into overall corporate strategies of modernisation. Although 'Taylorism' and continuous improvement systems lie at the heart of corporate restructuring, their actual implementation depends on a lower level set of mediations to reorganise working practices, labour forces and their cultures. She finds a two-pronged approach of standardisation and differentiation at work here where company managers are systematically excluding experienced older workers through voluntary retirement schemes and outsourcing of various functions. These strategies are geared toward clearing the way for the introduction of new forms of standardised managerial control over a younger workforce, based on individual targets, remuneration and behavioural monitoring.

Workers themselves are then divided between those retained as direct employees and those facing a more precarious existence in outsourced firms. This restructuring can create problems, especially a loss of technical expertise and knowledge know-how in the workplace. However, Figari noted that there was no significant organised worker resistance and opposition to these practices, even where trade unions have an active presence in the company. Labourers are undoubtedly worse off as a result, as they work more and are monitored intensively, with less security of employment.

Despite a series of persistent obstacles, shortcomings and problems, developing countries are driving towards a stage where they could accommodate a good number of people from the domestic and foreign market just like some advanced countries of the world like France and America. Naturally, in the labour market, one would always see a series of labour market behaviours such as demand for labour, supply for labour, job search, income and wages, unemployment, wage determination, inflation, migration and collective bargaining.

In the Nigerian scene, there are peculiar problems that deter the Nigerian labour market from functioning properly and these problems should be put into context. One major problem is the increasing rate of the labour force that is not matched with a corresponding increase in job opportunities. The total number of youths or graduates who are willing and ready to participate in the labour market cannot find places to work. The effect is that supply of labour increases while its demands fall drastically and, at the end of the day, the problem compounds into low wage payments, 'casualisation' and other forms of non-standard employment.

One other problem is that of industrial conflict; it often occurs via strikes and other destructive forms of protest. According to Asiki (2008), these are thought to negatively affect the pace of economic development, especially in LDCs. It affects economic activities of the state; thus, determination of wages is no longer triggered by the free interplay of the forces of demand and supply. Theoretically, wages are supposed to be negotiated and not rewarded. There is always an institutional arrangement for wage determination, which could either be by collective bargaining or labour courts. Unfortunately, the institutional arrangements are completely violated and flawed by the state, which, of course, distorts the flow or functioning of the labour market. A very good example of such distortion is the unilateral award of wages to workers by the state, a trend that, according to Fajana

(2000), is capable of distorting the functioning of the labour market to the extent that many disturbing factors accompany the process of such wage awards.

Such is evident as inflation and more disputes are generated or aggravated as the press celebrates such awards out of proportion. The problem of inflation also poses serious challenges to the functioning of the labour markets in Nigeria. There is usually a sustained and persistent increase in factor and commodity prices in the country with many negative effects on the labour market. In most times, inflation is heightened by low production, money laundering or structural defects, which are very peculiar to the Nigerian economy.

The increase malfunctioning of imported ideas, approaches or strategies is another big factor; based on observation, most theories, concepts, policies and programmes imported from abroad do not work back home in Nigeria because of the difference in culture and historical background. Attempts to emulate foreign ideas or policies would end up aggravating the problems already faced in the Nigerian labour market rather than solving them.

Growing 'informalisation' of the economy, mismatch of skills, geographical mismatch, inadequate dissemination of information, political bias or interference and regional crisis are problems that need urgent attention in Nigeria, and the state should seek a way of curbing inflation and preventing employees and employers from engaging in any form of distasteful industrial action.

## 2.5 Trade Union Movement and Labour Reforms in Nigeria

The trade unions' movement in Nigeria emerged in opposition to the excesses observed in the Nigerian politics from independence. They articulated the aspirations of the broad masses of society and mobilised public sentiments against the abuses of the ruling elite. Labour mobilised the public around nationalist causes, and lambasted the widening gap between the affluence of politicians and the poverty of the majority of Nigerians. It raised questions concerning access to education, health and other welfare services. It challenged authoritarian tendencies, exemplified by the call to create a national government.

Also, a crisis in the state is often said to manifest itself as a crisis in labour relations, not so much because of the existence of a relatively large mass of formal-sector labour as because of organised labour's relatively long political experience beginning in the nationalist struggle for independence and its immense ability to articulate and mobilise popular forces to confront the ruling elite (Adesina, 1994). According to Aiyede (2004: 226), this implies that the 'trade union owes its prominence less to its internal democratic structure or its technical capacity than to its ability to mobilise as a vehicle to create space for democratic debate and contestation, or even constrain the state, especially when the leadership is urged on by pressures from below'.

Many scholars, such as (Adewumi, 2007, 2012; Barchiesi, 1996; and Aiyede, 2004) agreed that unions in Nigeria at their development stages were faced with a lot of challenges, including internal fragmentations and division caused by ideological differences, disagreements over international affiliation and strategy, personality clashes and individual ambitions, conflict over the use of union funds, disagreement over forms of collective political participation, and opportunism. In spite of these challenges, efforts have been to explain the achievements and contributions of the trade union movement and to understand its relevance and potential in the political liberation movement of the 1980s and 1990s. For example, Aiyede (2004) noted that the effectiveness of labour has been attributed to its nature as a social movement and to its capacity as a vehicle for social mobilisation.

The government's restructuring of the movement between 1975 and 1978 saw more than 1000 small unions, 42 industrial unions, 15 senior staff associations and four professional associations reorganised into a central labour body. For the first time in Nigerian history, only one central labour organisation was permitted to exist. Subsequently, the Nigeria Labour Congress (NLC) became prominent within the polity as a federated organisation and found a strong voice in the policy arena.

However, bureaucratic unity, achieved through the instruments of the state, foreclosed organic unity. Bureaucratisation and elaborate hierarchical structures also removed control of the unions from the rank and file. The control of political power by the military in the 1980s to late 1990s dwindled labour's pre-eminence and relevance remarkably, as its organisational weaknesses, reinforced by the state's prolonged and sustained effort to 'curb the excesses' of labour movement, eventually threw it into disarray. *This according to Aiyede, (2004: 226): "was successfully carried out by the use of* 

instruments, mechanisms, and processes of labour control, which were defined by corporatist principles permeated by a statist ideology of 'developmentalism', where the fostering of peripheral capitalism was presented as 'development' and any obstacle put in the way of capitalist accumulation was considered sectarian and illegitimate."

Adesina (1995) identified three levels at which the state was able to exert its role in the accumulation process in labour relations; these are through the increased use of statutes and military decrees to control and restrain trade union actions, the use of courts and judicial processes to the same ends to control and restrain union action, and, thirdly, the use of the coercive machinery of the state against the labour movement. According to him, the decrees increased the power of the state to intervene in labour relations and the labour process. The state was empowered to define trade unions and trade unionism as well as determine who could participate in the leadership unions.

Union activities in certain sectors were prohibited by the government; this was done by defining them as essential services not amenable to the disruptive activities of a unionised workforce. The state not only regulated the internal administration of trade unions, but also freely proscribed them. It barred some union leaders from trade union activities and detained many of them without trial for indefinite periods (Otobo, 1988; Ohiorhenuan, 1989; and Adesina, 1994, 1995).

The government's restructuring of the movement between 1975 and 1978 saw more than 1000 small unions, 42 industrial unions, 15 senior staff associations, and four professional associations reorganised into a central labour body. For the first time in Nigerian history, only one central labour organisation was permitted to exist. Subsequently, the Nigeria Labour Congress (NLC) became prominent within the polity as a federated organisation and found a strong voice in the policy arena.

The economic crisis of the 1980s forced a change in the existing relations between the state and the NLC, which was the only central labour organisation in the period, as the NLC began to rely on government patronage for funding. This, more than anything else, is what weakened union organisational unity and independence, and, thereby, the influence and power of union leadership.

Massive redundancies and retrenchments in both the public and the organised private sector rendered union activism difficult, risky and costly at both the shop-floor and the central level. A further restructuring of the trade unions in 1996 under General Sani Abacha redefined the role of union membership in order to weaken the influence of full-time union employees who have always been the bulwarks of trade unions.

Thus, in Nigeria, through interventions in the leadership succession processes, the NLC and other strategic unions came increasingly under the control of the state, especially in the period of economic and labour reforms in the late 1980s. By the 1990s, the trade union movement had become too weak to carry out an effective and coherent response to the challenges to its autonomy and effectiveness. By the time the democratisation struggle began to gather momentum in Nigeria, the labour movement had been badly battered and infiltrated by agents of the state, enmeshed in ongoing internal conflicts, and converted into an instrument of capital accumulation, and could no longer fulfil its obligations to its members.

# 2.6 The Implications of Labour Market Reforms and Flexibility for Trade Unions

There has been an ongoing discourse among scholars on the implications of globalisation and flexibility for labour and, in particular, trade unions. Production systems based on new technologies that enable greater productivity and flexibility as well as workers with updated skills and more independent initiatives are required if industries are to survive in this climate.

The basic objective and aim of trade unions as a continuous association of workers is to improve the welfare of its members through better working conditions and protect their rights in employment relations. Trade unions might also bring negative effects to the labour market by protecting the insiders at the expense of the outsiders and, at the same time, they can improve the functioning of the labour market by mediating information between employers and employees as vehicles for collective expression of concerns and desires in the workforce. According to the neoclassical theory, if the unions have the power to negotiate higher wages, they will also increase unemployment.

Labour unions are often incorporated into the concept of labour market because of their membership and collective bargaining coverage. At the same time, membership or coverage does not indicate the power of trade unions to influence wages. Wage differential is often used as the measure of trade union power, for, if unions have no power, they cannot fight or compel the employers to give up some of their surplus and bring about improved wages; thus, wage differential is a measure of union power and also an indicator of the influence of union on wages. In a situation where wage negotiations and bargaining are centralised, this approach might be wrong, as unions influence the overall level of wages.

Many theorists, such as Harvey (1989), Negrri & Hardt (2000) and Lehulere (2000), argue that globalisation and its attendant reforms in the labour market structures have, in effect, nourished the overcoming or bypassing of union power. Ackers et al (1996) opined that one of the factors that have always shaped the strength of trade unions is employment security among full-time workers, rather than part-time workers. Similarly, Buhlungu (1999) asserts that the labour market restructuring and the introduction of flexible forms of work such as subcontracting in the quest for becoming globally competitive threaten the very existence of trade unions. Thus, many theorists argue that there has been extensive 'deunionisation' in most parts of the world, and, where this has not been the case, the strength and the effectiveness of union activity has often been reduced (see Ackers, 1996; Buhlungu, 1998; Standing, 1999; Newman, 2000).

The decline in union density and strength has been attributed to changing patterns of employment. By far, the greatest use of flexibility has been employers' attempts to change the permanent workforce through measures such as multi-skilling and more flexible work patterns. Ackers (1996) and Standing (1999) attributed weakening of unions to labour market insecurity, as technology allows for employment of fewer workers; thus, a fewer number of workers remain for unionisation. Ackers (1996) contends further that flexibility, 'casualisation' and the 'informalisation' of work has made an increasing proportion of work less 'unionisable'. Temporary, casual and part-time workers are much more difficult to organise compared to full-time employees and reasons include the organisational difficulties of reaching and retaining such workers, the tendency for them not to identify with unions and the difficulty of integrating flexible workers into union structures. The essence of this, for unions, is that the growth of their membership is affected by the fact that this category of workers is not easy to organise and most of them do not have the propensity to join a union.

## 2.7. The great 'Regulation' and 'Deregulation' Debate in the Labour Markets

The proponents of labour market regulations argue that interventions in labour market play important and positive roles, and reject the standard neoclassical analysis as being fundamentally flawed. According to Jah & Golder (2008), Kilicaslan & Taymaz (2008), and Michie & Sheehan-Quinn (2001), neoliberal market restructuring has accounted for the sharp increase in atypical forms of employment as it seeks to deregulate the markets, including the labour market, to increase labour flexibility. In the general opinion of the regulation theorists, a labour market without proper regulations tends to do a poor job of protecting unemployed and peripheral workers. According to Kalleberg (2003) and Pfeffer & Cohen (1984), these practices are classical representations of current debates on shifting employment trends in the workplace and added evidence that large firms have strategically accelerated moves towards internal segmentation of their labour market.

Deregulation is fundamentally about reducing and redistribution of resources, demands and lead economic players to adjust, in turn, to this new distribution. Thus, even if deregulation eventually proves beneficial, it will come with both strong distribution and dynamic effects. The transition might imply unemployment will increase for a while. Real wages might decrease before recovering, and so on. Labour market regulations have been often blamed for the poor performance in the European Union in the last 30 years. As Blanchard & Giavazzi (2003) argue, if all the rigidities and regulations were removed, Europe would soar, the alarming level of unemployment would decrease, and output would increase. It is further argued by the 'institutionalist' that labour regulations might fulfil important redistributive roles in a market economy, particularly from the point of view of vulnerable categories of workers, and this might provide necessary insurance from adverse market outcomes (Jah & Golder, 2008).

The 'distortionist', on the other hand considers labour market regulations as major obstacles to growth and employment. Some of the reasons advanced by this school of thought is mainly that regulations in the labour market prevent wages to equal their marginal product in equilibrium and the misallocation of resources are inevitable outcomes. Furthermore, Jah & Golder (2008) argue that regulations might create major obstacles to the adjustment of labour markets to different types of economic changes in a dynamic setting. Their conclusion is that labour regulations that redistribute

economic 'rents' from capital to labour, such as collective bargaining schemes and expansionary fiscal programmes to fund public employment, might reduce profitability of the investors.

## 2.8 Labour Market Reforms and Employment (In)security

Over the past two decades, huge changes have taken place in the structure of the labour market around the world and four major factors have been said to contribute to this. These are deindustrialisation, technological innovation, globalisation and commitment to a free market economy, including the privatisation of public services (Ferrie, 2001).

The economic recessions, industrial restructuring, technological change and intensified global competition of the late 1970s have dramatically changed the nature of work (Sverke & Hellgren, 2002). Most organisations have been involved in restructuring, layoffs, and 'rightsizing' in their attempts to reduce labour costs and improve competitiveness. From the organisational perspective, this has provided many companies with the functional and numerical flexibility necessary to adapt to a changing environment.

From the individual perspective, although some individuals might view flexibility positively, the negative consequences are apparent. Many workers have been displaced, and so many others have become involuntarily part-time unemployed or hired on temporary employment contracts. As noted by Sverke & Hellgren (2002), some workers have experienced fundamental and involuntary changes in their sets of beliefs about the employing organisation and the future of their jobs. These changes concern issues such as rapidly changing consumer markets and escalated demands for flexibility within and between organisations. Furthermore, Sverke et al (2006) noted that, consequently, organisations are forced to engage in various adaptive strategies in order to tackle new demands and remain vigorous in this unpredictable environment

The traditional model of permanent employment and the possibility of long-life employment are steadily giving way to less stable and vulnerable forms of employment, such as casual labour (Cheadle, 2006). Bhorat & Hinks (2006) articulated the difficulty of defining the concept by pointing out that defining 'casualisation' in a labour market is problematic. They further outline that as issues of hours of work, type of contract of employment, method and who pays the employees, non-

pecuniary benefits and whether working in the formal and informal sector mean several definitions can be adopted. In this context, Bamidele (2011) defines 'casualisation' or a casual worker as anybody who works in the informal sector or a formal sector employee with a casual, temporary or seasonal employment contract or part-time formal sector employee.

In essence, 'casualisation' captures the phenomenal growth on non-standard employment globally. Theron (2005) notes that the International Labour Organisation used the term 'disguised employment' or 'triangular employment relationship' to define the emergence of subcontractors, independent contractors, fixed-term and all manners of informal work arrangements. He further distinguished between three types of casual labourer. The first is the type engaged by the company directly on a casual, seasoned fixed-term or temporary basis. Historically, these categories of workers were used to supplement the workforce during periods of peak demand. Lately, however, casual employment is steadily replacing permanent employment. The second type of casual labour is a triangular employment relationship in which a labour broker supplies labour to a firm. The definition of who the employer is in this relationship is not only tenuous, but also technical and demands new forms of regulation. The third categories of casual labour are those who are ostensibly defined as independent contractors.

Kalleberg (2000) opined that standard work arrangements were the norms in many industrial nations for much of the twentieth century, which, according to him, accounted for the framework within which labour law, collective bargaining and the social security system developed. He, however, observed the changing trend, which began in the mid-1970s, as countries and organisations began to adopt flexibility in their workplace relations. He further opined that standard work arrangements were the norms in many industrial nations for much of the twentieth century, which, according to him, accounted for the framework within which labour law, collective bargaining and social security systems develop.

The notion of temporary employment is an indication of intermittent contract and suggests that the jobs are not permanent. Anecdotal evidence shows that there are instances of people employed for a continuous temporary basis for as long as 15 to 20 years. This trend is a common feature of the petroleum sector in Nigeria and it is obvious in such a case that the labour is required, but the

employer is not willing to pay the cost of permanent employment. Von Hippel (1997) is of the view that the key challenge in labour reforms and flexibility is not simply to rectify the problems experienced by individual workers; rather, the problem is the processes of the reform itself. The significance of labour market reforms and flexibility, according to Hall & Mairesse (2006), is that it is integral to labour management strategies, the better deployment and not development of labour.

According to Mathega (2009:59), flexible employment such as casual and subcontracted work goes hand in hand with lower levels of income, making it more difficult for workers to satisfy their basic needs. While the labour laws of most jurisdictions do not protect the workers who are drawn into the flexible labour market, worker exploitation has increased relatively in all sectors of the economy. Wage flexibility in this era of free market economies has also developed. Horwitz & Eskine (1995: 290) elaborate that wages have shifted from uniform pay systems to performance-based pay for either an individual or team. The most detrimental labour market flexibility that has been the sole result for unemployment and social degradation is numerical flexibility, which allows the owners of capital to reduce the size of the labour force to the laws of supply and demand. This has resulted in subcontracting of labour, outsourcing, the use of casual or seasonal labour and homework. According to Benjamin (2005), in the global labour market, unemployment is described as the handmaiden of flexibility.

Two of the first scholars to place job insecurity in a larger theoretical context were Greenhalgh & Rosenblatt (1984). Their theoretical model summed up the definitions of job insecurity and elaborated on the potential causes, effects and organisational consequences of the phenomenon. Greenhalgh & Rosenblatt defined job insecurity as a 'perceived powerlessness to maintain desired continuity in a threatened job situation' (1984: 438). They further maintained that job insecurity is based on the individual's perceptions and interpretations of the immediate work environment.

Job insecurity is also described as 'one's expectations about continuity in a job situation' and as 'an overall concern about the future existence of the job' (Davy et al, 1997: 323; Rosenblatt & Ruvio, 1996: 587). Heaney et al (1994: 1431) see insecurity of employment as 'an employee's perception of a potential threat to continuity in his or her current job' and Hartley et al (1991: 7) define it as 'a discrepancy between the level of security a person experiences and the level she or he might prefer'.

Pearce (1998: 34) defined temporary employment as an objective type of job insecurity, which is characterised by 'an independently determined probability that workers will have the same job in the foreseeable future'.

In studies of job characteristics, Klandermans & van Vuuren (1999), Hartley (1998), Chirumbolo & Hellgren (2003) and Burchell (1999) suggest that security is of great importance to workers. Job insecurity, in general terms, is conceived as the discrepancy between the levels of security a person experiences and the level such person might prefer. Some researchers limit the concept to the threat of total job loss, while others extend it to include loss of any valued condition of employment, including non-unionisation (Mythen, 2005). These definitions, according to Clark et al (2010), encompass large numbers of workers who have insecure jobs, often seasonal, part-time or temporary, and frequently used to buffer short-term changes in labour requirements. Workers in this secondary labour market regard job insecurity as an integral part of their work experience and consequently have a relatively stable set of beliefs about the labour market and their prospects.

For workers in the primary labour market accustomed to long-term secure employment, job insecurity involves fundamental and involuntary changes, from the perception that their position in the organisation is safe to the perception that it is not; restructuring, involving downsizing, privatisation, mergers and closure, has led to an unprecedented rise in job losses among workers in this primary labour market.

Zeytinoglu et al (2012) examine the association between job satisfaction, flexible employment and job security among Turkish service sector workers. The result shows that flexible employment involving fixed- term contract, paid and unpaid overtime, on-call work and mismatched contract and hours are not associated with job satisfaction; rather, it revealed that perceived job security is positively associated with job satisfaction. The study provides evidence that the perception of job security rather than flexible employment is an important contributor to job satisfaction for Turkish workers. They opined that job security is an important extrinsic reward positively affecting job satisfaction. Advancing the expectancy theory, they argued that workers will exert the greatest effort if they expect that effort to lead to performance that will be rewarded in a desirable way.

Others scholars, such as Büssing (1999) and Ferrie et al (1998), have classified entire organisations or workplaces as being more or less marked by job insecurity. The basic assumption in these objective definitions is that individuals who find themselves in types of employment and/or organisations that are classified as insecure experience more job insecurity than is the case with individuals who hold a 'safer' type of employment or work for an organisation deemed to be safe.

As outlined by Gallie et al (1998), other researchers base their definitions of job insecurity on the level of unemployment in society, which means that a rise in unemployment can be interpreted as a rise in general job insecurity.

Mohr (2000: 339) identified and discussed four different types of job insecurity:

- 'Job insecurity as a state of public awareness', which involves a high degree of unemployment in society;
- 'Job insecurity at the company level', which refers to unstable and insecure conditions in the organisation;
- 'Acute job insecurity', involving the concrete subjective experiencing of a threat to employment; and
- 'Anticipation of job loss', which applies to a situation where layoffs have already begun to be carried out in the organisation in which the individual is employed.

Job insecurity can either be experienced at a personal level or attributed externally. De Witte & Näswall (2003) found that, amongst those experiencing a high degree of job insecurity, it was the permanent rather than the temporary employees who reported lower levels of both job satisfaction and organisational commitment in comparison with the temporary employees. These authors went on to argue that job insecurity cannot only be conceptualised from the characteristics of the situation, but should contain an element of subjectivity.

In their evaluation of job insecurity and affective commitment in seasonal versus permanent workers, Ünsal-Akbıyık et al (2012) opine that job insecurity is one of the outstanding characteristics of secondary labour markets and, as seasonal workers are a typical category of workers belonging to the secondary labour market, they face job insecurity. They added that the replacement of seasonal workers is easier when they leave their organisations that might also contribute to the level of job insecurity perception among them. Considering the fact that seasonal workers are not considered part of the category of core workers, one could expect that it might be harder for them to attach emotionally to the organisation. Sverke et al (2002) are of the opinion that job insecurity also makes workers doubt their future in the current organisation, and has been considered to be a factor that reduces workers' involvement in their organisations in terms of affective commitment.

De Cuyper & De Witte (2007) investigated how insecurity mediates or alters the link between permanent and employment. They used a range of outcome variables such as job satisfaction, organisational commitment, trust, engagement, performance and turnover intention, among others, with the aim of determining the impacts of job insecurity on the intensity of these variables. The findings of the survey from 656 participants showed that job insecurity reactions are peculiar to the particular working relations. They further highlighted that the impact of job security has more damaging impact on the permanent employees as the non-standard do experience a high level of insecurity, while job satisfaction and desire to change jobs (labour turnover) are exclusive to the permanent workers.

Similarly, Druker & Stanworth (2004) investigated the link between employment agencies, their white collar temporaries and their client companies in terms of the psychological contracts possessed by each party. Their findings revealed that temporary workers were more aligned to their employment agencies as opposed to the organisation for which they work. The authors' perception is that the temporary worker attached greater importance to the strong instability in their status as agency 'temp' rather than job tenure. This in view of the fact that client firms actively perceives temporary workers as an outsider by denying them union membership even when they must have worked for the organisation for so long.

Like many other scholars, Go et al (2010) examined the South African labour market and gave reasons for the high rate of unemployment in the country to include the lack of effective labour demand. This is often attributed to weak economic growth, especially during the 1970s to the 1990s. Hence, the tradable sectors where employment is traditionally generated could not accommodate

new intakes because of the structural changes taking place in the economy, which led to decline in production. The non-tradable sectors, such as finance and business services, were growing rapidly, but they are primarily skilled labour intensive. Part of the high unemployment rate can be attributed to post-apartheid protection of labour, minimum wage and other labour policies (see Lewis, 2001; Standing et al, 1996; Bhorat, 2001; Fallon & da Silva, 1994; Fallon & Lucas, 1998).

Connelly & Gallagher's (2004) analysis of contingent work revolves around the definitional approach of the US Bureau of Labour Statistics. The bureau views contingent work as 'any job in which an individual does not have an explicit or implicit contract for long-term employment or one in which the minimum hours worked can vary in a non-systematic manner' (Polivka & Nardone, 1989, in Connelly & Gallagher, 2004). The attitudes that flexible workers have towards their jobs and more specifically towards temporary agency work, seem to differ (Torka & Schyns, 2007). They observed that not all temporary workers are forced into such arrangements. Some actually prefer it, while others 'learnt' to appreciate temporary agency work over a lifetime of employment. The latter group, which can be referred to as involuntary temporary workers, are employees who were forced into temp agency work because there were no alternatives, but later changed their attitude towards the job in the course of their employment as temporary agency workers. Since the outcome of their study is based on the assumption that the attitudes towards temporary work can change from negative to positive and also from positive to negative within a temporary career, they prefer the term 'temporary agency work satisfaction' over the dichotomy voluntary vs. involuntary temporary work.

Havran et al (2003) examine the link between full-time and temporary employment and found that an experience of flow takes place when a worker becomes so involved in his/her undertaken task that he/she becomes oblivious to what is going on around him/her. They contend further that career success is felt when people know that they are practicing daily the personal values that are important to them and knowing that they are contributing positively to the work sphere (see Booth et al, 2002; Bentolila & Dolado, 1994; Try, 2004; Weiling & Borghans, 2001).

Furthermore, Lee & Faller (2005) reveal that permanent workers' psychological contracts are more relational and temporary workers are more transactional. The aim of the study was to ascertain

whether the psychological contracts of non-standard workers would change from transactional that it used to be relational, the longer they had worked for a particular agency. They discovered that the growth in relational contracting is linked to temporary workers viewing the possibility of the violations of their psychological contract as low, as well as when organisational and supervisory assistance is strong.

Rogers (2000) made a comparison between the experiences of part-time lawyers and part-time clerical workers. The outcome of his analysis shows that part-time lawyers expressed more positivity with their work. The positive experiences of contract workers are linked to the type of occupation they find themselves involved in. He argues further on the implication of his finding that the semi-skilled or unskilled temporary workers are in abundant supply, easily replaceable and earn less than their skilled counterpart since the demand for them does not really exist and concludes that all these factors will affect their experiences negatively.

Chew & Horwitz (2002) created an integrated model to help organisations implement downsizing (or rightsizing), with three focus area in mind that would aid management to focus on: tactical planning, the setting of timetables, and making available exit counselling for employees to be separated from the organisation. The model is not only commendable for its show of humanity in the execution of downsizing, but also that it advises organisations to downsize only if no other option is available. Downsizing is seen as the last resort after management has considered other ways in which labour expenditure can be reduced as well as reassigning employees to other areas within the organisational structure. In South Africa, this arrangement is contained in Section 189 of the Labour Relations Act of 1995.

Furthermore, Allen & Meyer (1996) and Houseman (2001) observed that management embarks on retrenchment instead of other cost-reduction methods whenever they are experiencing financial difficulty. In essence, this enables employers to be able to employ non-standard workers to meet the work demand as management incurs less cost maintaining non-standard workers to fill in for permanent employees who are not effectively on ground to perform their task.

### 2.9. Analysis of Trends and Reforms in the Labour Market

Reforms are means of putting or changing any form of condition into an improved form or condition. The reversion to repair, restore or correct emanates from the emergence of an ideology known as neoliberalism, which first gained acceptance in Chile and Britain in the 1970s. According to Hardley (2009), this ideology stipulates the need for reduction in the role of the state in the economy for promotion of entrepreneurship, investment and socio-economic development. This is usually achieved through reduction in subsidies, tax reform, tax cuts, stabilisation of money supply, free flow of trade and other market-oriented reforms.

According to Jennings & Seaman (1994), the extremely widespread use of flexible labour shows that the cost pressures and uncertainties of a more competitive world have penetrated to virtually every corner of the global economy and even affect the kinds of work done by managers and professional staff. Hence, the emergency of the new economy, based on information technologies that aim at decentralising management, individualising work and customising markets, has resulted in labour flexibility and outsourcing as metaphor of industrialised economies. The era of globalisation requires organisations to adopt a flexible workforce that is multi-skilled, knowledgeable, interchangeable and adaptable, and these elements have affected the re-organisation of work globally. Reforms in the labour market have also resulted in detrimental effects on the labour force, creating spheres of unemployment and worker exploitation, while ensuring that organisations enhance efficiency and effectiveness, resulting in better managerial and productive methods.

Hence, Paas et al (2003) suggested that labour market flexibility must be measured on both micro and macro levels. On the micro level, flexibility is closely related to labour market flow analyses. The labour market can be characterised by various flows regarding transitions to and from employment, unemployment and non-participation, as well as flows regarding job creation and job destruction. The standard measures used to analyses labour market dynamics, such as net changes in employment and unemployment, conceal an important dimension of the functioning of the labour market: job turnover (job creation and job destruction at the level of individual firms) and labour turnover (movement of individual into jobs, through hiring and out of job through firing or redundancy). Consequently, analyses that focus on labour market flow might yield more information about the state of the labour market than an analysis of employment and unemployment (Kalaste &

Eamets, 2004). At the macro level, flexibility can further be divided into institutional and wage flexibility. Institutional flexibility theory of the labour market means the extent to which the state institutions and trade unions are involved in the regulation of the labour market. In this arrangement, institutions are defined as social entities that are characterised by their self-regulating nature.

From the perspective of the state, the most important aspect is to consider the impact of labour market institutions on employment and economic growth, as these are often more easily influenced by government activities. Institutions in the broader sense are the regulations and organisations that affect wages and employment and its discussion, include taxation, labour laws, minimum wages and active labour measure, etc. Overall, labour market reforms were aimed at eliminating distortions in the market to allow for efficient resource allocation. Efficient operation of the labour market is important, because the market has a major role to play in their economy. Firstly, the labour market is an important channel for transmission of both external disturbances and adjustment policies. For instance, labour market flexibility in reducing unemployment encountered in the adjustment process. Secondly, labour markets in developing countries play an important role in determining the level and distortion of income.

Belot & Van Ours (2000) extended the traditional 'right to manage' model of wage bargaining to labour market analysis. The basic idea is that the firm alone manages bargaining between a union and a firm sets wages and employment after wages are set by a bargaining between a union and a firm, and employment is managed by the firm alone after wages are set. Reich (2008) posits that the labour market is divided into two segments, with a reduced mobility of workers between the two. In the primary or internal market, wages and promotion are governed by administrative work rules rather than market allocation mechanisms, whereas the secondary or external market follows the rules of perfect competitive markets. While labour market segmentation theory attempts to account for the persistence of low wages during the Fordist era, increasing flexibility that was brought about by management strategies in the 1980s, it raised the question of whether the division between standard and non-standard forms of employment were comparable to the division between primary and secondary labour markets (Rosenberg, 2007).

As soon as works on unemployment and labour market institutions started, the complexity of this relationship emerged (Lazear, 1990). After decades of studies, works and policies, no clear conclusion has been reached yet, nor has it been possible to limit the domain of analysis. Recently, however, a growing interest has been shown with reference to the effects of work arrangements on firms' productivity and ability to innovate. Cahuc & Postel Vinay (2002) highlighted that more regulated labour markets induce human capital accumulation by increasing the proportion of skilled workers, thus leading to increased productivity and growth. They suggest that any decrease in the minimum wage should be probably matched by appropriate educational, industrial or employment subsidies in order to compensate the possible welfare losses arising from lowering this measure. Similarly, Acemoglu et al (2001) showed that, in non-competitive labour markets, the existence of minimum wages could increase firms' investments in training, since it compresses the wage structure. The intuition behind this outcome is that minimum wage makes it more expensive for firms to employ unskilled workers, because they will obtain a wage level higher than the competitive level.

According to Kleinknecht (1998), removing labour market rigidities might be beneficial in the short term, but it could become harmful in the long run, since more flexibility in the labour market discourages product and process innovation, thus reducing productivity growth. In addition, softer employment protection and more flexible wage setting will give an extra advantage to non-innovative firms versus innovative firms. In line with this assumption, Bassanini and Ernst (2002) found a negative relationship between labour market flexibility and research and development intensity in industries with a more cumulative knowledge base.

Kilicaslan & Taymaz (2008) showed that countries that introduce more regulations on employment conditions, labour administration and training achieve higher levels of industrial productivity. Countries with low levels of inter-industry wage differentials are more successful in reallocating their resources and raising productivity. Arulampalam & Booth (1998) deeply investigated the relationship between fixed-term contracts and training, part-time versus full-time work, and the complementarities between education and training. Their analysis highlights a significantly lower probability for men with temporary contracts to receive training. On the contrary, no significant differences in training between part-time and full-time workers were observed.

Coe et al (2009) further explored how temporary staffing markets are produced by the interactions between industrial relations, legal and regulatory frameworks on the one hand, and the structures and strategies of domestic and transnational temporary staffing agencies on the other. They concluded that the Australian labour market differs significantly to the labour markets of other liberal regimes like Canada, the UK and the United States, which they are always compared to.

They further argued that the regulation of the temporary staffing industry in Australia is light, and the mainstream employment and labour relations is regulated by a combination of awards and agreements. For them, temporary staffing agencies are a form of labour market intermediary and are a very particular kind of 'people-based' business service activity, with a core business of *labour* supply to meet the needs of client organisations for contract workers of many kinds.

Laursen & Foss (2003) tested the hypothesis that human resource management positively influences the firm's innovation performance. They concluded that change in the organisation of the employment relationship, such as team-based organisation, decentralisation of decision rights, internal knowledge dissemination and quality circles, does matter for a firm to be innovative. They claimed that workforce training and increased knowledge spreading, for example, through job rotation, might be expected to be a force. The term 'knowledge management' is used to refer to the practices – implicit or explicit – used by a firm to acquire new knowledge and to rearrange and spread existing knowledge within the firm. It also includes strategies that are independent, either to prevent the firm's own knowledge from 'leaking' out or to encourage the dissemination of its knowledge to partner firms and others from whom the firm might benefit in mutual knowledge exchange".

Hall & Mairesse (2006), pulling in the direction of a higher rate of improvement process and innovations, particularly stressed the importance of organisational requirements for co-ordinating the complementarities between different technologies for reaping the benefit they might produce. Also in a similar framework, Kleinknecht et al (2006) showed that external flexible labour in the 1980s and 1990s in Netherlands led to savings on firm wage bills, leading to the Dutch job miracle.

However, this coincided with a decline in labour productivity – firms that have a high turnover or high shares of temporary workers do not achieve significant increases in sales growth. In addition, they highlight that firms that relied on internal flexibility were able, in spite of higher wages, to increase their productivity significantly. This confirms the position that functional flexibility is more beneficial to innovators, because it makes them more willing to invest in trust and loyalty of their personnel, which, in turn, is crucial for the accumulation of tacit knowledge.

While the neoclassical and the human capital theories argue that the labour market functions in a perfectly competitive manner, dual labour market theory and the segmented labour markets posit that the labour market is divided into two segments, with a reduced mobility of workers between the two. In the primary (or internal) market, wages and promotion are governed by administrative work rules rather than market allocation mechanisms, whereas the secondary (or external) market follows the rules of perfectly competitive markets. The primary market offers jobs 'with relatively high wages, good working conditions, chances of advancement and employment stability' (Piore, 1975: 126). The secondary market is characterised by competitive wage-setting practices, low wages, poorer working conditions, less training, job instability and, on the whole, fewer opportunities for career advancement.

The increasing flexibility that was brought about by changes in public policy and management strategies in the 1980s raised the question of whether the division between standard and non-standard forms of employment were comparable to the division between primary and secondary labour markets (Rosenberg, 1989; 2007). The core idea of the literature on dual or segmented labour market remains that the institutionalisation of distinct labour market segments with different ways of functioning might force peripheral workers to accept bad jobs and might trap them permanently in this inferior labour market status. This is despite them initially having as high a level of skills as those core workers who have found good jobs.

Insider/outsider models make up the second body of literature that brings attention to exclusion in the labour market. This idea came with economists who were trying to explain why European labour markets had failed to return to the previously low levels of unemployment after the oil and energy price crisis. Rather than seeing unemployment as a result of short-term economic shock as a valid

explanation, many of the economists believed that labour market institutions were to blame for the rise of the structural unemployment (Blanchard, 2006). By granting workers employment protection and wage-bargaining rights, labour market institutions have had the side effect of excluding part of the workforce from the labour market. Dividing workers into different groups has also generated divergent interests among workers. It was on the basis of this ideology that Lindbeck & Snower (1988; 2001) introduced the concept of labour market insiders and outsiders.

The emphasis and focus of the literature on dual labour markets is the inequality with respect to pay and employment conditions. On the other hand, insider/outsider models have mainly emphasised the cleavages that exist between those in and those out of employment. Insiders are incumbent employees with experience, and whose jobs are protected by various job-preserving measures that make it costly for firms to fire them and hire someone else in their place. On the contrary, outsiders lack such protection, as they are either unemployed or work at jobs in the informal sector, which offer little, if any, job security (Lindbeck & Snower, 1988). The distinction between insiders and outsiders is gravely noted by Saint-Paul's (1998), where he emphasises the role played by political (dis-)enfranchisement through non-representation by trade unions in generating inequalities between the two categories of workers.

### 2.9.1. Flexibility and Global Labour Market Segmentation

Deregulation, 'casualisation' and flexibility, particularly in the third world, including Nigeria, cannot be discussed without the roles of IMF and the World Bank. Schmidt (2005) mentioned that the fund attached more than 50 structural policy conditions to the typical three-year loan disbursed through its extended fund facility in 1990 and nine to 15 structural conditions to its typical one-year standby arrangement. Additionally, the IMF, in order to move into areas like corporate behaviour, accounting methods and principles, attacks on corruption and promotion of good governance, etc., has seriously impacted on labour markets across the globe (Eichengreen and James, 2003).

Over the past years, labour markets have been affected by the slowing of global growth, and the economic recessions that erupted in 2008 made it more problematic, as the labour markets had not fully recovered from the crisis. Six years since the onset of the crisis, the unemployment rate for the

global labour market is still below the pre-crisis peak, and, because of this, part-time and temporary employment has increased (ILO, 2012).

Vijayabaskar (2005) is of the view that capital-oriented flexibility as the labour process flexibility is geared towards the needs of employers and compels labourers to adopt largely involuntary ways. Employment for part-time and other categories is insecure, non-standard work such as self-employment increases and the role of the state is minimal or confined largely to providing legislation conducive to the powers of employers to hire and fire as they solely want. Capital flexibility and outsourcing have become rampant in the manufacturing, mining, retail and agricultural industry in Nigeria.

While the state advocates for negotiated flexibility, its effects on labour have been the same. According to Osterman et al (2001), negotiated flexibility is characterised as a process that is 'subject to co-ordinated or central bargaining between the major economic actors; while non-standard forms of employment can increase flexibility, it has defined limits and allows for better working life'. Non-permanent, contract, agency work, self-employment and non-standardised work have been the major characteristics of flexible labour processes; these have resulted in major criticism by creating spheres of unemployment, exploitation, a decrease in the labour absorption rates and insecurities.

One of the main proponents of neoclassical globalisation admits that "wages of low-skilled workers will fall into a market that faces cheap imports. Second, that economic insecurity will increase for almost everyone and, as economic change speeds up, nobody has a job for life. Third, the patterns of existing income support and other forms of subsidy will become more explicit and, therefore, harder to sustain. In this mode, labour becomes a commodity and less a production factor and, in a Marxian sense, both production and consumption is marked by alienation. Schmidt (2005) argued clearly that this theory has a strong flaw of ideology, among other factors.

Another feature of the evolution called globalisation is what is called 'feminisation of labour'. Empirical evidence shows that an unprecedented increase in the number of women workers in the formal and informal labour force is linked to global production spheres, and this special group is

hardest hit by 'flexibilisation' and 'casualisation' in order to keep wages and labour costs down and productivity up. Additionally, it has been argued that the increase in part-time employment and other forms of atypical work systems have gone hand in hand with increases in multiple job holdings, particularly for women. These are clear signs of a global trend towards 'informalisation' of labour, lowering of wages and increasing unemployment as the most prominent outcomes of neoliberal globalisation. The word 'flexibility' serves to constrain political and social debate about the restructuring of work and the labour market, as it imposes the view that there is no alternative. The resulting impact of globalisation and flexibility is obviously that all social change will conform and converge. A race to the bottom seems to be implied by this approach, as it calls for a decrease in regulation levels of labour relations, but also seeks to exert a downward pressure on welfare and social benefits that are presumed to inhibit the incentive to work (Schmidt, 2005).

Most Nigerian industries have always had a remarkable degree of employment flexibility, through capital flexibility. They have also managed to attain more profits and enhance labour management relations and the situation is similar to South Africa's employment trends. Evidence by Webster & von Holdt (2005:143) reveals that companies such as Sea Harvest in South Africa have introduced extensive participatory processes and flexi-work. This is seen as a way of improving performance to be in line with the TQM management technique that gives autonomy to the worker. The Sea Harvest company was able to compress structures and reduce hierarchy as workers took increased responsibility; this was beneficial to the company, as it was able to reduce production costs in employing supervisors to control workers, as well in enhancing motivation in the workforce. They argue that the introduction of INVOCOMS at Sea Harvest, which allowed names to be introduced to capture concepts of involvement, communication and commitment, were also major trends in developing a flexible workforce, and the invention of a network society also made it possible in the company's bid to cut costs and work-related expenses.

Webster & Von Holdt further outline that these new forms of flexible manufacturing systems adopted by Sea Harvest, such as TQM (Total Quality Management), resulted in functional flexibility. According to Appelbaum et al (2000) and Arvanitas et al (2002), functional flexibility presumably led to higher levels of skilled labour by removing barriers between grades and categories. They propound that the capacity to rotate workers across different tasks is normally

predicated on their prior fragmentation, rather than combining them into something holistic. The other detrimental effects of flexibility also mean fewer rules and less bureaucracy. They further argue that the multi-skilling at the heart of functional flexibility represents a modest enlargement of the range of tasks required, rather than the more fundamental change in the direction of skill enhancement. From participation and flexible work at Sea Harvest, the workers never benefited; instead, remuneration remained low, hard working conditions persisted, and casual work, temporary work, subcontracting and outsourcing also remained part of their working environment. It is on this note that Clarke (2005) noted that, without a clear employment contract, better working conditions and legal protection, casual workers have faced intense exploitation and are going through difficult times.

It is an undisputed fact that flexible labour markets rely on supply-side policy, designed to increase employment, raise productivity and keep labour costs under control. Hence, the strongest supporters of flexible labour markets are neoclassical economists who believe in the power of free market; they believe and argue for less government intervention in the labour market. The global labour market has undoubtedly become more flexible in the last twenty years, with rising part-time employment for most of this period and a shift towards short-term contracts in many occupation and industries.

#### 2.9.2. Who Benefits from the Labour Market Reforms?

The benefits of labour market reforms can include providing services at a lower cost and higher quality, greater flexibility in the provision of services, and a more rapid response to changing service and customer needs. Although, labour market reforms have disadvantages such as undermining the reliable provision of essential state services, diminishing the accountability of those responsible for the delivery of services, labour disputes and the provision of unequal services (Lee, 2001; Gilley & Rasheed, 2000; Hilsenrath, 2004). Furthermore, some organisations adopted labour reforms and flexibility as a way to reduce production cost and enhance managerial control.

Mathega (2009) opined that competitiveness, growth and reduction of costs have put pressure on companies to restructure their workforce relations. Despite the negative consequences of labour market reforms, firms attain benefits as the investment portfolio increases, as well as reduction of

production costs. Although flexible labour markets have created work in the part-time service sector, there has been less success in creating permanent, full-time jobs.

The use of casual, temporary and subcontracted workers has eroded worker protection and rendered unionism power useless. Many organisations, through numerical flexibility, have found it easy to retrench and dismiss the workers without any state or union involvement, as most of the jobs are non-permanent. Mantashe (2005) and Voudouris (2007) point out that permanent jobs have been replaced by flexible jobs that lack a standard employment relationship and that high contestation of labour flexibility causes uncertainty in the job market; in other words, job security has been eroded. The impact of flexibility was populated by negative accounts of re-hiring redundant workers under subcontractors with significant loss to pay, benefits and health and safety protection.

Labour reforms have adversely affected the labour market, with worker security being eroded, compounded by intense workers exploitation. However, due to the changing global markets, labour flexibility has been adopted by most organisations to have a comparative advantage in trade. Although ILO (International Labour Organisation) advocates for protective labour market reforms and flexibility, the results have been detrimental, as most of the employers resort to exploitative methods of labour flexibility. Labour market reforms in its variance, such as massive franchising, outsourcing, 'casualisation' and flexible labour, are the main critical issues among trade union representatives in recent times. As noted by Olowosile (2004), attempts at flexibility have received hostilities from both government and trade unions, as they fear insecurity and intense exploitation of workers.

Due to extreme labour market flexibility globally, the Nigerian trade unions have argued that the flexibility will bring detrimental effects to the labour force in the petroleum industry. According to Olowosile (2004), Shell is criticised for having a history around the world of suppressing union and worker rights. The major contradiction, however, is that labour flexibility itself creates employment. According to Rogers (2007:3), employment protection does not clearly lead to higher unemployment, although it was found to be associated with lower employment rates; hence, enhancing labour flexibility will result in high employment rates even though the employment is not secure or permanent.

According to Benjamin (2005), externalisation flexibility – which includes subcontracting, putting out work, use of self-employed, buying instead of making components, on-site use of independent contractors or of employees 'on loan' from other firms – is actually created for different sectors of the economy. However, this contradiction can justify that flexible labour markets help to keep wages close to the equilibrium and, therefore, avoid creating unemployment. Labour market reforms have also been at the heart of post-bureaucratic organisations; according to Clarke (2005), reforms in the labour market were in the bid to cut wages and cost reductions by cutting of benefits in pensions, loans, access to schools, meals, union membership declined and weaken collective bargaining. The detrimental effects of labour reforms are the same as those of labour flexibility; labour market reforms lead to a redundant workforce with no employment, re-employed only on a contract basis when work becomes available.

The practice of outsourcing and other forms of labour flexibility by Shell led to a labour crisis in the sector in 2000, according to Olowosile (2004); there was increase in lost time, injuries and fatalities, increase in absenteeism and staff turnover, decreased productivity, labour shortage and high turnover of contracting businesses.

# 2.9.3. Regulation of the Labour Market

Many scholars, such as Freeman (2009), Kingdom et al (2006) and De Witte (2005), have discussed labour market regulations and emphasised the benefits and costs of regulation. They demonstrate that, using standard economic analysis, the issue of regulation can be systematically explored. They also show that regulation can have a significant adverse impact on economic growth, especially regulation policies formulated at controlling prices and entry into labour markets that would otherwise be workably competitive, but will reduce growth and adversely affect the average standard of living. Additionally, process regulation will impose a substantial cost on the economy, while social regulations might significantly positively influence the average if adequately designed (Guasch & Hahn, 1999).

Labour market regulations are introduced with the stated objective of improving workers' welfare. Similarly, Heckman (2000), in his study of cost of job regulation in the Latin American labour market, documents the high level of job security protection in Latin American labour markets and analyses its impact on employment to show that job security policies have substantial impact on the

level and distribution of employment in Latin America, reduces employment and promotes inequality. Botero et al (2004) investigated the regulation of labour markets through employment, collective relations and social security laws in 85 countries.

# 2.10 'Flexicurity' as a Form of Labour Market Regulation

The concept of 'flexicurity' is defined as a policy strategy that attempts, synchronically and deliberately, to enhance the flexibility of the labour market, the work organisation and labour relations on the one hand, and to enhance employment and social security for weaker groups in and outside the labour market on the other hand (Schmidt 2005). The idea of 'flexicurity' was derived from the Dutch labour market debate and has become the new overall policy of the European Union in its attempt to distance itself from the US. Jha and Golder (2008) reflected on a few issues relevant to the ongoing debates on balancing flexibility and security for labour in the current era of globalisation. They stress the increasing importance of interdependence between different countries through greater liberalisation of trade, financial markets and foreign direct investments and an increase in migration as posing new challenges to labour markets. It is obvious in a context of increasing globalisation that spaces for autonomous and nationalist policies are eroded, and, with respect to the labour market, policy makers can hardly ignore issues relating to flexibility. It is in this context that the recent discussions on the labour market flexibility must go together with socioeconomic security for labour.

The concept of 'flexicurity', as the name suggests, attempts to combine the seemingly opposed objective of flexibility and security in the functioning of the labour market. There are two dimensions of the 'flexicurity' model: the major flexibility concerns are external and internal numerical flexibility, functional flexibility, wage flexibility and the security dimension deals with job security, employment/employability security, income security and combination security (Jah & Golder, 2008). They further identified that differences exist among the various observers regarding the different approaches towards 'flexicurity'. However, the European Commission and its member states have arrived at a consensus on a definition of 'flexicurity', which comprises four components, as described by Aver (2007) in Jah & Golder (2008):

- Flexible and secured contractual arrangements and work organisations; both from the
  perspective of the employer and the employees through modern labour laws and modern
  work organisation;
- Active labour market participation (ALMP), which effectively helps people to cope with rapid change, unemployment spells reintegration and, importantly, transition to new jobs – i.e. the element of transition security;
- Reliable and responsive lifelong learning (LLL) system, to ensure the continuous adaptability and employability of all workers, and to enable firms to keep up productivity levels; and
- Modern social security systems. This provides adequate income support and facilitates labour market mobility. This includes provisions that help people combine work with private and family responsibility, such as child care.

As a process variable, this definition includes supportive and productive social dialogue, and mutual trust and highly developed industrial relations are crucial for introducing comprehensive 'flexicurity' policies covering these components. Thus, on a whole, the common principles of 'flexicurity' adopted by the EU Commission are 'more and better jobs through flexibility and security'. In recent years, firms have adopted various forms of non-standard work arrangements in an attempt to improve service and product quality, reduce production cycle times, lower costs, increase their focus on core competencies and, in general, enhance organisational effectiveness.

Temporary work is an omnibus term that covers several different forms of non-standard work arrangements that include casual employment, contract employment, outsourcing, fixed-term employment, on call employment (workers called in to an organisation as and when required) and temporary agency employment. In Nigeria, these forms of employment differ from standard or traditional forms of employment only in the sense that it does not confer on the employee benefits such as pension, gratuity benefits, medical care, job security and the right of freedom of association.

## 2.11 Regulation of Labour Market in Nigeria

Nigeria is fast moving towards becoming a knowledge-based economy with a greater focus on technology, e-commerce, financial and other business-to-business services. In enhancing flexible labour and outsourcing, Nigerian companies have been able to comply with flexible changes in the global economy and technological development. In the competitive international markets, it is

important that employees are able to change along with product or production method changes by redeploying between activities and tasks (Atkinson, 1985:28). However, due to increased flexibility and outsourcing, job security has been eroded, leading to disposable workers, social protection methods removed and, mostly, organisations have been faced by a limit in technology.

Casual work, according to Campbell (1996), relates atypical or flexible work to the precariousness and absence of rights at the heart of employment. It is a work arrangement that is characterised by bad work conditions like job insecurity, low wages and lack of employment benefits that accrue to regular employees. Additionally, these categories of employees are denied the rights to organise themselves into unions and collective bargaining. According to Conradie (2007), the problem with 'casualisation' is not so much that it lowers the possible income of workers, but that it increases the 'precariousness of their existence'.

'Casualisation', contract staffing, outsourcing and fixed-term employment are all forms of flexibility that are very common in the oil and gas sector in Nigeria and have led to frequent industrial disputes, with consequent negative impact on the nation's gross domestic product (GPD). In a bid to resolve this situation, the Federal Government, in August 2010, constituted a technical working group with a clear mandates of working out guidelines for the protection of rights of workers in the oil and gas industry and all sectors of the Nigerian economy. The membership of the working group cut across the representatives of:

- Ministry of Labour;
- Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN);
- Nigerian Union of Petroleum and Natural Gas Workers (NUPENG);
- Oil-Producing Trade Sector (OPTC);
- Nigerian National Petroleum Corporation (NNPC);
- National Petroleum Investment Management Services (NPPIMS);
- Department of Petroleum Resources (DPR);
- Nigerian Content Development Monitory Board (NCDMD); and
- Ministries of Interior and Petroleum, with the secretariat domiciled at the Ministry of Labour and Productivity.

According to Danesi (2011), a non-standard work arrangement, which resulted from the effects of globalisation and trade liberalisation and was facilitated by technological improvement in communication and information technology, is taking place in Nigeria. Aladekomo (2004) argues that 'casualisation' as a predominant form of employment practice in Nigeria arose with the collapse of the oil boom and the introduction of the structural adjustment programme in the early eighties. 'Casualisation' and flexibility not only lead to lower wages and benefits in the Nigerian oil sector, but also increase the ratio of unpaid to paid labour, and the intensity of work.

The changing patterns of work, such as casual, contract, temporary, part-time employment, subcontracting and outsourcing, etc., are of great concern to the actors in the industrial relations system in Nigeria. This is because most companies involved in 'casualisation' have adopted a 'do not care' attitude towards labour standards and regulations. According to Wollmann (2001), the common feature in the Nigerian labour market revolves around implementation of methods that enhance coordination, precision and speed, obedience and loyalty, impartiality, reduction of friction and material and personal costs. Labour market segmentation in Nigeria is agricultural-dominated, with the most happening in the rural areas.

The manufacturing sector, which is the secondary sector that used to engage a sizeable number of workers, is fast losing ground. This can be attributed to low industrial capacity utilisation because of infrastructural failures. Clearly, the extractive industry, mainly oil and gas, is the most lucrative as per terms and conditions of work. Hence, entry into the oil sector requires high skills and, as a result, very few people are in employment in this sector. However, there is an angle of 'local pushiness' that have seen some not too educated people being employed to do the menial aspect of the production processes (Odigie, 2007). The practice of engaging casual workers for otherwise formal jobs has since become almost standard practice to the oil companies in Nigeria. Instances abound where professionals and others with requisite qualifications are designated as casual staff working for more than 10 years without conversion to formal permanent employment. Most times, the workers are promised permanent tenure, but, sadly, very few promises have materialised. This practice thrives due to the high unemployment rate, especially among secondary school and university graduates.

A fundamental feature of temporary employment is that, on average, temporary workers remain detached from an ongoing relationship with the organisation for which they work. This detachment can extend to factors associated with lack of any access to training, career development, employment benefits and organisational identification. Atypical employment or flexible labour as an alternative for today's business has become a standard feature in modern organisations in Nigeria. This practice is rifer in the banking and oil and gas industries. In light of the above, Nigerian oil workers are vulnerable to a kind of industry-wide shift away from regular, full-time work towards forms of cheaper temporary labour and short-term contracting.

Despite all the statutory provisions in place, to enhance flexibility, post-Fordist organisations have promoted multi-skilling, job rotation and different forms of team work to structure the workplace (Horwitz & Smith, 1998). Furthermore, these organisations promote employee participation and work time flexibility, and patterns of working time through continuous shifts systems have also been encouraged.

The most common types of labour market processes that are practiced in Nigeria are capital-oriented flexibility and negotiated flexibility. Production systems in the oil sector in Nigeria have also changed the organisational structures. According to Rodgers (2007:4), the growth of global production systems is probably the most significant factor here, introducing flexibility and adaptation through new sourcing arrangements that bypass national policies. According to Kalleberg (2003), flexible labour processes in organisations emanated from work rules that were embodied in contractual relations, rights and grievance procedures. Such arrangement gave unions high bargaining power and employment protection from the state by providing legislation that limited employers' power to adapt to the mechanisms of supply and demand.

The two extremes from which state policy intervention can take in matters relating to labour-management relations in Nigeria are complete *laissez-faire* and total state direct control of the condition of labour. Unions everywhere operate in an environment of legal and political controls, specifically through statute, administrative regulation and judicial decisions, and the larger community enforces its will in public policy. A review of Nigeria's labour history shows that the

country has undergone two phases (Gbosi, 1996; Otobo, 1988) and these are the periods of regulation and deregulation respectively.

Regulation, in its broader sense, means the imposition of restrictions on the various sectors of an economy. For example, prior to the introduction of the Structural Adjustment Programme (SAP) in July 1986, regulatory controls was the main approach to macroeconomic management in Nigeria. The word 'deregulation' found its place in the vocabulary of Western economists several thousand years ago. However, it became more popular among Nigerian policy makers and economists in 1986 with the introduction of the World Bank-advised structural adjustment programme.

Since 1986, economic deregulation had been the central framework of macroeconomic management in Nigeria. Economic deregulation means different things to different people. In the view of Odozi (1991), deregulation does not mean the absence of regulation. Rather, it means the deliberate informed process of removal or mitigation of restrictions that are obstacles or non-deterministic and tend to reduce efficiency or competitive equities. However, Fajana (2000) has defined economic deregulation as the deliberate and systematic removal of regulation controls, structures and operational subsidies, which might have mitigated growth, operations and efficient allocation of resources in an economy.

Thus, the deregulation of an economy or its component segments is the belief that the factors of production, goods and services are optimally priced and allocated where other prices are freely determined in a competitive environment. Consequently, the factor that usually calls for deregulation is the imbalance between demand and supply in the product and factor markets. No matter how one defines deregulation, the underlying philosophy is that it tends to promote competition and efficiency in the allocation of resources in the economy.

## 2.12 Labour Size, Unemployment and Job Creation Effort in Nigeria

The size of Nigeria's labour force was difficult to calculate due to the absence of accurate census data. The labour force increased from 18.3 million in 1963 to 29.4 million in 1983. Census data apparently understated the number of self-employed peasants and farmers, but estimated that the proportion of Nigerians employed in agriculture, livestock, forestry and fishing fell from 56.8 percent

in 1963 to 33.5 percent in 1983. The percentage of the labour force employed in mining rose from 0.1 percent in 1963 to 0.4 percent in 1983. Exactly comparable data was lacking on manufacturing, but, from 1965 to 1980, the industry's share of the labour force rose from 10 percent to 12 percent, whereas the services sector grew from 18 percent to 20 percent of the labour force (Federal Office of Statistics, 1990).

The national unemployment rate, estimated by the Office of Statistics as 4.3 percent of the labour force in 1985, increased to 5.3 percent in 1986 and 7 percent in 1987, before falling to 5.1 percent in 1988 due to measures taken under the SAP. Most of the unemployed were city dwellers, as indicated by urban jobless rates of 8.7 percent in 1985, 9.1 percent in 1986, 9.8 percent in 1987 and 7.3 percent in 1988. Underemployed farm labour, often referred to as disguised unemployed, continued to be supported by the family or village, and, therefore, rural unemployment figures were less accurate than those for urban unemployment. Among the openly unemployed rural population, almost two thirds were secondary school graduates (Federal Office of Statistics, 1990).

The largest proportion of the unemployed (consistently 35 to 50 percent) was secondary school graduates. There was also a 40 percent unemployment rate among urban youth aged twenty to twenty-four, and a 31 percent rate among those aged fifteen to nineteen. Two thirds of the urban unemployed were fifteen to twenty-four years old. Moreover, the educated unemployed tended to be young males with few dependents. There were relatively few secondary school graduates and the lowered job expectations of primary school graduates in the urban formal sector kept the urban unemployment rate for these groups to 3 to 6 percent in the 1980s.

## 2.13 Labour Market Reforms: The Case of Shell Petroleum Development Company

Shell is the most dominant multinational oil company in Nigeria, and the Shell venture accounted for over 42 percent of Nigeria's oil production. By early 2000, oil production accounted for 90% of the country's foreign exchange receipts, while oil exports accounted for 97% of total export receipts. Oil production revenues provided for 70% of budgetary revenues and 25% of GDP. Shell's operations in Nigeria present a puzzle to scholars, because it has continued to expand its business in the country despite expropriation and active sabotage of pipelines and many alternative investment opportunities in many other countries.

Frynas (1998) argues that Shell Petroleum Development Company in Nigeria is a controversial company and the host community workers are mainly in the insecure peripheral segment of the Shell Nigeria internal labour market (Mordi & Mmieh, 2009). This and many other factors, such as environmental degradation and pollution, have accounted for the continuous agitation and restiveness of the youths in the host communities.

Clarke (2005:5) argues that the labour conditions in the oil industry in Nigeria fell short of the ILO definition of decent work. The labour market in Nigeria is characterised by low minimum wages, no unions – hence, no collective bargaining – threat of further job losses due to mechanisation, contractor mismanagement, lack of social protection, job insecurity, lack of effective social dialogue among the social partners, labour, employer and government. The state in Nigeria plays two roles, the role of an actor, as employer of labour, and as a regulator through the enactment of legislations (Rodgers, 1989: 11).

Shell's annual report in the past three years shows that Shell directly employed 6000 core workers while over 13, 000 were retained in the peripheral segment of the company labour force (People and the Environment Annual Report, 2011). Available evidence shows that Shell Nigeria has much closer ties with the Nigerian administration than with the communities that are their operational base (Omeje, 2005).

Recent development in employment relation in Nigeria with emphasis on Shell Petroleum Development Company as focus in the contexts of the distinctive elements of the Nigeria social-political and industrial relations systems as well as the recent global economic crisis, some firms are pursuing functional flexibility and more co-operative employment relations. However, the logic of competition has primarily induced firms to adopt practices that promote numerical flexibility such that a core periphery is created. Shell Petroleum Development Company in Nigeria has promoted casual work, temporary work, subcontracting and outsourcing and is not obligated to this category of workers, because they do not have direct contractual arrangements with them even though some of these workers tend to remain secondary over a long period of time (Mordi & Mmieh, 2009).

Shell is among the multinational oil companies in Nigeria that was compelled, with pressure of deregulation and liberalisation of the Nigerian economy, to adopt a flexible labour force and outsourcing (Mordi & Mmieh, 2009). According to them, the restructuring process in Shell started by introducing and making use of flexible forms of employment, such as 'casualisation', part-time or temporary work and externalisation. Hence, the implication of creating labour flexibility in Shell Petroleum Development Company in Nigeria has created spheres of worker exploitation, unemployment and job insecurity.

Following the guidelines on labour administration issues on contract staffing and outsourcing in the oil and gas sector set up by the Federal Government, workers in the peripheral segment in Shell Nigeria were allowed to unionise. Most companies in the oil sector of the Nigerian economy, including Shell, willingly practice deliberate measures to erode employment security and increase the number of workers on non-standard contracts in order to adapt to the mechanisms of supply and demand of labour (Mordi & Mmieh, 2009).

#### 2.14 Conclusion

In this chapter, the researcher evaluated the contributions of various scholars to labour market flexibility and employment security. Firstly, it explains what the labour market is as distinguishing it from the commodity market. Thereafter, flexibility as a concept derives from neoclassical theory suggesting that, in a labour market with no regulation, the price mechanism stabilises the market and allocates resources Pareto efficiency. Flexibility, it was argued, is a development informed by rocketing costs of employment-related benefits that made employers search for a way to streamline their operating costs, avoiding unionised workers and increasing the power of employers over workers who are not covered by collective agreements.

The chapter enumerated and explained the types of flexibility, making clear distinctions amongst the three major ones; i.e. numerical, functional and wage flexibility. The researcher noted, in this chapter, the negative impacts of globalisation on employment and the world of work, one of which is for the core, once-upon-a-time beneficiaries of lifetime employment to shrink in numbers, while insecure, temporary and contract employment continue to grow.

Thirdly, the implication of this trend on labour movement was examined. It was noted that labour unions are often incorporated into the concept of labour market due to their membership and collective bargaining coverage, but, with the decline in union density and strength attributed to changing patterns of employment and labour market insecurity, the power of unions has reduced drastically. The implication of this trend for unions is that the growth of their membership is affected by the fact that these segmented workers are not easy to organise and most of them do not have the propensity to join a union.

The researcher maintained that, while trade unions still continue to play important roles in employment relations, it is apparent that they are no longer as vigilant as they used to be; the move away from extreme dependency on human labour for the execution of work has facilitated the vulnerability of trade unions and has reduced trade unions' density and dependency.

As noted in this investigation, workers in the internal labour market of Shell Nigeria have been divided into the primary and the secondary margins, and this division is reflected in the variations in the terms of the contract, conditions of service and the opportunities available to those working in the same work environment and exposed to the same kind of risk. The primary labour market has the feature of high incomes, fringe benefits, job security and good prospects for upward mobility. On the other hand, the secondary labour market is typified by insecurity, low incomes, little training, less favourable employment conditions and decline in real wages. Additionally, there is no legal protection for this class of workers. One must quickly add that this development is a negation of the provision of Section 17 (e) of the Constitution of the Federation of Nigeria, which guarantees 'equal pay for equal work without discrimination on account of sex, or any ground whatsoever'.

## **Chapter Three**

## Theoretical Framework Underpinning the Study

#### 3.1 Introduction

As earlier stated, the purpose of this research work is to examine the impact of labour reforms on employment security in Shell Petroleum Development Company in Nigeria. This chapter provides a theoretical context upon which the study is theoretically grounded. The *theoretical* contribution made in this thesis can be traced back to the changes and trends in the labour market and its attendant implication on job security. The various theories mentioned in the initial chapter, as well new and emerging theories relating to the labour market, are thoroughly examined in this chapter.

### 3.2 Theoretical Contribution

Ideally, a research work evaluating a significant challenge such as I have embarked on should be able to present a theoretical substance of challenging theories, point out the empirical implication of these theories, explain their differences and spell out the policy implications of competing theories (also see Cain, 1975; Clasen & Clegg, 2003; Kemmerling & Bruttel, 2006). In order to establish the context of these challenges, we must observe that new theories of labour market, such as the dual and segmented theories that emerged in the 1960s. This was a result of the movement for social reforms and demand for full participation in the economy by minority groups and women.

### 3.2.1 Marxist Theory in Relation to Labour Market Formation

The first theory examined in trying to understand the impact of labour market reforms on employment security is the classical Marxist theory. One of the reasons for the incorporation of the Marxist theory in this research is the manner and extent to which Karl Marx developed the concept of capital as a unity containing two elements: production and circulation (Lebowitz, 1976). Marx (1990) argued that capital existed incipiently on a small scale for centuries, in the form of merchant, renting and lending activities, and occasionally also as small-scale industry with some wage labour. This statement is an admission by Marx that wage labour existed for centuries, albeit on a modest scale before the advent of capitalism. The advent of capitalism, according to Marx, dates from the 16th century, with relatively small urban workshops.

Classical Marxist views of labour markets were entrenched in the twentieth century by the two dominant and competing political and economic systems of the time, the welfare state capitalism and state socialism. In spite of their ideological differences, both systems made labour the core of their development strategies by reinforcing the idea that to labour is a necessary and 'good' activity that must be protected at all costs as expressed by state and trade union policies directed at the right to labour, the protection of the rights of labour and a belief in the duty to labour. For both the welfare capitalist and socialist states of the time, this meant a promotion of labour. Under both communism and welfare state capitalism, full employment was seen as the major instrumental goal (see Cronon, 1991; Bauman, 1998; Mann, 2008). For organised labour, Standing (1999) argues that this period was regarded as the golden age where organised labour or the working class movement posed a real threat to capitalists.

Marxist theory is grounded on the notion of the mode of production; in fact, it is a theory that refers to the specific difference of a capitalist social power and the structure of economic exploitation, specifically the capitalist mode of production, and it does not mean an existing object and is not concerned with the concept of an empirically conceivable reality (Millios, 1989:160).

Marx argues that, for the capitalist mode of production to emerge as a distinctive mode of production dominating the whole production process of society, many different social, economic, cultural, technical and legal-political conditions had to come together. However, for most of human history, these did not come together. Capital existed, commercial trade existed, but it did not lead to industrialisation and large-scale capitalist industry. He opined that, for this to take place, a whole series of new conditions are required, namely:

- Specific technologies of mass production; the ability to independently and privately own and trade in means of production;
- A class of workers compelled to sell their labour power for a living; a labour law framework promoting commerce and workplace relations; and
- A physical infrastructure making the circulation of goods on a large scale possible, security for private accumulation, and so on.

As seen in the Nigerian Shell-dominated sphere, oil is a particularly salient example of the challenge space poses to capitalism. By using this theory, the researcher does not intend to imply that the

capitalist mode of production is dominant in society where Shell is located, as there might be other political, social and cultural problems standing as obstacles to the development of capitalist markets, particularly in an emerging economy such as Nigeria.

# 3.2.2 Capitalists and their Labour Exploitation Tendencies

A quick snapshot at the Marx theory of surplus value, which is considered the best of his revolutionary contribution to the economic philosophical sciences, confirms the expression that open market policies do not make provision for the protection of the labourer against exploitation. Thus, eventually, the capitalist's aim, as Marx (1959) presupposed, is to make profit and not share the surplus with the workers. His is opinion of 'laws of motion' of the capitalist mode of production undoubtedly constitutes his most impressive scientific achievement. A mode of production is the way in which a society is organised economically and where there exists a distinctive relationship between the main factors of production – i.e. land, labour and capital (Knox et al, 2003). Similarly, Jessop (2002) affirmed that the simple but accurate way of explaining capitalism would be to explain it as an economic and social system of society.

Marx and even those after him did not provide a complete definition of the capitalist mode of production, although he sometimes made an attempt in his manuscript, *Das Kapital*, to do so. What really defines the capitalist mode of production in the Marxian tradition are: the means of production that dominate the direct producers as an alien power, the existence of a class of workers that does not hold or have power, and the existence of an elite ruling class that controls the country and, by extension, exploits the working class. From the onset, one would like to attest that all the features identified in the Marxist theory are part of the Shell labour market, which, of late, has been engulfed by reforms.

Barbrook (2006) summarises the essential defining characteristics of the capitalist mode of production as follows:

- The means of production or capital goods and the means of consumption or consumer goods that are mainly produced for market sale;
- The output is produced with the intention of sale in an open market;

- Only through sale of output can the owner of capital claim part of the surplus product of human labour and realise profits;
- Equally, the inputs of production are supplied through the market, as commodities;
- Input and output prices are mainly governed by the market laws of supply and demand and, ultimately, by the law of value;
- Money is to fuel both the means of production and labour in order to make commodities;
- Commodities must be sold to the market for a profit;
- The profit once again becomes part of a larger amount of capital that the capitalist reinvests to make more commodities and, ultimately, more and more capital;
- Private ownership of the means of production as effective private control and/or legally enforced
  ownership, with the consequence that investment and management decisions are made by
  private owners of capital who act autonomously from each other and, because of business
  secrecy and the constraints of competition, do not co-ordinate their activities according to
  collective, conscious planning;
- Enterprises that are able to set their own output prices within the framework of the forces of supply and demand;
- The development of production technology that is guided by profitability criteria;
- Gainful employment by the direct producers, who are compelled to sell their labour power because they lack access to alternative means of subsistence other than being self-employed or employers of labour, if only they could acquire sufficient funds and can obtain means of consumption only through market transactions; and
- Wage earners who are mostly 'free' in a double sense: they are 'freed' from ownership of productive assets, and they are free to choose their employer.

Having outlined the above characteristics, the proliferation of fragmented decision-making processes by owners and managers of private capital, social production is mediated by competition for asset-ownership, political or economic influence, costs, sales, prices and profits. The competition occurs between owners of capital for profits, assets and markets, between owners of capital and workers over wages and conditions, and between workers themselves over employment opportunities and civil rights. Hence, the overall aim of capitalist production, under competitive pressure, is:

- To maximise net profit income as much as possible, through cutting production costs, increasing sales, and monopolisation of markets and supply;
- Capital accumulation, to acquire productive and non-productive assets; and
- Privatise both the supply of goods and services and their consumption and the larger portion of
  the surplus product of labour must usually be reinvested in production, since output growth and
  accumulation of capital mutually depend on each other.

The lessons learnt from the Marxist theory clearly reflect that a new class of structured society emerges out of this mode of production. Firstly, a class of owners and managers of private capital assets in industries and on the land is inevitable. Secondly, a class of wage and salary earners, a permanent reserve army of labour consisting of unemployed people, and various intermediate classes such as the self-employed and owners of small businesses. Thirdly, the 'new middle classes' who are educationally equipped set the basis of which they are placed on higher salaries.

As noted in the Marxist theory, the finance of the capitalist state is heavily dependent on levying taxes from the population and on credit; that is, the capitalist state normally *lacks* any autonomous economic basis that would guarantee sufficient income to sustain state activities. The capitalist state defines a legal framework for commerce, civil society and politics, which specifies public and private rights and duties, as well as legitimate property relations. It is a fact that capitalist development occurs on private initiative, also in a socially un-co-ordinated and unplanned way, and features periodic crises of *overproduction*. This means that a critical fraction of output cannot be sold at all, or cannot be sold at prices realising the previously ruling rate of profit. The other side of overproduction is the *over-accumulation* of productive capital. As more capital is invested in production that can obtain a normal profit, the consequence is a recession or, in severe cases, a depression. As a corollary, mass unemployment occurs, many of which had occurred since the early days of capitalism in the 1820s.

Mandel (1970; 2013) comments that, other than Marxism, no significant work or other 19th century author has been able to foresee, in a coherent way, how capitalism would develop, function and transform the world. He further observed the obvious controversy created by the capitalism mode of

production and listed them in logical order rather than the degree of consensus to include the following six key assumptions:

### 3.2.2.1 The Capitalist's Compulsion to Accumulate

For Mandel (1970), capital is the form of accumulated money made available into circulation in order to increase in value and the purpose of business to accumulate profit. His argument is that no owner of money capital will engage in business in order to recuperate exactly the sum initially invested. He further attests that profit can also originate outside the sphere of production in a precapitalist society, but it is essentially a transfer of value, which is primitive accumulation of capital. However, under the capitalist mode of production, where capital has not only penetrated the sphere of production, but also dominates it, profit or surplus value is derived through wage labour.

By the nature of capitalism, capital can only appear in the form of many capitals and, given its social-historical origin in private property, appropriation of the means of production implies unavoidable competition. Competition in a capitalist mode of production is competition for selling commodities in an anonymous market. While surplus value is produced in the process of production, it is realised in the process of circulation; i.e. through the sale of the commodities. The consequence of this competitive nature of capitalism is that it strives to always get the better of a competitor, which is only possible by investing more capital. This is possible by retaining and adding part of the surplus value that has been accumulated to the previously existing capital. The inner logic of capitalism is, therefore, not only to 'work for profit', but also to work for capital accumulation. Thus, Marx (1999:368) highlighted that, without competition, the fire of growth would burn out.

# 3.2.2.2 The Tendency Towards Constant Technological Revolutions

In the capitalist mode of production, accumulation of capital implies accumulation of productive capital, or capital invested to produce more and more commodities. Competition is, therefore, above all competition between productive capitals; i.e. 'many capitals' engaged in diversification. The main weapon in competition between capitalist firms is *cutting production cost* and the use of *more advanced methods of production* as well more 'rational' labour organisation; these are the main means to this end. The trend of capital accumulation in the capitalist mode of production is towards more and more sophisticated machinery. Capital growth takes the dual form of a higher and higher

value of capital, constant revolutions in the techniques of production and constant technological progress.

### 3.2.2.3 The Capitalist's Unquenchable Thirst for Surplus Value Extraction

The tendencies for capital growth and the irresistible urge for capital accumulation are achievable through a constant drive for the increase of the production of surplus value. Capital accumulation is nothing but surplus value capitalisation and the investment of part of the new surplus value into additional capital. The capitalist has no source of additional capital other than additional surplus value produced in the process of production. Marx distinguishes two different forms of additional surplus value production: (i) Absolute surplus value accretion, which is achieved through the extension of the working hours and day. If the worker reproduces the equivalent of his wages in four hours a day, an extension of the work day from 10 to 12 hours will increase surplus value from six to eight hours; and (ii) Relative surplus value accretion occurs through an increase of the productivity of labour in the wage-goods sector of the economy. Such an increase in productivity implies that the equivalent of the value of an identical basket of goods and services consumed by the worker could be produced in two hours instead of four hours of labour. If a day's work remains stable at 10 hours and real wages remain stable too, surplus value will then increase from six to eight hours. These processes, known as the 'real subsumption', are the subordination of labour under capital and represent not only an economic, but also a physical, subordination of the wage earner. Likewise, it is the main tool for maintaining a modicum of social equilibrium, for, when productivity of labour strongly increases, above all in the wage-good-producing sectors of the economy, real wages and profits (surplus value) can both expand simultaneously. What were previously luxury goods can even become mass-produced wage-goods.

### 3.2.2.4 The Tendency Towards Growing Concentration and Centralisation of Capital

The growth of the value of capital means that each successful capitalist firm will be operating with more and more capital. Marx calls this the tendency towards growing concentration of capital. With the competition inherent in the process of capitalism, it is bound to bring about victors and vanquished. The victors continue to grow in business, while the vanquished go bankrupt or are absorbed by the victors. This process is called the 'centralisation of capital'. This will result in a declining number of firms that can survive in each of the key fields of production. Some groups of

capitalists who cannot survive the competition will end up disappearing as independent businesspersons. In turn, they will become salary earners, employed by successful capitalist firms. From the foregoing, capitalism itself can be considered as the big 'expropriating' force, suppressing private property of the means of production for many, in favour of private property for few.

# 3.2.2.5 The Inevitability of Class Struggle Under Capitalism

Class struggle is inevitability in the capitalist mode of production. Marx contends that, irrespective of the historical development, wage earners will form associations; i.e. *trade union to collectively negotiate* on their behalf and replace the individual sale of the labour power. This proposition has been considered to be one of Marx's best projections, because, when he made the projection, there were less than half a million organised workers, unlike the present day capitalist society, where the introduction of wage labour has not led to the appearance and formation of workers' union.

# 3.2.2.6 The Tendency Towards Growing Social Polarisation

Derived from the earlier remunerated trends of growing centralisation of capital and towards the growth of the mass of surplus, value is derived from the trend towards growing social polarisation under capitalism. The proletariat that extends far beyond productive workers in and by themselves will continually increase, while the proportion of people working without wage, independent peasants continues to decrease; this is not to imply that the middle class would disappear. While many businesses disappear, especially in times of economic depression, due to severe competition, others will emerge, especially in the interstices between big firms and in new sectors. Thus, Harvey (1989) perceived accumulation as openness in the labour markets, method of production, product, and consumption trends, and characterised by the rise of new production industries and unique ways of financial service provision, resulting in the creation of new markets and strengthening rates of commercial, technological and organisational innovation. Harvey opined that spatial displacement require 'spatial fix', which implies that extra capital and labour must be absorbed in geographical extensions, which will subsequently require the establishment of new areas within which capitalist manufacturing can take place, e.g. through searching for new ways to exploit labour power.

Similarly, Jessop (2001), in his analysis of the transformations of capital accumulation process, observed that capitalism is concerned with the shift from the post-war Keynesian welfare national

state and Atlantic Fordism, to the post-Fordist accumulation regime and to what he referred to as the 'Schumpeterian competition stage'. The focus of Jessop's analysis is not limited to the restructuring of the welfare state, but also on the interconnections within the knowledge-based economy, as well as the impact of processes of globalisation and Europeanisation on the expansion of capital accumulation. He derived his analytical instrument from four different theoretical schools: the regulation theory, the political economy approach, the critical discuss analysis, and the autopoietic systems. One fundamental premise of Jessop's analysis is that the capitalist mode of production is not self-regulating. Rather, the capitalist mode of production is an object of regulation by the state and other extra-economic powers, which 'comprises of an ensemble of socially embedded, socially regularised and strategically selective institutions, organisations, social forces and actions organised around (or at least involved in) the expanded reproduction of capital as a social relation' (Jessop, 2001:5).

### 3.2.2.7 The Crisis of Capitalism

Marx did not produce a treaty on the crisis of capitalism; his contributions and comments on the issue are contained in his major economic writing and his articles for *Daily Tribune* in New York. Many interpretations of the 'Marxist theory of crises' have been offered by economists who consider themselves Marxists; their common ground has been that over-accumulation or anarchy of production (under-consumption) and lack of purchasing power of the 'final consumers' are the cause of crises (see Bell, 1977; Hobsbawn, 1976 and Postone et al, 1995). Under capitalism, which is generalised commodity production, no overproduction is possible that is not simultaneously overproduction of commodities and overproduction of capital (over-accumulation).

The crisis of the capitalist mode of production is a disturbance and interruption of the process of enlarged reproduction and the process of reproduction is precisely a contradictory unity of production and circulation. Marx generally rejected any idea that the working class, through their union formations, caused the crisis by 'excessive wage demands'. He further argued that, under conditions of 'full employment', real wages generally increase, just as it is possible for the rate of surplus value to increase simultaneously too, and he concluded that it cannot increase in the same level and proportion as the organic composition of capital. The result of this was decline in the average rate of profit, which consequently led to the crisis.

From the foregoing, two major developments that caused the crises of the capitalist mode of production are established; these are: (i) *Over-accumulation*, and (ii) *The falling rate of profit*.

#### • Over-accumulation

In Marxists' opinion, over-accumulation is one of the fundamental causes of the crisis of capital accumulation. Accumulation can reach a point where the reinvestment of capital no longer produces returns. When a market becomes flooded with capital, a massive devaluation occurs. This over-accumulation is a condition that occurs when surpluses of devalued capital and labour exist side by side, with seemingly no way to bring them together (Cass, 2011 and Harvey, 2011). The inability to procure adequate value stems from a lack of demand. Arrighi & Moore (2001) provided why and how accumulation takes place; they argue that material expansion by government and business created more *intense divisions of labour* that led to increasing rates of profit for the capitalists.

# • The falling rate of profit

The tendency of the rate of profit to fall has, however, been commonly identified with Karl Marx and has been regarded as one of the most contentious elements in his intellectual contribution and legacy, with some calling it the most important law of the modern political economy. In Marx terminology, constant capital grows faster than variable capital, the growth of which he termed the 'organic composition of capital' – a logical corollary of capital accumulation. In this arrangement and scheme of things, the only source of value for the system is labour and, as stated earlier, if investment grows more rapidly than the labour force, it must also grow more rapidly than the value created by the workers. The working population has been relegated because capital investment grows more rapidly than the source of profit; i.e. capital investment grows more rapidly than the source of profit, which consequently leads to a downward pressure on the rate of profit.

Marx in Itoh (1978) attempted to show in his writing that 'a steep and sudden fall in the general rate of profit' due to absolute overproduction of capital in a ratio to the labouring population brings forth cyclical crises (Itoh, 1978). The theory of profit, as presented by Marx, has been subjected to criticism since its first appearance in Volume 3 of *Capital* in 1894. Two of the first critics were the liberal Italian philosopher, Benedetto Croce, and the German neoclassical economist, Eugen von Bohm-Bawerk.

The first criticism, as explained by Harman (2007), was that there need not be any reason for new investment to be 'capital intensive' rather than a 'labour intensive form' as argued by Marx. The critics said there is no reason for capitalists to invest in machines instead of labour. According to Harman (2007), rather than bringing the system to an end, the crisis paradoxically opened up new prospects for it. Some of the capitalists who cannot cope with the competitive trend in the system were pushed out of business, a development that permitted a recovery of the profits of others. The situation is further compounded by the means of production bought at bargain basement prices, raw material prices slumping and unemployment forcing workers to accept low wages.

Contrary to the opinion of many economists, academic and Marxist alike, Marx explicitly rejected any illusion that production more or less automatically finds its own market. The ups and downs of the rate of profit during the business cycle do not reflect only the gyrations of the output/disposable income relation, or of the 'organic composition of capital'. They also express the varying correlation of forces between the major contending classes of bourgeois society; in the first place, the short-term fluctuations of the rate of surplus value reflecting major victories or defeats of the working class in trying to uplift or defend its standard of living and its working conditions. Labour organisation 'rationalisation' is a capital's weapon for neutralising the effects of these fluctuations on the average rate of profit and on the rate of capital accumulation.

# 3.3 Dual Labour Market Theory

According to this theory, the dual labour market is divided into primary and secondary markets. The primary market is higher paying, with possibilities of promotion, job stability and better working conditions. On the other hand, the secondary market comprises of workers who have unstable working patterns and low-paying jobs (Wachter et al, 1974; Cain, 1975; Kreckel, 1980). Segmentation economists argue that ignoring the different identities of these segments and the constraints they place on the workers makes it impossible to understand the nature of labour market disadvantages. The dual approach hypothesises states that a dichotomy has developed over time between a high-wage primary segment and a low-wage secondary segment. Working conditions in the primary segments are generally favourable. There is steady employment, job security is assured and the rules that govern the organisation of employment are well defined and equitable. The characteristics of secondary employment, on the other hand, are less favourable. Work here has little

job security and there are high turnovers rates; additionally, there are few opportunities for training or advancement and the work tends to be menial and repetitive. Corresponding to this duality, in the character of a job is a further distinction between primary (core) and secondary (peripheral) industrial sectors

A segmented labour market can be defined as the historical process whereby political-economic forces encourage the division of the labour market into separate sub-markets, or segments distinguished by different labour market characteristics and behavioural rules" (Reich et al, 1973:359). They suggested that the labour market conditions can be better explained using the four segmentation processes of primary and secondary markets, segmentation within the primary sector, segmentation by race, and segmentation by sex. However, among this categorisation, only the first, the primary and secondary dichotomy of the dual labour market, is discussed in-depth, as it is the most relevant to the researcher's investigation.

In the core sectors, firms have monopoly power, production is large scale, extensive use is made of capital-intensive methods of production and there is a strong trade union formation and representation. These establishments operate in national and international product markets (Multinational Corporation). In contrast,

It is in this context that the researcher investigated Shell Petroleum Development Company in Nigeria and the changes in its employment strategies. The company implemented various reforms in the recent past, which are consistent with the position of the dual labour market theory. This theoretical assumption is evident in the findings from this study, which illuminate that there is a clear discrimination in the character of core and secondary workers in Shell Petroleum Development Company in Nigeria. The secondary/peripheral workers are not strictly legal employees of Shell Nigeria. As a policy decision, Shell does not employ temporary workers directly; instead, contractors or agencies are responsible for the supply of these categories of workers. Interestingly, similar occupational categories that exist within the core of Shell fall within the periphery. These include professional such as engineers, geologists, drilling engineers and lawyers (see Mordi & Mmieh, 2009).

The researcher also noticed further a race form of labour segmentation in the internal labour market structure that exists within the firm. Shell Nigeria's core labour market pays indigenous and expatriate workers very well and they enjoy career mobility and security of employment. However, the researcher noted during the investigation that there were gross disparities between the terms and conditions of core indigenous workers and core expatriate workers. This position is also confirmed in the study by Mordi & Mmieh (2009) when they affirmed that 'a fresh indigenous graduate joining the company in Nigeria is employed on job group 7, while his counterpart expatriate who joins on the same day with the same qualification outside Nigeria is employed on job group 5 (a higher position and remuneration)'. On confirmation, the expatriate is automatically promoted to job group 4, while there is no promotion to the next job group for his Nigerian counterpart. The effect of this promotion and discrimination is very obvious and observable in that, as soon as the expatriate comes to Nigeria on foreign assignment, most often, he becomes the boss of his Nigerian counterpart" (PENGASSAN, 2004, cited in Mordi & Mmieh, 2009).

The segmentation that exists in the labour market primarily reflects the nature of internal labour markets (this is the labour market that exists within a firm) within which primary and secondary jobs are found. Internal labour markets can best be thought of as the type of labour market that exists within an organisation. At one extreme, the internal and external labour market might be very similar. The structure of wages and the allocation of workers within the organisation are determined simply by external market conditions, and, in this case, the internal market is similar to what is happening outside the organisation. At the other extreme are organisations (usually large employers) in which wages structures and employment policies are set apart from external labour market conditions. Such internal labour markets will often be highly structured and regulated, and have an employment system that confers significant advantages to those already employed in the organisation – insiders – compared to outsiders. This is because access to jobs within the firm is granted preferentially, even exclusively, to existing members of the organisation via promotion along well-defined 'job ladders', often on the basis of seniority rather than productivity. The outsider, on the other hand, has access to only a limited number of low-level positions.

## 3.4 The Classical and Neoclassical Theories of Employment and Labour Market

The classical theory approached the concept of labour markets from a political economy perspective, with its most famous proponents being Ricardo and Marx. While Marx concentrated his analysis on the labour market, which made him develop his ideas on exploitation and the labour theory of value, Ricardo focussed exclusively on commodity markets (Mandel, 1976). These concepts became the cornerstone for classical economic theorising of labour markets. The view of the classicists was that, in a capitalist society, workers only have the capacity to work to exchange for other commodities. Their capacity to work is termed their *labour power*. There is a demand for their labour power by capitalists who combine labour power with their means of production in order manufacture exchangeable commodities.

Classical economists assumed the labour market was similar to the goods market in that price would adjust to ensure that quantity demanded equalled quantity supplied. When demand would increase, the price of labour (the wage rate) would also increase. This would increase the quantity supplied (the number of workers or hours worked) and the quantity demanded of labour. Conversely, a decrease in the demand for labour would depress wages and the units of labour supplied would decrease. Marx posited that workers in a capitalist society only have the capacity to exchange for other commodities, which he termed their labour power. The capitalist require that labour power, which they combine with their means of production in order to manufacture exchangeable commodities.

Marx argued that the market for labour must be viewed as operating from the same logic as the markets for other commodities under the capitalist system and its value must be calculated in the same manner as for other commodities. Polanyi (1999, in Silver, 2003), provided different but related theoretical lenses through which labour power can be viewed; he contended that labour is a 'fictitious commodity' and any attempt to treat human beings as a commodity 'like any other' would necessarily lead to deeply felt grievances and resistances. Labour power is always available if workers remain physically and mentally capable of doing their jobs and if there is a reproduction of labour for future use.

Mandel (1984), in his analysis of Marx's idea of exploitation, explained that, in order to make a profit, the value of a worker's labour power must be less than the amount of labour contributed by that worker to produce a commodity for exchange on the market. He contends that capitalism, by its nature, implies that a capitalist class owns the means of production and the commodities produced. The implication is that capitalists as a class received more labour value than they exchange for with wages.

The classical theory of employment trends in the labour market analysis is premised on the Walrasian general equilibrium theory in which price flexibility is the key factor in the correction of any labour market disequilibrium (Oyebode, 2004). In their view, shortages or surplus of labour in the labour market is dealt with through wage movement. In Keynes' analysis, the classical view of wage flexibility and its acceptance by labour is unacceptable. Keynes assumed that workers would not be willing to accept a wage cut to secure more employment even if they will accept a reduction in real wage brought about by rising prices at constant money wage. His weight of analysis rests on the level of aggregate demand in the economy (Atkinson & Meager, 1986). His opinion was that full employment will only be restricted through an increase in aggregate demand and not through the classical prescription of failing money wages. This is because Keynes believed wages to be inflexible on the downward direction, as workers, through their unions, will resist wage cuts. Thus, the combined influence of union militancy, workers obstinacy in resisting money wage cuts and the fact that product price might fall in the same proportion with wage cuts, thereby leaving real wages unchanged, might make classical prediction unrealistic. Instead of relying on wage flexibility, Keynes recommended fiscal policy measures in the form of, say, government deficit budgeting spent on public work. This, according to Keynes, has the potential to increase aggregate demand and, hence, remove the incidence of involuntary employment.

The classical economist conceives unemployment as an aberration, since it is believed that a well-functioning labour market is self-regulating through the actions of the invisible forces of demand and supply for labour. According to Olurinola & Fadayomi (2013), any unemployment beyond the frictional type is, therefore, considered voluntary, while any form of involuntary unemployment arises from market imperfections like the legal minimum wage laws, among several others. They further argue the theoretical and conceptual divergence between the classicists and the Keynesians

has resulted in the differences in policy prescription for reducing unemployment. As noted by Gordon (1976), Greenwald & Stiglitz (1988) and Keynes (2006), these recommendations, as plausible as they might sound, might be applicable in developed economies, but their applicability of solving or at least reducing unemployment in a developing economy such as Nigeria is very doubtful.

The major contributions made by the neoclassical theorists to our understanding of labour market reforms cannot be overemphasised. Basically, they perceived free markets as the most efficient ways to ensure that capitalism benefits everyone based on the idea that free markets are intrinsically linked with ideas of social justice. They contend that, in order for human beings to realise and maximise their full wealth and potential, societal institutions must be put in place that will permit people to realise their maximum wealth (Clarke, 1982; Roncaglia, 2001). The neoclassical theorists argued further that, for these institutions and markets to function effectively, all forms of discrimination, including racial and gender, must be removed in labour markets. The neoclassicists introduced science and empirical analysis that was initially missing into the study of labour economics, which has helped in analysing and interpreting labour markets and other related issues such as unemployment, discrimination and underemployment in economic systems.

The neoclassical labour market theory tends to assume the existence of a competitive labour market that drives towards equilibrium where workers with the same skills and qualifications receive the same level of remuneration, termed the 'equilibrium wage', which will clear the market for a given quality of labour (Sakamoto & Chen, 1991). The neoclassical view of the labour market is premised on the notion that the quantity of work demanded by employers is equal to the quantity supplied by the workers and, consequently, all workers in the same quality category are paid the equilibrium wage. "The equilibrium wage is equal to the revenue received by the product produced by the last (i.e. marginal) worker." (Sakamoto & Chen, 1991: 295)

The theory proposed further that an employer who decides to pay below the equilibrium wage will not be able to retain and attract qualified and competent workers and on the other hand. Furthermore, the theory says that employers who attempt to pay above the equilibrium wage will not be able to meet their costs, pointing out that, where the industry is competitive, such an employer would be driven out of business.

Sorensen and Kalleberg (1981) in Sakamoto & Chen (1991) noted that the most important assumption of the neoclassical view is that of a market for labour similar in properties to those of a competitive market for consumer goods. However, it has been observed that heterogeneous workers complicate, although not necessarily alter, this basic neoclassical assumption that there is a single arena that the employers act within to maximise their profit by paying as low a wage as they can for the workers' skills that they need. The presumption is that employees paid more than their value can be replaceable by intending workers who are willing to work at the wage rate that is equal to the marginal productivity (Sakamoto & Chen, 1991).

The neoclassical 'labour as a commodity' theory also readily comes to mind in this research, despite the fact that labour reformers and early pioneers of industrial relations rejected this theory. Kaufman (1999) declared that 'the machine which yields its services to man is itself a commodity, and it is only a means to an end, while the labourer who part with labour is no longer a commodity in civilised lands, but is an end in himself, for man is the beginning and termination of all economic life'. Conclusively, it can be said that classical and neoclassical economists have made important and significant contributions to the ways in which we understand and perceive labour markets and the reforms taking place therein.

### 3.5 Contract Theory of Labour Markets

In Nigeria, particularly in the oil and gas industry and multinational corporations, the problem of 'casualisation' has made it impracticable for a long-term contract of employment to exist between the employer and employees. As noted by Okafor (2007), concerted efforts by union formations to ensure that many of the workers in the periphery labour market are converted to core employees have not been successful, as employers and their associations have remained adamant, insisting that they have no such obligation towards this category of workers, because they have no contracts with them.

According to Nissim (1984), it was for these reasons that employers and employees enter into long-term work relationships. Under long-term work arrangements, job security is enhanced, continuity is encouraged and employees might receive a wage in excess of their marginal revenue product in the early part of employment period. With human capital accumulating, this pattern is often reversed with time, with wages and fringe benefits eventually tending to equate the marginal labour product over the entire contract period. Given the mutual benefits from long-term work relationships, some

measure of wage inertia might be viewed as an indispensable element of labour market efficiency. Similarly, search unemployment, which is a normal feature of labour markets, is essential to labour market efficiency, as it assists the optimal allocation of labour resources.

Long-term work attachments tend to impart a rigid bias to money wages over business cycle in that the behaviour of money wages differs from what would be observable in auction labour markets. Long-term work attachments also imply that relative wage positions remain broadly stable over the cycle. In contrast, differentials between wages for skilled and unskilled wages tend to widen in a downswing and narrow in an upswing, reflecting the greater cyclical sensitivity of wages at the lower end of the wage spectrum. The optimal degree of labour market flexibility that is consistent with the labour market efficiency changes when unexpected demand and supply shock occur, upsetting the framework of expectations incorporated into long-term work arrangements. In such situations, employers might no longer find it profitable or feasible to fulfil previously established wage contracts and related aspirations. In contrast, employees operating within the old framework of wage determination might initially resist changes in contractual relationships, thereby making the labour market inflexible in the wave of shocks.

Youths in Nigeria, despite a high literacy rate of over 80%, face difficulties in respect of their integration into the labour market in terms of securing decent jobs in line with their previous sanguine labour market expectations (Olurinola & Fadayomi, 2013). With this situation and the high rate of unemployment, workers' bargaining power is weak and they are left with no option but to accept the exploitative terms and conditions of the employers and unregulated labour market.

Unlike in Nigeria, in South Africa, the Basic Conditions of Employment Act of 1998 clearly spells out the laws and regulations that govern the terms and conditions of employment. One distinctive feature of the South African labour market is the observation, enforcement and effectiveness of labour laws and regulation, and labour market institutions such as the bargaining councils and wage boards. Furthermore, in sectors where workers are vulnerable, the Department of Labour enacted sectoral determinations that stipulate minimum wages. Exemptions to such stipulations are only through application to the Department of Labour. As noted by Kingdom et al (2006), there are serious sanctions for flouting the agreement of these institutions.

### 3.6 Institutional Theory of Labour Market Flexibility

The concepts of labour market flexibility and institutional theory are well established within their respective disciplines. The majority of studies utilising institutional theory focus on private and industrial organisations and usually study a range of organisational, relational and population characteristics.

Institution is defined as the social entity that is characterised by a self-regulating nature. Jepperson (1991) and Lawrence et al (2002) define an institution as those social patterns that, when chronically reproduced, owe their survival to a relatively self-activating social process. The level of institutionalisation depends on the extent of their diffusion and the strength of self-activating mechanisms such as rewards and sanctions. Institutional theory is currently useful in studying institutions and organisations. It is also useful in explaining both the persistence and homogeneity of institutions such as labour markets and how they might change over time in terms of their character.

In the context of studying labour market flexibility, institutional theory could focus on explicating how different cognitive, normative and regulative forces embedded in institutional logics lead institutions operating in different countries to converge on a standard set of processes and practices. Lewin et al (1992) were, however, of the opinion that state as an institution should abstain from intervention in the labour market to allow market forces to work free from constrains. Scott (1995; 2001) considers institutions as consisting of cognitive, normative and regulative structures and activities providing stability and meaning to social behaviour and currently a vibrant method used to study institutions and organisations.

The contribution of institutional theory of labour market and flexibility can be seen from the recently coined concept of 'flexicurity', which gained importance in legislative and labour market policy reform in the Netherlands, and linked a number of previously separated areas of policy making such as 'flexibilisation' and deregulation of the labour market on the one hand, and social security and the concern for the negative consequences of flexible employment on the other hand.

'Flexicurity' as an institutional policy is regarded as a trade-off or new balance between labour market flexibility and increased security for workers, especially those in precarious situations. In this way, 'flexicurity' is considered to be an implementation strategy for transitional labour markets.

The neoliberal response to labour market failure has been to seek flexibility through strategies of deregulations, thereby making the labour market behave more like the commodity market, in which there is unfettered competition and price fluctuates in accordance with the power of demand and supply.

In the context of studying labour market flexibility, institutional theory could focus on explicating how different cognitive, normative and regulative forces embedded in the institutional logic led institutions to converge on a standard set of processes and practices. The means by which the state, through national-level institutional frameworks, affects organisational systems includes the legal and industrial relations frameworks.

The institutional perspectives also emphasise the central role of the actors. It highlights that actors' interpretation of environmental conditions are moderated by institutional logic, which they defined as the norms, value and beliefs that structure the cognition of actors and provide a collective understanding of how decisions are formulated. It is in this context that the shifts in institutional logic will influence which forces are considered important and how they can be responded to.

Scott (1995) highlights the importance of the social and cultural context surrounding and supporting organisational forms and identifies the central role of the state in exercising control over organisations. Campbell and Lindberg (1990) identified three means by which the state, through national-level institutional frameworks, affects the organisational system. Firstly, they argue that the state provides a 'distinctive configuration of organisations' that influence the shape and structure of all organisations. According to Beggs (1995), the degree of congruence between the normative structures in organisations and society is considered to be of significant importance. This is because organisations compete not just for resources and customers, but also for political power, institutional legitimacy and social and economic fitness.

Secondly, Campbell & Lindberg (1990), Scott (1995) and Begg (1995) point out that the state provides specific dispute resolution mechanisms for solving conflicts between and within organisations. In the Nigerian context, this is done through the Industrial Arbitration Panel and the

National Industrial Court. The government, mainly for the resolution of industrial conflict, set up these institutional frameworks. The state defines and enforces priority rights, which entails the rules by which the control of ownership and control of the means of production are determined.

It is in this context that Beaumont & Harris (1998) suggested that institutional arrangements are relevant in the explanation for national differences or variations in certain key industrial relations or economic phenomena. This includes things such as the levels of trade union density, strike activity and wage inflation. Therefore, it could be argued that the role of state institutions in regulating national labour markets has major consequences for variations and similarity in labour market flexibility practices.

One major criticism against the institutional approach is that its theory of wage determination through the competitive labour market did not take into account the fact that many labour market are not competitive, and that the presence of non-competitive institutional elements such as the trade unions into the economic analysis of labour markets has altered most of the outcomes of wage and employment determination under pure theory (Fajana, 1998). In the Nigerian oil sector, where collective bargaining co-exists with wage commissions appointed by the government, the question asked, in view of the fact that the state is also a major employer of labour, is how its involvement and decisions can be favourable to labour. Owoye (1994), using aggregate data, examines the Nigerian strike experience from 1950 through 1989 and explains the influence of the state on wage determination; the estimated results show that that unilateral wage determination and incomes policies by the state significantly contribute to the increase in the frequency of strikes in Nigeria.

This institutional theory typically focuses on the effects of social and industrial relations policies (see Western & Beckett, 1999; Baker et al, 2004). Therefore, the roles of the state in the Nigerian Shell-dominated sector can be best understood by using the institutional analysis of labour market flexibility. Furthermore, institutional theory is best suitable to explain both the persistence and homogeneity of institutions, as well as how institutions might change over time in terms of their character and potency, as witnessed in Shell Nigeria (DiMaggio, 1988).

#### 3.8 Conclusion

The purpose of this chapter, which the researcher hopes to have achieved, has been to engage in relevant theories in relation to labour market and give an explanation of their contributions to labour market reforms. The chapter gave an explanatory account of the Marxist theory in relation to labour market regulation and capitalist social formation by explaining the meaning of capitalist compulsion to accumulate wealth and the capitalist's unquestionable thirst for surplus value extraction. The researcher's opinion is that the way and manner that capitalism shifts from one mode of regulation is a function of the crisis inherent therein. The chapter highlighted the important contributions of the Marxist to the ways we understand labour market reforms and examined how capitalism operates as a mode of production by giving a detailed analysis and mode of the crisis inherent therein. This involved a discussion and explanation of regulation and regimes of accumulation. It explained that these modes of production have implications on the labour market and demonstrated that the crisis embedded in capitalism was as a result of the global decline in profit and the new mode of regulation was as a result of ameliorating the declining profit.

The second half of the chapter examined the contribution of various other theories relevant to the labour market, such as the dual labour market theory, the classical school and neoclassical school theory, contract theory of labour market and the institutional theory of wage determination. It explained the dual labour market to be into primary and secondary markets, with the former paying with possibilities of promotion, job stability and better working conditions and the later having unstable working patterns and low-paying jobs. The researcher, in the course of his investigation, also identified a race form of labour segmentation in the internal labour market structure within Shell Nigeria. The researcher admittedly agree that Shell Nigeria's core labour market pays indigenous and expatriate workers very well and that they enjoy career mobility and security of employment; my instigation revealed gross disparities between the terms and conditions of core indigenous workers and core expatriate workers.

The views and assumption of the classicists that the labour market was similar to the goods market and that workers possess the capacity, which is termed their *labour power*, and the demand for the labour power by the capitalists, who combine it with their means of production, was explained. The idea of the neoclassical theorists, who basically perceived free markets as the efficient way to ensure

social justice and make capitalism beneficial to everyone, as well as their scientific and empirical contribution to the study of labour market, was also brought to fore in this chapter.

The chapter evaluated the contribution of institutional theory to labour market and flexibility by regarding it as a trade-off or new balance between labour market flexibility and increased security for atypical workers, especially those in precarious situations. The researcher explained the concept of 'flexicurity' as the neoliberal response to labour market failure, which he traced to the Netherlands, where it gained importance in both legislative and labour market policy reforms as an institutional policy.

By engaging in all the above arguments, this chapter has provided an explanatory framework for the empirical evidence presented in the thesis. Consequently, it allows me to address the central purpose of the thesis, which is to examine the impact of labour market reforms on employment security in Shell Nigeria.

## **Chapter Four**

### Research Methodology and Approach

"When I find myself in the company of scientists, I feel like a shabby curate who has strayed by mistake into a drawing room full of duke." W.H. Auden

#### 4.1 Introduction

The purpose of undertaking this study is to understand the realities of the impacts of labour reforms in Shell Petroleum Development Company in Nigeria. From the beginning of the investigation, participants were classified into three groups: the employees, the management and government officials. Subsequently, a detailed literature review was undertaken as presented in the earlier Chapter Two. Empirical data for this study was collected through guided interviews and the questionnaire, as attached in Appendices 1, 2 and 3. This section draws attention to the relationship between the researcher and the 'subjects' of research, the research design, including sampling, and the nature of the research questions.

This chapter focuses on how the investigation of labour reforms was implemented in Shell. As to how the main arguments were tested and the sample of 304 respondents was obtained and the characteristics of this sample, a triangulation method utilising quantitative and qualitative techniques was used in this study. The researcher explained the appropriateness of the research method for the investigation of labour reforms in Shell Petroleum Development Company in Nigeria and the impacts on employment security.

Sekeran (1992:10) stipulates clearly that 'the relationship between subjects and objects of research have an impact on the research that is being conducted'. Therefore, the relationship was closely monitored during the research process so as not to affect the purpose of the research. For example, the researcher had worked as a casual staff member for Shell in the past; it was, therefore, important to ensure that the sentiments he shared with the worker respondents did not cloud his objectivity.

Secondly, the researcher developed an interest in labour relations when he did a course in industrial and labour relations during his undergraduate programme. The researcher later joined the employment of Afprint Nigeria Plc. The researcher worked in the human resource department

performing the functions of industrial relations officer in the textile division of the multinational company operating under the business name Chanrai Group. Before this time, the researcher had also worked as a casual employee in the logistics department of Shell Petroleum Development Company. These two events developed the researcher's interest to pursue a Master's Degree in Industrial Relations and Personnel Management at the University of Lagos.

The researcher was eventually employed in academia and seized the opportunity to embark on a PhD programme in Industrial, Organisational and Labour Studies (IOLS) at the University of KwaZulu-Natal. Although the researcher's interest and subsequent research into labour reforms in Shell was not planned, it can also not be said to be accidental.

### 4.2 The Relevance of Reviewing the Literature

The literature review provides extensive information about labour reforms and a greater understanding of the concept of labour flexibility. The literature survey and field research were the primary and secondary sources respectively that were used to gather information that helped in the investigation of the research questions that are relevant to the subject matter. The researcher embarked on an in-depth literature survey as indicated in Chapter Two before constructing the questionnaire, thus enabling the researcher to gain a better understanding of the concept of 'labour reforms'.

It was through a thorough literature review that the researcher arrived at a theoretical and intellectual foundation upon which the empirical study was built. This foundation emanates from the argument that the labour reforms implementation in Shell has impacts on employment security, and there was an indication that there exists a negative relationship between labour market reforms and employment security linked to the on-going restructuring in the oil sector. The theoretical and intellectual foundation upon which this study was built enabled the researcher to formulate a reliable and valid means of undertaking this investigation. As a result, the researcher was able to build a solid foundation of the argument surrounding the discourse of labour reforms and their impacts on employment security.

The idea behind conducting a literature review was to ensure that no critical issues relating to labour reforms were ignored. In most research, it is possible that some of the critical issues are never brought out in the interviews, either because the interviewees do not articulate them or are unaware of their impact, or because the issues seem so obvious to the interviewees that they are not stated. If there were issues that are not identified during the interviews, but that influence the problem critically, then doing research without considering them would be an exercise in futility (Sekeran, 1992:37). Such errors were avoided in this investigation of labour reforms.

In order for the researcher to stay focussed on the topic under investigation, the objectives of the study are reiterated. Within the context of labour reforms and their impacts on employment security, the objectives are to:

- Assess the impact of labour market reforms' implementation on the workers of Shell Petroleum Development Company in Nigeria;
- Ascertain what other types of labour market reforms have been implemented in the oil-producing sector in Nigeria;
- Understand the reasons that led the private sectors, in this case, Shell Petroleum Development Company, to implement labour market reforms in Nigeria;
- Investigate the impact of these labour market reforms on the size of the workforce working conditions, and job security;
- Ascertain if these reforms were negotiated with labour formations before implementation; and
- Determine how this new form of work order has impacted on individual and household income and livelihoods.

# 4.3 The Research Approach

Researchers interested in behavioural and organisational problems can focus their enquiries in three different directions; these are generally called basic, applied and evaluative research. Although each can be found under other names, depending on the context within which they are used. For example, basic research is often called pure and experimental research, and applied research often appears under terminology of policy research and action research. Finally, evaluation research is sometimes referred to as assessment or appraisal research, and even as social accounting (Miller & Salkind, 2002:3). The key research problem of this study, if I may reiterate, was to evaluate the impact of the

regime of labour reforms taking place at Shell in Nigeria on employment security of the workers; it is, therefore, an impact evaluation research.

To address this problem, the methodology for this study consists of the research design, the study population the sampling technique, research instruments, the research process, methods of data collection and data analysis.

# 4.4 The Research Design

The research design is the complete scheme or programme of the research that expresses the hypotheses, their operational implications and the final analysis of data (Kerlinger, 1986). It is the link between the data that has been collected and the conclusion that is to be drawn in relation to the questions raised for the purpose of the study. Hussey & Hussey (1997:54) define research design as the overall approach to the research process from the theoretical underpinning to the collection and analysis of the data. Similarly, Page & Meyer (2000:41) provide a detailed description of research design when they define it as a plan that the researcher uses to obtain participants and collect information from the participants with the purpose of reaching conclusions about the research problem.

The research design selected must be able to answer the research question, thereby serving the purpose for which the research was undertaken. The design to be used depended on the research objective and data requirements in attaining the objectives; design also dealt with how the study is conducted and the procedures adopted to obtain answers to research questions and the test of hypotheses. Babbie & Mouton (2001), Asika (2004) and Creswell (2009) opined that the research design answered the research questions validly, objectively, accurately and economically. Research design is the glue that holds the research project together. It is used to structure the research, and show how all of the major parts of the research project, which include the samples or groups, measures, treatments or methods of project or assignment, work together to try to address the central research questions (Trochim & Donnelly, 2007).

Good design must be able to control variances by maximising systemic variance and controlling extraneous system variance; it should produce data that proffers and provides an answer to the

research questions and test the research hypothesis. Also, a good research design should maintain both external and internal validity. For the purpose of this study, the research design adopted is empirical using the primary data through survey method and case research study.

# 4.4.1 Population

According to Asika (1991: 39), 'a population is made up of all conceivable elements, subjects or observations relating to a particular phenomenon of interest to the researcher'. It is the individual elements or subjects that constitute the population. Reaves (1992) observed that a population consists of every member of a particular group that could be measured. The study population for this research consists of the five locations of Shell Petroleum Development Company in Nigeria. Reaves (1992: 356) defined the population as 'the entire group of objects, people or events that a piece of research is attempting to find out about' (Reaves, 1992:356). Saxena (1995:200) defined population or universe as the collection or the aggregate (usually large) of individuals or the stability of observations. Huysamen (1997:2) defines a population as the total collection of individuals who have attributes in common to which the research hypotheses refer. Grinnel & Williams (1990:124) define a population as the totality of persons or objects that a study is concerned with. Lastly, Kidder & Judd (1986) define the population as the aggregate of all the cases that conform to some designated set of specifications.

A survey was conducted among a sample of 304 respondents scientifically selected from the population. In essence, the figure is fairly representative of the 20 thousand populations. Kidder & Judd (1986) define a sample as a process of selecting some of the elements with the aim of finding out something about the population from which they are taken. Simon & Burstein (1992) define a sample as a collection of observations for which you have data with you from which you are going to work. Sekeran (1992) define it as a subject or sub-group of the population. Sampling is used as a process of selecting a sufficient number of elements from the population so that, by studying the properties or the characteristics of the sample of subjects, the researcher would be able to generalise the properties or characteristics of the population elements (Sekeran 1992:369). The workers of Shell Petroleum Development Company in Nigeria were interviewed.

## 4.4.2 Sampling Design

In designing the sample, the researcher opted to using a non-probability sampling approach. The approach, if followed properly, allows every element in the population to have an equal chance of being included in the sample, which is a fundamental core part of probability sampling. In this investigation, sampling design encompasses a description of a population, sample and the sampling technique used in conducting the investigation.

The need for sampling was emphasised by Saunders et al (2009); they argue that, for some research questions, it is possible to collect data from the entire population if they are of a manageable size. However, they warned researchers not to assume that a census would provide more useful and better results than collecting data from a sample that represents the entire population. They posited that sampling is a valid alternative to census in the following situation:

Similarly, Asika (1991: 39) gave rationale for drawing a sample from the population; to drive home his point, he gave the following example. According to Asika, "A population might be finite, in which case its size or extent is conceivable and estimable. For example, all Nigerians who make up the population of Nigeria can be counted. Therefore, the population of Nigeria is finite and conceivable. On the other hand, a population might be infinite; that is to say, a complete count of all elements or subjects who make up that population, e.g. all grains of sand in the world, cannot possibly be made. A population might be finite and not countable. All ants that inhabit the world constitute a finite population that cannot possibly be counted." He maintained that 'whether a population is finite or infinite, the process of drawing a sample from that population is arduous, expensive and time consuming' (p.39).

At first, the researcher intended to utilise a probability sampling technique by filtering questions to eliminate non-group members. The idea behind the rationale was to enable the researcher to self-administer questionnaires to a group as large as 5000 (employees, employers and government officials). If this method was utilised, it would have enabled the researcher to minimise the generally very poor level of returns and, in the end, the researcher would have been able to generalise the results. However, due to the financial limitations associated with a large sample of respondents, a non-probability sampling technique, known as purposive sampling, was utilised in this project. This

is because the project aims to investigate a particular group of people who have been affected by the labour market reforms and the impact that the reforms has on the continuity of the job (purpose).

As such, self-administered questionnaires and interviews were used to gather all relevant information on the subject matter. A total of 304 employees were selected from a population of 20, 000 workers of Shell Petroleum Development Company in five locations across Nigeria. The respondents were drawn from different departments of Shell Petroleum Development Company. All the levels of organisational hierarchy, including junior and senior employees, are represented in the sample.

# 4.4.3 Sampling Technique

For the purpose of this study, 304 employees were selected from a population of 20, 000 workers of Shell Petroleum Development Company in five locations across Nigeria. The respondents were drawn from different departments of Shell Petroleum Development Company. All the levels of organisational hierarchy, which comprises 167 junior staff, 87 middle and 48 senior employees and an additional 10 management staff, were represented in the sample.

For the researcher to get a sample of 304 respondents, he visited the areas and made arrangements with the officials of the company and union formations. In selecting the sample, the researcher used a non-probability sampling technique known as purposive sampling. This is because the project aims to investigate a particular group of people who have been affected by the labour market reforms. A project of this nature requires a wide range of opinions on the subject matter and this was achieved through the administration of questionnaires. As such, self-administered questionnaires and guided interviews were used to gather all relevant information on the subject matter.

#### 4.5 Data Collection Methods

The word 'method' in this inquiry is used to refer to ways in which evidence is obtained and manipulated, or, more conventionally, to techniques of data collection and analysis (Blaikie, 2000). Having reviewed numerous happening nationally and locally in the context of multinational oil companies and their workers, the researcher came to realise that the hypothesis under investigation in this study was observable. The following two data collection techniques were used:

- Questionnaire (self-administered); and
- Interviews with management staff of Shell Nigeria and government officials.

# 4.6 Data Analysis Techniques

# 4.6.1 Qualitative Data Analysis Technique

Qualitative studies involve extensive fieldwork whereby the researcher goes to where the cases are located and obtains information on them in their natural setting. In this way, the researcher does not attempt to manipulate any aspect of the situation being studied, but takes it as it is. The researchers use their experiences and insights to design a study and interpret the findings (Sekeran, 1992:37). In a qualitative study, the interviewer might have a suggested set of questions, but asks them as the situation dictates. Based on the response to one question, the interviewer asks another question.

The use of qualitative methods allowed the researcher to elaborate on interpretations of phenomena without depending on numerical measurements (Zikmund & Babin, 2013:132). The purpose of using qualitative research was to explore true inner meanings and insights of employers and employers with regards to the subject matter. Qualitative research is an attempt to explore and describe social phenomena about which little is presumed a priori and it also interprets and describes these phenomena in terms of their meaning and helps to make sense of these meanings (Giacomini, 2001). Qualitative research provides a means through which a researcher can judge the effectiveness of particular policies, practices and innovations. It is, therefore, not strange that the researcher chose to adopt a qualitative approach in his study, since he is conducting an impact evaluation into the labour reforms taking place in Shell Petroleum Development Company in Nigeria.

A great deal of information is always obtained from the responses gathered from the interview questions, since qualitative studies tend to be descriptive in their nature and to make sense out of them might be difficult. During the interviews, the researcher records information accurately, writes clearly, divides from important details and draws appropriate conclusions from information (O'Sullivan & Rassel, 1999). This is the main qualitative data analysis approach used by the researcher in this study. This research uses qualitative data analysis techniques to analyse data.

The research is aimed at establishing the correlation between labour market reforms and employment security in Shell Petroleum Development Company in Nigeria. Data collected was entered into qualitative analysis computer programming, viz computer-assisted qualitative data analysis NVIVO. The raw data obtained was coded and organised into conceptual categories to create themes or concepts; this simplified the data and also made it more organised. The organisation of the data into themes was done taking into consideration the objective the study aims to achieve. Responses from the interview of 10 officials in the Ministry of Employment, Labour and Productivity form the data and were imputed in NVIVO for analysis.

# 4.6.2 Quantitative Data Analysis Technique

The data generated through self-administered questionnaires was coded using SPSS Version 21 and subsequently cleaned. This was to enable the researcher to be able to test the hypothesised causal relations between quantified variables, which include statistically quantitative variables that are countable and can also be categorised (also see Giacomini, 2001). As noted by Giacomini (2001), quantitative research questions require variables that describe natural phenomena, coupled with a belief that these variables exist and can be measured objectively. Secondly, they require a belief that causal laws govern the behaviour of the variables. Thirdly, they need a testable (falsifiable) hypothesis about a statistical relation between the variables.

# **4.6.2.1 Descriptive Statistics**

In this study, the descriptive statistics analysed data and permitted the researcher to meaningfully describe a set of figures with a small number of indices. If such indices are calculated for a sample drawn from a population, they are referred as parameters (Gay & Diehl, 1992:462). The descriptive statistics were used to categorise and describe the respondents' demographic characteristics.

According to <a href="http://www.socialresearchmethods.net">http://www.socialresearchmethods.net</a>, descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data.

## 4.6.2.2 Frequency and Percentages

Frequency and percentages were utilised as the descriptive statistics in the study (see Chapter Five). According to Cozby (1989:64), a frequency indicates the number of subjects who receive each possible score on a variable. One of the most common ways to describe a single variable is with a frequency distribution. However, a frequency also refers to the number of times various subcategories of a certain phenomenon occur, from which the percentage of the occurrence of the subcategories can be easily calculated (Sekeran, 1992:259). According to Allen & Meyer (1996:883) a percentage is defined as a rate or proportion percent. According to O'Sullivan & Rassel (1999:330), a percent reports the number of units as a proportion of 100. Frequency and percentages were used to explain the following characteristics of the biographical data in this study, which are: age, gender, marital status, income, department and educational qualifications.

The bar graphs and circle/pie graphs are also used to present percentages from the questionnaire responses. Bar graphs are a particularly effective and simple way of presenting data. According to O'Sullivan & Rassel (1999:324), a bar graph shows the variable along one axis and the frequency of cases along the other, and the bars in the bar graph should be of the same width for all categories. Bar graphs are used to present percentage distributions for variables.

A circle graph, also called a pie chart, is a representation of a complete circle indicating a quantity that is sliced into a number of wedges. This graph conveys what population of the whole is accounted for by each component and facilitates visual comparisons among parts of the whole. The sizes of the 'piece of pie' reflect the proportions listed for each piece (O'Sullivan & Rassel, 1999:324). Finally, the circle represents 100 percent of the quantity of the resource of the other factor displayed.

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#### 4.6.2.3 Inferential Statistics

The inferential statistics used in this inquiry are chi-square Goodness of Fit and Models of Frequency Tables. According to Gay & Diehl (1992:496), inferential statistics are concerned with determining how likely it is that results based on samples are the same results that would have been obtained for the entire population. Sekeran (1992:259) outlined that these types of statistics help the researcher when he/she wants to know how the variables relate to each other, when there are

differences between two or more groups, and the like. Models of Frequency Tables assisted the researcher in analysing the relationship between independent and dependent variables; i.e. between defined problems and factors contributing to those problems. As far as correlation is concerned, in probability theory and statistics, correlation, also called correlation coefficient, indicates the strength and direction of a linear relationship between two random variables (http://en.wikipedia.org/wiki/Correlation).

# 4.7 Research Propositions and Questions

One is not in doubt that the flexibility trend is a global tendency informed by globalisation and neoliberal ideologies. Admittedly, it is a relatively recent development in the third world nations when compared with Europe and the United States. In Shell Petroleum Development Company in Nigeria, labour reforms such as outsourcing, part-time 'casualisation', fixed-term jobs and temporary jobs have been implemented and employment security is being eroded.

The key questions to be addressed in this study are as follows:

- What types of labour market reforms were implemented by the management of Shell Petroleum Development Company in Nigeria?
- How have the labour market reforms affected employment security and benefits of workers in Shell Petroleum Development Company?
- What are the implications of such reforms on an individual worker's income in Shell Petroleum Development Company?
- What are the implications of such reforms on the livelihood of the workers?
- How have these labour market reforms ignited worker-organised union and community resistance in Nigeria?

In trying to provide adequate answers to the above research questions, the researcher opted to use a case study of Shell Petroleum Development Company, the biggest multinational oil company in Nigeria.

### 4.8 Case Study as a Strategic Methodology

Case studies, as a form of research strategy, focus on understanding the dynamics present within a single organisation (Eisenhardt, 1989). A number of definitions and understandings of what a case

study is have been proposed, Bromley (1990) defines a case study as a systematic enquiry into an event or a set of events that aims to describe and explain a phenomenon of interest to the researcher. Yin (2003) contends that case study research investigates the phenomenon within its real-life context and uses prior theoretical propositions to guide the processes of data collection and analysis. This method of research permits the researcher to conduct a systematic in-depth investigation into a particular instance in its context in order to generate knowledge.

Although used loosely even among seasoned researchers, the nature of case research can be made clearer when adopting a realist epistemology (Easton, 1995). Suering (2008) aptly defined case study as an empirical investigation that questions a contemporary phenomenon and context that are not clearly evident. It is a better strategy when the researcher's intention is to know 'how' and 'why', when the investigator cannot control the events, and when the research is centred on a contemporary phenomenon within a real-life context (Yin, 2003). In a similar vein, Stake, in Baxter & Jack (2008), used different terms to describe a variety of case studies as intrinsic, instrumental or collective. Below are the definitions and different typologies of case studies identified by them.

Yin (2003) further contends that the type of case study to be used by a researcher depends on the existence of three conditions, which are:

- The research questions posed and the propositions made;
- The degree of control the researcher has over actual behavioural events; and
- The degree focus on contemporary as opposed to historical events.

Although there is no best realist research design, case studies are, in most cases, preferred and remain a qualitative research methodology. According to Noor (2008), the choice of the method to be used depends on the nature of the problem. It is widely believed that case studies are widely useful research methodology in the realms of social sciences because they are down to earth and attention holding; at the same time, they have been criticised as an unsuitable basis for generalisation (Stake, 1978). Yin (1981), in his analysis of the crisis of case studies, argues that a common misconception of case studies is that they are solely the result of ethnographies or of participant observation when numerous case studies have been done without necessarily using these methods; he opined that case studies do not imply the use of particular data collection method and that case

studies can be done using either quantitative or qualitative evidence, and such evidence may come from field work, archival records, verbal reports, observation or any combination of these.

Yin (2003) contends and argued for instances when case study design should be considered to include when the focus of the study is to answer 'why' and 'how' questions, the researcher cannot manipulate the behaviour of those involved in the study, the researcher intends to cover contextual conditions that are considered relevant to the phenomenon under study, or when the boundaries are unclear between the boundaries and the context. Similarly, Eisenhardt (1989) defined the case study as a research strategy that focuses on understanding the dynamics present with a single setting; he gave examples of early case study research to include Allison's study of the Cuban missile crisis (1971) and Pettigrew's research on decision-making at a British retailer. He observed that case studies can be done using either single or multiple cases.

## 4.8.1 Single and Multiple Case Studies

While it is important to know the case and specific type to be conducted, consideration must be given to the prudence of conducting a single case study or if a better understanding of the phenomenon can be gained by conducting a multiple case study (Baxter & Jack, 2008). Yin (2003) opined that some field in the social sciences, such as politics and anthropology, tend to equate multiple case studies with comparative studies and consider it to be a different methodology from a single case study. The truth here, however, is that multiple case studies might look similar to comparative research, but they are not the same.

According to Baxter & Jack (2008), multiple case studies allow the researcher to analyse each setting and across settings. While a holistic or single case study with embedded units only allows the researcher to understand one unique case, they argue that, if a study contains more than a single class, then a multiple case study is required. They posed the question: what is the difference between a holistic or single case study with embedded units and a multiple case study? Baxter & Jack's (2008:550) answer is: "The simple answer is that the context is different for each of the cases." When the intention of the researcher is to look at the same issue, but the researcher is intrigued by different decisions, Baxter and Jack recommend a single case study with embedded units. However, they warned about the pitfalls that novice researchers adopting this method are likely to fall into,

which is: "They analyse at the individual subunit level and fail to return to the global issues they initially set out to address." (Baxter & Jack, 2008: 550)

The researcher chose the single case study over the multiple case studies for this research because it is insightful from a single situation that can be generalised. The concentration on one organisation (case study) allowed the researcher the opportunity to do an in-depth investigation.

## 4.8.2 Strengths and Weaknesses of Case Studies

Foundational scholars, such as Yin (1999; 2003), Stake (2005; 2008) and Merriam (1995) contends that case studies are a unique and distinctive form of empirical enquiry. The strengths of case studies lie in the fact that they are comparatively flexible and emphasise exploration rather than prescription or prediction. They allow an investigator to begin his research with broad questions and try different methods in order to narrow the focus of the experiment As for Noor (2008), case studies lay emphasis on context and specialise in 'deep data' or thick description; they have a powerful and emotional impact on the readers and give the investigator a holistic view of a certain phenomenon or events.

This is not to imply that case studies do not have their weaknesses; among them are that they lack scientific rigour and issues of generalisation are not addressed (Noor, 2008). Case studies are also inherently subjective and can be stereotyped as the weak sibling among social science research methods. As Yin (1989) contends: "Investigators who do case studies are often regarded as having deviated from their academic disciplines, and their investigation as having insufficient precision, objectivity and rigor." Another weakness of case studies is that they are time consuming, as it takes time to include different research methods in order to get an inclusive case, and requires high investment as it involves learning more about the subject being tested since it emphasises 'deep data'. Finally, a common complaint about case studies is that investigators change direction during the course of the study, unaware that their original research design was inadequate for the revised investigation.

With this privileged information in the mind, it guided the researcher against the shortcomings and weaknesses whilst trying to maintain the purpose of objectivity and validity of his research.

#### 4.9 Research Instrument

The two research instruments used for collection of data were the questionnaires and structured interviews. Following are the questionnaires and interview.

#### 4.9.1 **Questionnaire**

For the purpose of this study, a questionnaire with a combination of structured, semi-structured and open-ended questions was administered to assess people's expectations and perceptions of existing status quo. The questionnaire was selected as being the most suitable method of data collecting from respondents. The selection of a questionnaire as a measuring instrument was informed by the aims and objectives of the inquiry, which was to answer questions, propose solutions to problems and develop theories of interest to labour reforms and their impacts on employment security.

The primary instrument for data collection for the purpose of this study is the structured questionnaire. There are two types of questionnaires devised for this research. Questionnaires (Appendix A and B) were used to collect data from participants; the questionnaire in Appendix A was used to collect data from employees and the questionnaire in Appendix B was used to collect data from management (employer). The employees' questionnaire is divided into three sections (A, B and C). Section A is concerned with demographic data of the respondents and it includes questions such as age, sex, marital status and income. Section B contains educational information and skill possession. Section C contains questions on the implementation of labour reforms (flexibility trends) taking place in Shell Nigeria.

On the other hand, the employer's questionnaire contained questions that concerned the types of labour reforms implemented by Shell, reasons for the implementation of such reform policies, the beneficiaries of the policy and the challenges faced in the implementation of the labour reforms.

Rule & Vaughn (2011: 66) define questionnaires as printed sets of field questions to which respondents respond on their own (self-administered) or in the presence of the researcher (investigator administered). Questions raised in a questionnaire can be either open-ended or close-ended. Open-ended and close-ended questions differ in characteristics, especially with regards to the role of the respondent when answering the questions. Close-ended questions limit the participant's

responses to the offered set of alternatives. Open-ended questions allow the respondents to express their opinions without limits and/or the influence of the researcher (Foddy, 1993:127). A good questionnaire is one that consists of both types of questions. Furthermore, a questionnaire is a self-reporting instrument that can be used to gather specific information with regard to variables that interest the researcher (Wolf, 1997:422). A questionnaire is a quantitative data collection tool that is normally distributed to a large number of participants (Leedy & Ormrod, 2001; 2002-2004; Gray, 2004:207, and De Vos et al, 2005:167).

The questionnaire administered for this study was designed by the researcher based on the research questions stated above. The respondents were drawn from different departments of Shell Petroleum Development Company. All the levels of organisational hierarchy, including junior and senior employees, shall be represented in the sample. Questionnaires were also administered to a total of 10 management staff at Shell Petroleum Development Company. All these respondents shall be included in order to have a cross-section of all shades of opinions. The respondents to the questionnaires are well informed on the topic of the research; this is because they are either responsible for the implementation (employer) of the reforms or they are directly affected by the outcome of the implementation (employees).

The questionnaires were personally administered to the subjects of the research. A questionnaire is defined as 'a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives' (Sekeran, 1992:200). Sekeran regards it as an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variable of interest. According to O'Sullivan & Rassel (1999:207), questionnaire writing involves deciding what variables to measure and how to accurately and adequately measure the variables. For the researcher to be able to maximise responses, the researcher used two types of questions. The two types of questions are the open-ended questions and the closed or fixed alternative questions.

Open-ended questions allow respondents to present their answers freely, in their own words, without limitations imposed by the interviewer or by phrasing of the question. O'Sullivan & Rassel (1999:210) define open-ended questions as those questions that allow the respondent to answer in his

or her own words. Haralambos (1985:511) defines open-ended questions as those questions that allow the respondent to compose his/her own answer rather than choosing between a number of given answers. This might provide more valid data, since he can say what he means in his own words. As a result, all participants in this study had an opportunity to express themselves. The problem encountered by the researcher with the open-ended questions was the difficulty in classifying and quantifying them.

The closed or fixed alternative questions were also considered to be a suitable form of data collection. The fixed alternative question limits a person's answer to a fixed number of alternatives. Haralambos (1985:511) defines closed or fixed choice questions as those questions that require a choice between a number of given answers. O'Sullivan & Rassel (1999:210) also define closed-ended questions as those questions that ask the respondents to choose from a list of responses. These types of questions do not allow the respondent to qualify and develop his/her answer. To a greater extent, the closed or fixed choice questions used by the researcher limited the respondents' responses in this study.

## 4.9.1.1 Questionnaire Intensity

Empirical evidence shows that, while many people might enjoy the attention and stimulation of being interviewed, others might consider it a nuisance, particularly if the interview comes at a time when they are tired, pre-occupied or uncomfortable. In light of that, the researcher limited the length of the questionnaire. To control, accommodate and deal with the issue of interview schedule intensity, the researcher interviewed both the employers and employees during the mornings; those who could not readily respond to the questions because of the schedule of duty suggested lunch time. By doing so, the problems associated with the questionnaire intensity were successfully controlled.

## 4.9.1.2 Reliability of the Measuring Instrument

Many scholars of quantitative research methodology have variously defined reliability and validity, looking at it from different perspectives (Golafshani, 2003). The notions of validity and reliability, according to Merriam (1995:52), 'must be addressed from the perspective of the paradigm out of which the study has been conducted'. Bashir et al (2008) conceived reliability and validity as germane to the discussion of qualitative research and they remain appropriate concepts for attaining

rigor in quantitative research. They see reliability and validity as terms that 'are conceptualised as trustworthiness, rigor and quality in qualitative paradigm and that can be achieved by eliminating bias and increasing the researcher's truthfulness of a proposition about some social phenomenon using triangulation' (p.43).

## 4.9.1.3 Content Validity

The research instrument of this study (questionnaire) comprises three sections, namely (a) the demographic details information (age, gender, marital status, income and department), (b) the educational information and type of skill possessed, and (c) implementation of labour reforms (flexibility trends). The employees' questionnaire consisted of 24 questions or items. All items were grouped according to the objectives of the study, which are to scientifically explain the implementation and determine whether or not these reforms have impacts on the employment security in Shell Petroleum Development Company in Nigeria.

The employers' questionnaire consists of 10 questions or tap items. As part of attaining content validity, employers' questions were also carefully designed around the above-stated objectives. Herneson et al (1987) define content validity as the representativeness of the sample of questions included in the instrument. Both sets of questions were constructed around labour

Research instruments are devices used for the purpose of obtaining information relevant to the research project (Wilkinson & Birmingham, 2003). They posited that there are many alternatives to choose from and there is no definite method of conducting social research. Additionally, they maintained that there is no single research method or instrument that is inherently superior to another. Data is transient and ever changing; when data is critically and analytically examined, we gain new insights and we also discern new problems that demand further research (Leedy & Omrod, 2001). The methods used by the researcher for the purpose of this study are three types; these involve a series of in-depth interviews, which were backed up by secondary and primary data. The primary data involves using structured questionnaire and interview schedules.

## 4.9.1.4 Piloting the Questionnaire

In order to ascertain if the questionnaire would have achieved its intended objective, a pilot study was conducted amongst 10 employees and two employers. Cozby (1989:113) defines a pilot study as a mini experiment in which the investigator tested the procedures with a small number of subjects. The results of the pilot study are not included in the actual data analysis. By piloting the questionnaire, the researcher was able to ascertain which questions were to be omitted and what changes were to be made in the final draft. By conducting a pilot study, the researcher was also able to gauge if the subjects would understand the instructions and if there were any corrections to be done before the full scale inquiry was conducted. The other reason for the researcher conducting a pilot study was to determine the validity and reliability of the questionnaire as a measuring instrument. In the end, the responses generated from the pilot study confirmed that the questionnaire was indeed a useful instrument for the inquiry.

#### 4.9.2 Interview

Interviewing is one of the most frequently employed qualitative methods. Indeed, the term 'qualitative methods' commonly denotes data collection techniques based on various types of conversations between researchers and respondents (Seale, 1999). Crouch & McKenzie (2006) argued that the one-to-one interview is arguably the primary form that is used in many research settings and can be quite variable in style, such as duration, the role of the interviewer and the degree of structure of the conversation that constitutes the interview.

Research based on interviews often seeks to penetrate social life beyond appearance and manifest meanings. According to Schoenberger (1991), interviewing is an obtrusive method, which elicits the statements to be analysed. This is so even where respondents are encouraged to freely 'tell their story', because that story might not have been told, or told in a particular way, without the interviewer's intervention, both through the initial prompt and subsequently throughout the course of the interview (Crouch & McKenzie, 2006). It is for this reason that the literature on interviewing contains extensive discussions of problems associated with the interactive aspect of the interviewing process, amongst which are interviewer bias, variability of rapport and, especially from an empiricist perspective, validity issues relating to the interpretation of the interview material. However, Weiss (1995) observed that there are also much less frequently mentioned advantages in interviewer-

interviewee interaction. According to him, in an interview, the researcher's discretion with respect to the conduct of the interview is part of an open-ended mode of inquiry that can produce great richness of material if the researcher is responsive to cues as they occur in the course of the interview. Furthermore, without the constraint of a pre-determined grid of specific questions or issues to be discussed, the very scope of the inquiry can broaden or even shift in response to the emergent interview material. Worth noting are the psychological benefits respondents might obtain from the opportunity to 'tell their story' to a most attentive listener.

#### 4.10 Sources for Data Collection

In the course of this study, the researcher sourced his information from both primary and secondary sources to identify and evaluate the labour reforms strategies utilised by Shell management and the impacts of such reforms on employment security in its Nigerian subsidiary.

## 4.10.1 Primary Sources

The primary sources used in this investigation, as earlier explained, are the questionnaire (self-administered) and interviews with government officials.

A primary source refers to a document or record containing first-hand information or original data on a topic. It could also imply a work created by a person who directly experienced an event (see Charmaz, 2014; Carlson et al, 2011 and Hertzum et al, 2002).

## 4.10.2 Secondary Sources

A secondary source of data collection is one step removed from the original event or experience. It is a source that provides criticism or interpretation of a primary source (Carlson et al, 2011). It refers to any published or unpublished work that is one step removed from the original source, usually describing, summarising, analysing and evaluating, and derived from or based on primary source materials (Hertzum et al, 2002). The secondary sources used in this investigation include Shell's policy documents, letters of employment from core and segregated workers, annual reports, corporate journals, collective agreements, memoranda, communiqué and government publications. The aim of using these types of documentary evidence is to minimise overtly relying on a single data source, which might have implications on the objectivity and validity of the research outcome. One of the limitations envisaged in this research is a situation where management of Shell was not

willing to grant access and co-operate with the researcher. This was overcome by using the trade union organisation as a mouthpiece in requesting access to the workplace. The biggest challenge that the researcher had to overcome was to ensure that respondents' identities remained anonymous.

#### 4.11. Limitations of the Research

The ability of a researcher to obtain both primary and secondary data was predicated on accessibility to appropriate sources and many student researchers want to embark on their research immediately they have identified a topical area of interest, forgetting that organisation, groups or individuals might be unwilling to co-operate because of the time and resources involved (Saunders et al, 2009).

The response to my requests for co-operation and access to my case study was not initially favourable, as it sounded uninteresting to the organisation and its representative. This attitude might be due to a number of reasons, such as:

- The research topic might have looked so sensitive that the company might not want a study conducted into it;
- The organisation might be concerned about the confidential nature of the information that I might require them to provide to me in the course of the research; and
- The fear that business secrets of the organisation might be divulged to the competitors, with consequent implications on the profitability of the firm.

The researcher was, however, able to convince the organisation that ethical research values would be strictly followed before they would grant me a gatekeeper's letter and access to the company, but on two strict conditions that the organisation would not be financially committed to the research and that a copy of the thesis, when completed, would be made available to the organisation.

My PhD programme is a self-sponsored effort; therefore, the financial implication of conducting this study lies solely on me. I had no doubts that I was going to encounter some financial constraints as the study covers the five locations where Shell operations are taking place in Nigeria.

#### 4.12 Ethical Issues and Considerations

The biggest ethical challenge that the researcher encountered were security, full disclosure and limitation of information, individual access and openness. This was overcome by ensuring that respondents' identities remained anonymous. There was full disclosure to the subjects as regards to the confidentiality of information obtained. The data obtained was confidentially maintained by storing it in a secured location that minimises the situation of disclosure of sensitive personal information and preventing modification and unauthorised access. The reasons, specific and legitimate, of embarking on this study were explained to the subjects, which enabled them to make an informed decision as to whether or not to participate in this research (Cresswell, 2009).

The researcher made respondents and interviewees aware that actual names were not going be used in this project, and, during my conversation with the interviewees, I sought to know the condition under which they wanted the interview conducted; where they were of the opinion that the names and positions should not be mentioned, I strictly followed such opinions, and, where participants wanted the interview conducted off the record, the discussion took place without the tape recorder.

## 4.13 Conclusion

This chapter deliberates on the rigorous methodologies used in the study. The objectives of the study were reiterated so as to show the synergy with the research method used. It explains why the questionnaire was used to conduct the investigation. The data collected improved the researcher's knowledge of the segmented workforce in Shell Nigeria and the challenges facing these categories of workers. The sampling design and the technique used to collect data are further elaborated upon. Focus is placed on the importance of using the combination of quantitative and qualitative methods in data analysis. The researcher explained and justified why he opted to use a non-probability sampling approach – so every element in the population has an equal chance of being included in the sample if followed properly. The key questions to be addressed in this investigation were reiterated in an attempt to provide adequate answers to them. The researcher's reasons for using the single case study over the multiple case studies and why he considered it to be the most appropriate form of research design for this thesis were justified by highlighting its merit and demerits. The researcher's reasons for choosing Shell Petroleum Development Company for his investigation were also justified in this chapter.

The researcher went further to explain the concepts of validity and reliability by highlighting how important and relevant it is in both quantitative and qualitative paradigms. The limitations associated with the use of qualitative and quantitative methods were also discussed in detail. The researcher then focussed on how the method allowed him to test the hypotheses and come out with the resultant appropriate conclusions.

Finally, this chapter lays the foundation for Chapter Five, in which the results are presented and analysed in detail. The research design and methodology used in the study helped the research meet the objectives and answer the research questions on labour reforms and their impact on employment security in Shell Petroleum Development Company in Nigeria.

## **Chapter Five**

# **Analysis of Empirical Results**

#### 5.1 Introduction

The results of the data generated through rigorous and extensive interviews with respondents are presented in detail in this chapter. The process culminated in a self-administered questionnaire among respondents from 15/02/13 to 31/09/13. The questionnaire was self-administered at Shell Petroleum Development Company in Nigeria. Two sets of questionnaires were utilised, one from the employees (see Appendix 1) and the other from the employers (see Appendix 2). Furthermore, interviews were also conducted with government officials using an interview schedule (see Appendix 3).

It took the researcher approximately three months to effectively deal with the gate-keeping syndrome and be able to gain proper access to Shell Petroleum Development Company in Nigeria. In conducting interviews with the Ministry of Labour officials, the researcher was assisted by a friend who works in the Ministry of Labour. A sound relationship existed between the researcher and the participants of the study. This relationship meant the participants were prepared to make their contribution to this milestone intellectual journey.

## 5.2 Biographical Data of Respondents

The tables depicted show the demographic features of the respondents. The demographic details of respondents included the following independent variables: age, gender, marital status, income, department, educational qualification and skills possessed. In analysing data, the characteristics of the sample are depicted using tables and pie charts. The tables offer insights into the sociodemographic characteristics of the respondents of this study, showing the socio-demographic features and information of the respondents, while charts represent a graphical presentation.

**Table 1: Age of Respondents** 

Age	Frequency	Percentage
18- 27	100	32.9
28-37	61	20.1
38-37	90	29.6
48-57	47	15.5
58+	6	2
Total	304	100

The above statistics reveal that 100 (32.9%) of the respondents are between the ages of 18 and 27, the age 38 to 47 bracket accounts for 90 (29.6%) of the respondents, 61 (20.1%) are those within the age bracket of 28 to 37, those who are between 48 and 57 years of age are 47 (15.5%) and the least number of respondents 6 (2%) are those above 58 years. An interesting statistical finding is that workers who are between 18 and 37 years account for 82.6% of the sampled population. This reflects the youthful nature of the Shell Petroleum Development Company labour force and the volatile nature of the working conditions at Shell Petroleum Development Company, as younger workers are more susceptible to exploitation and demeaning working conditions.

**Table 2: Gender of Respondents** 

Gender	Frequency	Percentage
Male	138	45.5
Female	166	54.6
Total	304	100

The age distribution of respondents clearly reflects that the majority, 166 (54.6%), are female and 138 (45.4%) are male. There is no significant statistical difference between female and male respondents. Considering the patriarchal nature of the Nigerian society and the type of company under investigation, one would have expected a wide gap in employment trends between male and female participants. However, this points to the fact that Shell Petroleum Development Company is

far ahead in implementing redress measures by ensuring women are fairly represented in their employment profile.

**Table 3: Marital Status of Respondents** 

Marital Status	Frequency	Percentage
Single	106	34.9
Married	171	56.3
Divorced	5	1.6
Widow	4	1.3
Separated	18	5.9
Total	304	100

At Shell Petroleum Development Company, the majority of respondents, 171 (56.3%), are those who are married, followed by 106 (34.95%) who are single, separated respondents account for 18 (5.9%) of the sample, 5 (1.6%) are divorced and the least number of respondents, 4 (1.3%), are those who are widowed.

**Table 4: Income Distribution of Respondents** 

Income	Frequency	Percentage
N18,000 - N50,000	27	8.9
N51,000- N100,000	76	25.0
N101,000- N150,000	55	18.1
N151,000- N200,000	92	30.3
N201,000- N300,000	34	11.2
N301,000 +	20	6.6
Total	304	100

A total of 76 (25%) employees at Shell Petroleum Development Company still earn between N51, 000 and N100, 000 and 55 (18.1%) earn between N101, 000 and N150, 000. The large proportion of employees, 92 (30.3%), at Shell Petroleum Development Company earn between N151, 000 and

N200, 000. A large number of respondents, 34 (11.2%), earn between N201, 000 and N300, 000. The income distribution levels further denote that the least number of respondents, 27 (8.9%) and 20 (6.6%), are those who earned between N18, 000 and N50, 000, and N18, 000 and N301, 000.

**Table 5: Departments of Respondents** 

Department	Frequency	Percentage
Admin	60	19.7
Marketing	46	15.1
Finance	18	5.9
<b>Human Resources Management</b>	54	17.8
Accounts	22	7.2
Procurement	8	2.6
Legal	7	2.3
Engineering	80	26.3
Logistics	5	1.6
Security	4	1.3
Total	304	100

Most respondents, 80 (26.3%), interviewed during the fieldwork research visit are employed in the engineering department. A significant proportion, 60 (19.7%), is also employed in administration, followed by human resources management with 54 (17.8%), marketing department with 46 (15.1%), accounting department with 22 (7.2%), finance with 18 (5.9%), procurement with 8 (2.6%), legal department with 7 (2.3%), logistics with 5 (1.6%), and security accounts for 4 (1.3%). Considering the nature of the work undertaken at Shell Petroleum Development Company, one is not surprised that engineering respondents constitute the majority of the sampled population.

**Table 6: Educational Status of Respondents** 

<b>Educational Level</b>	Frequency	Percentage
Secondary	19	6.3
Matriculation	28	9.2
Tertiary	256	84.5
Total	303	100

The educational qualifications of respondents reveals that the majority of respondents, 256 (84.5%), are those with tertiary qualification, followed by matriculation with 28 (9.2%), and the least number of respondents, 19 (6.3%), are those with secondary education. Both Matric and secondary education account for only 47 (15.5%) of the sampled population. These statistics speak to the fact that Shell Petroleum Development Company is more biased towards employees who have attained higher levels of qualifications. This did not come as a surprise in view of the nature of the company under investigation.

**Table 7: Types of Skills Possessed** 

Skills Possessed	Frequency	Percentage
Administrative	47	17.6
Marketing	38	14.2
Electrical	28	10.5
Accounting	27	10.1
Technical	21	7.9
Analytical and Design	34	12.7
Conceptual and Interpersonal	20	7.5
Industrial Relations	17	6.4
Human Resources	5	1.9
Mechanical	9	3.4
Legal Skills	7	2.6
Managerial	2	0.7
Budgeting	8	3.0

Security	4	1.5
Total	267	100

The majority of respondents, 47 (17.6%), possess administrative skills, 38 (14.2%) have marketing skills, 34 (12.7%) design skills, 28 (10.5%) electrical skills, 27 (10.1%) accounting skills, 21 (7.9%) technical skills, 20 (7.5%) conceptual and interpersonal skills, 17 (6.4%) industrial relations skills, 9 (3.4%) mechanical skills, 8 (3%) budgeting skills, 7 (2.6%) legal skills, 5 (1.9%) human resources skills, 4 (1.5%) security skills, and the least number of respondents, 2 (0.7%), are those with managerial skills.

# 5.3 Presentation of Data Generated from Employees at Shell Petroleum Development Company

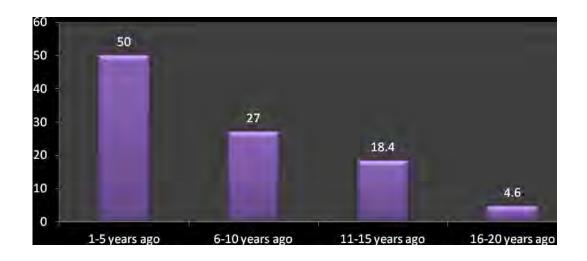


Figure 3: Length of Service

The purpose of this research is to understand the impact of labour market reforms on employment security in Shell Petroleum Development Company. The first question posed by the researcher to the respondents was: when did they join the company? The objective of this question was to understand the length of service of the respondents and relate it to their level of understanding the reforms that have taken place at Shell Petroleum Development Company. The length of service statistics clearly reflects that the majority of respondents, 152 (50%), joined the company between one to five years ago, followed by 82 (27%) who joined Shell Petroleum Development Company 6 to 10 years ago,

followed in turn by 56 (18.4%) who joined the company 11to 15 years ago, and the least number of respondents, 14 (4.6%), joined Shell Petroleum Development Company 16 to 20 years ago.

Furthermore, when age was cross-tabulated by the number of years the respondents have spent in the organisation, it shows that a significant number of respondents, 90 (29.6 %), who are in the age bracket of 18 to 27 years, said they have been employed for 1 to 5 years, followed by 17 (11.4%) respondents who have been employed for 11 to 15 years. A total of 7 (2.3%) said they have been employed for 6 to 10 years, and 3 (1%) respondents have been employed for 11 to 15 years in the organisation. Interestingly, none of the respondents between the ages of 18 and 27 years has spent 16 years and above in the organisation. This is, however, expected, because it would amount to child labour for a person of 27 years to have worked for over 16 years in an organisation.

From the respondents between the ages of 28 and 37, 31 (10.2%) have worked for 1 to 5 years, 27 (8.9%) have worked for 6 to 10 years, 2 (0.7%) have worked for between 11 and 15 years, and 1 (0.3%) has been with the company for 16 to 20 years. In the age bracket of 34 to 37, a total of 38 (12.5%) have spent 11 to 15 years in Shell Petroleum Development Company, 29 (9.5%) have been employed for 6 to 10 years, 23 (7.6%) have been employed for 1 to 5 years, and nobody in this age group has been with the company for over 16 years. Among the respondents in the age bracket of 48 to 57, a total of 18 (5.9%) have been with the company for 6 to 10 years, 13 (4.3%) have been with the company for 11 to 15 years, 8 (2.6%) claimed to have worked for the company for 1 to 5 years, and another 8 (2.6%) have been with the company for 16 to 20 years. Among the respondents who are above 58 years old, 5 (1.6%) have worked for the company for 16 to 20 years, 1 (0.3%) has worked for the company for 6 to 10 years, none have worked for less than 5 years, and, similarly, nobody in this category of respondents has worked for the company for 11 to 15 years.

The gender cross-tabulation of the respondents reveals that, from the male grouping, a total of 64 (21%) have been with company for 1 to 5 years, followed by 35 (9.6%) who have been with the company for 11 to 15 years, 28 (9.2%) who have been with the company for 6 to 10 years and 11 (4.6%) who have been with the company for 16 to 20 years. A total of 88 (28.9%) of female respondents have been with the company for 1 to 5 years, 54 (17.8%) have been with the company

for 6 to 10 years, 21 (6.9%) have been with Shell Petroleum Development Company for 11 to 15 years and 3 (1%) have been with Shell Petroleum Development Company for 16 to 20 years.

The marital status cross-tabulation reveals that the majority of employees, 97 (31.9%), who are single joined the company 1 to 5 years ago, followed by 6 (2%) who joined Shell Petroleum Development Company 6 to 10 years ago, and the least number of respondents, 3 (1%), joined the company 11 to 15 years ago. From those who are married, 69 (22.7%) joined the company 6 to 10 years ago, 51 (16.8%) joined Shell Petroleum Development Company 11 to 15 years ago, 40 (13.2%) joined the company 1 to 5 years ago and 11 (3.5%) joined the company 16 to 20 years ago, and 1 (0.3%) joined the company 1 to 5 years ago. A total of 4 (1.3%) widowed join the company 6 to 10 years ago. From the separated category, a total of 14 (4.6%) joined the company 1 to 5 years ago, 2 (0.7%) joined Shell Petroleum Development Company 11 to 15 years ago and 1 (0.3%) joined Shell Petroleum Development Company 11 to 15 years ago, respectively.

The income cross-tabulation reveals that 27 (8.9%) respondents who earn between N18, 000 and N50, 000 have worked for the company for 1 to 5 years. A total of 63 (20.7%) respondents who earn between N51,000 and N100,000 have been with Shell Petroleum Development Company for 1 to 5 years and 13 (4.3%) have been with Shell Petroleum Development Company for 6 to 10 years. The cross-tabulation further reveals that 31 (10.2%) respondents who earn N101, 000 to N150, 000 have been with Shell Petroleum Development Company for 1 to 5 years, followed by 14 (4.6%) who have been with the company for 11 to 15 years, 8 (2.6%) who have been with the company for 6 to 10 years and 2 (0.7%) who have been with the company for 16 to 20 years. A total of 50 (26.4%) have been with the company for 6 to 10 years, followed by 24 (7.9%) who have been with Shell Petroleum Development Company for 1 to 5 years, 15 (4.9%) who have been with Shell Petroleum Development Company for 11 to 15 years, 3 (1%) who have been with Shell Petroleum Development Company for 16 to 20 years, earning N151, 000 to N200, 000. Furthermore, 19 (6.3%) who have been with Shell Petroleum Development Company for 11 to 15 years, followed by 10 (3.3%) who have been with the company for 6 to 10 years, 4 (1.3%) who have been with the company for 16 to 20 years and 1 (0.3%) who has been with the company for 1 to 5 years, earning N201, 000 to N300, 000. Lastly, 8 (2.6%) employees who have been with the company for 11 to 15 years, followed by 6 (2%) who have a service of 1 to 5 years, 5 (1.6%) with a service of 16 to 20 years and 1 (0.3%) with a service of 6 to 10 years, earning N300, 000+.

When department was cross-tabulated with length of respondents' employment at the company, from the administrative department, 33 (10.9%) said they have worked for the company for 1 to 5 years, 16 (5.3%) said for 6 to 10 years, 6 (2%) assert that they have been in the company for 11 to 15 years, and 5 (1.6%) have worked for 16 to 20 years. In the marketing department, 27 (8.9%) said they've been with Shell Petroleum Development Company for 1 to 5 years, 6 (2%) said they have worked for 6 to 10 years, 13 (4.3%) assert they've been working for 11 to 15 years and none of the marketing department staff members have worked for 16 to 20 years. In the finance department, 10 (3.3%) have worked for 1 to 5 years, 8 (2.6%) have worked for 6 to 10 years and none from the finance department have worked for either 11 to 15 years or 16 to 20 years. In the HRM department, 17 (5.6%) asserted they've been working for Shell Petroleum Development Company for 1 to 5 years, 18 (5.9%) said they've worked for 6 to 10 years, 17 (5.6%) said they have been with the company for 11 to 15 years, and 2 (0.7%) said they've been in the company for 16 to 20 years. In the accounts department, 10 (3.3%) said they have been at Shell Petroleum Development Company for 1 to 5 years, 4 (1.3%) asserted they have worked for 6 to 10 years, 6 (2%) said they have been working for 11 to 15 years, and 2 (0.7%) have worked for 16 to 20 years. In the procurement department, 3 (1%) said they have been working for 1 to 5 years, none of the procurement department have worked for 6 to 10 years, 5 (1.6%) have worked for 11 to 15 years, and none of the procurement department have worked for 16 to 20 years. In the legal department, 5 (1.6%) said they've been working for 1 to 5 years, none of the legal department have worked for 6 to 10 years, 2 (0.7%) asserted they've worked for 11 to 15 years, and none have worked for 16 to 20 years. In the engineering department, 42 (13.8%) said they've been working for 1 to 5 years, 26 (8.6%) asserted they have been working for 6 to 10 years, 7 (2.3%) said they've been working for Shell Petroleum Development Company for 11 to 15 years, and 5 (1.6%) said they have been with Shell Petroleum Development Company for 16 to 20 years. In the logistics department, 5 (1.6%) said they have been with Shell Petroleum Development Company for 1 to 5 years, none of the logistics department have worked for 6 to 10 years, none of the employees in the logistics department have worked for 11 to 15 years and none have worked for 16 to 20 years. In the security department, none of them have worked for 1 to 5 years, 4 (1.3%) said they've worked for 6 to 10 years, none have worked for 11 to 15 years, and none have been with the company for 16 to 20 years.

The educational cross-tabulation of respondents reveals that 108 (35.5%) of the tertiary respondents joined the company 1 to 5 years ago, 15 (5%) of the respondents with secondary education said that they had been employed by the company for 1 to 5 years, and, of the matriculation respondents, 28 (9.2%) had been in the company 1 to 5 years. From the working period of 6 to 10 years, it was observed that 78 (25.7%) of the tertiary education employees have worked for this period, 4 (1.3%) of the secondary education employees have worked for this period, and none of the matriculated employees had worked for this period. Between the period of 11 and 15 years, 56 (18.5%) of the tertiary education employees have worked for this period, and none of the secondary and matriculated employees had worked for this period. From the period of 16 to 20 years, 14 (4.6%) of the tertiary education employees had worked for this period, while none of the secondary and matriculated employees responded.

When department was cross-tabulated with length of respondents' employment at the company, in the administrative department, 33 (10.9%) said they have been working for 1 to 5 years, 16 (5.3%) said they've worked there for 6 to 10 years, 6 (2%) assert that they've been in the company for 11 to 15 years, and 5 (1.6%) have worked there for 16 to 20 years. In the marketing department, 27 (8.9%) said they have been working for 1 to 5 years, 6 (2%) said they have worked for 6 to 10 years, 13 (4.3%) assert they have been working for 11 to 15 years, and none of the marketing department have worked for 16 to 20 years. In the finance department, 10 (3.3%) have worked for 1 to 5 years, 8 (2.6%) have worked for 6 to 10 years, and none of the finance department. have worked for both 11 to 15 years and 16 to 20 years. In the HRM department, 17 (5.6%) asserted they have been working for 1 to 5 years, 18 (5.9%) said they have worked for 6 to 10 years, 17 (5.6%) said they have been working for 11 to 15 years, and 2 (0.7%) said they've been in the company for 16 to 20 years. In the accounts department, 10 (3.3%) said they have been working there for 1 to 5 years, 4 (1.3%) asserted they've worked there for 6 to 10 years, 6 (2%) said they have been working for 11 to 15 years, and 2 (0.7%) have worked there for 16 to 20 years. In the procurement department, 3 (1%) said they have been working there for 1 to 5 years, none of the procurement department have worked for 6 to 10 years, 5 (1.6%) have worked for 11 to 15 years, and none of the procurement department have worked for 16 to 20 years. In the legal department, 5 (1.6%) said they've been working for 1 to 5 years, none of the legal department have worked for 6 to 10 years, 2 (0.7%) asserted they've worked for 11 to 15 years, and none have worked for 16 to 20 years. In the engineering department, 42 (13.8%) said they have been working for 1 to 5 years, 26 (8.6%) asserted they have been working for 6 to 10 years, 7 (2.3%) said they have been working for 11 to 15 years, and 5 (1.6%) said they have been working for 16 to 20 years. In the logistics department, 5 (1.6%) said they have been working for 1 to 5 years, none of the logistics department have worked for 6 to 10 years, none have worked for 11 to 15 years, and none have worked for 16 to 20 years. In the security department, none of them have worked for 1 to 5 years, 4 (1.3%) of the security staff members said they've worked for 6 to 10 years, none have worked for 11 to 15 years, and none have worked for 16 to 20 years.

The skills cross-tabulation of respondents reveals that 18 (6.7%) of those with administrative skills said they joined the company between 1 and 5 years ago, (5.6%) said they have worked between 6 and 10 years, 9 (3.4%) said 11 to 15 years, and 5 (1.9%) said 16 to 20 years. From the analysis, it could be observed that the modal class as represented in the distribution is those who have been in service between 1 to 5 years. The cross-tabulation with respondents who possess marketing skill reveals the following: the majority of these respondents who are 19 (7.1%) said they joined the company between 1 and 5 years ago, followed by 13 (4.9%) of the respondents who claim that they joined between 11 and 15 years ago, 6 (2.2%) said they have worked between 6 and 10 years and none of them have worked between 16 and 20 years. Cross-tabulation with electrical skilled respondents reveals that most of the respondents, precisely 14 (5.2%), said they joined the company between 6 and 10 years ago; however, they are followed by those who have worked for between 1 and 5 years. There are 9 (3.4%) of them. Following them are 5 (1.9%) of the respondents who claim to have joined between 11 and 15 years ago, and, lastly, 0 of them have worked between 16 and 20 years.

A total of 14 (5.2%) respondents who possesses accounting skills said they joined the company between 1 and 5 years ago, followed by those who have worked for between 6 and 10 years. There are 6 (2.2%) of them. Following them are 5 (1.9%) of the respondents who claim to have joined between 11 and 15 years ago. Lastly, 2 (0.7%) of them have worked between 16 and 20 years. Technical skill-possessing respondents share the following views on when they joined the company.

The modal group is that which comprises those who have spent 6 to 10 years in the organisation. This group has 9 (3.4%) members in it. The next group is those who have spent between 1 and 5 years in the organisation. There are 6 (2.2%) respondents in this group. However, they share the same frequency with respondents who have worked between 11 and 15 years in the organisation. No respondent has worked between 16 and 20 years. Analytic and design skill-possessing respondents are of the following views on when they joined the company. The modal group is that which comprises workers who have spent 1 to 5 years in the organisation. This group has 28 (10.5%) members in it. The next group is those who have spent between 6 and 10 years in the organisation. There are 6 (2.2%) respondents in this group. However, no persons have worked between 11 and 15 years and 16 and 20 years in the organisation.

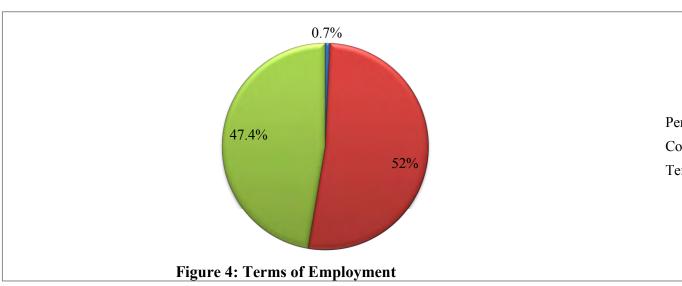
Respondents who possess conceptual and interpersonal skills share the following views on when they joined the company. The modal frequency is that which comprises respondents who have spent between 1 and 5 years in the organisation. This group has 9 (3.4%) members in it. They share the same frequency with the respondents who have spent between 11 and 15 years in the organisation. There are also 9 (3.4%) respondents in this group. However, 2 (0.7%) persons have worked between 6 and 10 years in the organisation. None of the respondents have worked between 16 and 20 years. Respondents who possess industrial relations skills share the following views. The modal frequency is that of respondents, 14 (5.2%), who have spent between 6 and 10 years in the organisation. They are followed by the respondents who have spent between 16 and 20 years in the organisation. There are only 2 (0.7%) respondents in this group. However, only 1 (0.4%) person has worked between 1 and 5 years in the organisation and none of the respondents have worked between 16 and 20 years. Respondents who possess human resources skills share the following views on when they joined the company. The modal frequency is that of respondents who have spent between 11 and 15 years in the organisation. This group has 5 (1.9%) members in it. However, there are no respondents from the other classes.

For respondents who possess mechanical skills, they share the following views. Those who have spent between 16 and 20 years in the organisation number 5 (1.9%) members. They are followed by the respondents who have spent between 1 and 5 years in the organisation. There are only 4 (1.5%) respondents in this group. However, no respondents have worked between 6 and 10 years and 11 and

15 years, respectively. Respondents who possess legal skills share the following views. The modal frequency is that of respondents, 5 (1.9%), who have spent between 1 and 5 years in the organisation. They are followed by the respondents who have spent between 11 and 15 years in the organisation. There are only 2 (0.7%) respondents in this group. However, no persons have worked between 6 and 10 years in the organisation. None of the respondents have worked between 16 and 20 years.

Respondents who possess managerial skills share the following views. The most frequency is that of respondents who have spent between 1 and 5 years in the organisation. There is just 1 (0.4%) member in it. They share the same frequency with the respondents who have spent between 11 and 15 years in the organisation. There is also only 1 (0.4%) respondent in this group. However, none of the respondents have worked between 5 and 10 years and 16 and 20 years, respectively. Respondents who possess budgeting skills share the following views. Those who are 6 to 10 years in the organisation number 6 (2.2%) members. They are followed by the respondents who have spent between 1 and 5 years in the organisation. There is only 1 (0.4%) respondent in this group. Also, only 1 (0.4%) respondent has worked between 11 and 15 years in the organisation and none of the respondents have worked between 16 and 20 years. Respondents who possess security skills are examined next. The modal frequency is that of respondents who have spent between 6 and 10 years in the organisation. There are 4 (1.5%) members in this group. There are no respondents who have spent between 1 and 5 years, 11 and 15 years and 16 and 20 years in the organisation.

#### Are you permanent, contract or temporary?



The above statistics from respondents interviewed show that 157 (52%) of workers at Shell Petroleum Development Company are on contract, 143 (47.4%) are temporary and only 2 (0.7%) are permanent. The mere fact that some employees fall under temporary employment made the researcher inclined to ask them to emphasise what the type of atypical employment they fall into. In doing this, five types of atypical employment were analysed. They are: outsourced/agency workers, contract workers, part-time workers, casual workers and temporary workers.

When the age of respondents was cross-tabulated with whether they are permanent, contract or temporary workers, 55 (18.2%) respondents in the age group 18 to 27 said that they are on contract and 44 (14.6%) are temporary workers. Among the respondents between the ages of 28 and 37, 37 (5.3%) are on contract, 23 (7.6%) work as a temporary employee, and 1 (0.3%) is working as a permanent worker. In the age bracket of 38 to 47, 51 (16.9%) are temporary staff members and 38 (12.6%) are on contract. In the age group 48 to 57, 26 (8.6%) are on contract, 20 (6.6%) are temporary workers, and 1 (0.3%) is a permanent worker. Among the respondents who are above 58 years of age, 5 (1.7%) are temporary workers and 1 (0.3%) is a contract worker.

The gender cross-tabulated with employment status reveals that males 70 (23.2%) reported that they were employed as contract workers, while 67 (22.2%) reported that they were employed as temporary workers, and 1 (0.3%) is permanently employed. For female, 87 (28.8%) reported that they were employed as contract workers and 76 (25.2%) reported that they were employed as temporary workers, while 1 (0.3%) reported that she is permanently employed.

The marital status cross-tabulating reveals that most of the single respondents, 56 (18.5%), said they are temporary staff. Next are the 49 (16.2%) respondents who said that they are contract staff. No respondent falls under permanent staff. The married respondents who are contract staff are 100 (58.5%), constituting the modal class of the distribution, followed by 69 (22.8%) of the respondents who claim that they are temporary staff, while only 2 (0.7%) are the least represented in the distribution. Cross-tabulation with divorced respondents reveals that most of the respondents, precisely 3 (1%), said they are contract staff; they, however, are followed by the 2 (0.7%) who claim to be temporary staff. All of the widowed respondents, 4 (1.3%), said they are contract staff. Lastly, separated respondents gave the following responses: 16 (5.3%) of them are temporary staff, and only

1 (0.3%) is a contract staff member. However, no separated member of the respondent is a permanent staff member.

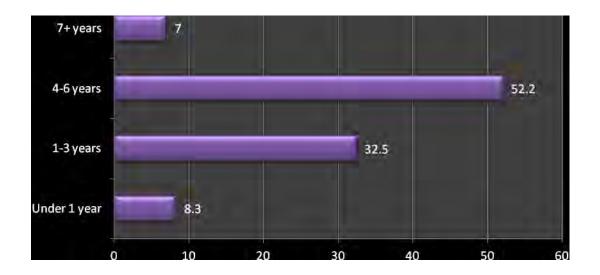
The income cross-tabulation reveals that most of the N18, 000 to N50, 000 earning respondents – that is, 15 (5%) – said they are temporary staff. This group is the modal class of the distribution and has the largest frequency. Next are the 12 (4%) respondents who said that they are contract staff. No respondent falls under permanent staff. The N51, 000 to N100, 000 earning respondents who are temporary staff are 53 (17.5%), constituting the modal class of the distribution, followed by 22 (7.3%) of the respondents who claim that they are contract staff, while none of them who are permanent staff are represented in the distribution. Cross-tabulation with N101, 000 to N150, 000 earning respondents reveals that most of the respondents, precisely 35 (11.6%), said they are contract staff; they, however, are followed by the 19 (6.3%) who claim to be temporary staff. None of them are permanent staff either. Next is the cross-tabulation of N151, 000 to N200, 000 earning respondents, with the question raised above. A total of 69 (22.8%) said they are contract staff, followed by those who are temporary. There are 21 (7%) of them. Following them are only 2 (0.7%) of the respondents who claims to be permanently employed by the company. The N201, 000 to N300, 000 earning respondents who are temporary staff are 26 (8.6%), constituting the modal class of the distribution, followed by 8 (2.6%) of the respondents who claim that they are contract staff, while none of them who are permanent staff members are represented in the distribution. The N300, 000+ earning respondents who are contract staff total 11 (3.6%), which is also the modal class of the distribution, followed by 9 (3%) of the respondents who claim that they are temporary staff, while none of them who are permanent staff members are represented in the distribution.

When department was cross-tabulated with whether the respondents are permanent, contract or temporary workers, the result shows that, in the admin department, 2 (0.7%) said they are permanent, 29 (9.6%) assert that they are contract staff, and 29 (9.6%) said they are temporary staff. In the marketing department, none of the respondents are permanent, 29 (9.6%) said they are on contract, and 17 (5.6%) said they are temporary staff. In the finance department, none of the staff are permanent, 15 (5%) said they are on contract, and 3 (1%) assert that they are temporary. In the HRM department, none of them are permanent, 26 (8.6%) are contract workers, and 27 (8.9%) are temporary workers. In the accounts department, none of the workers are permanent, 10 (3.3%) are

contract staff, and 12 (4%) are temporary staff. In procurement, none of the staff are permanent, none are a contract staff, and 8 (2.6%) are temporary staff. In the legal department, none are permanent, 2 (0.7%) are contract staff, and 5 (1.7%) are temporary workers. In the engineering department, none of the workers are permanent, 37 (12.3%) are contract staff, and 42 (13.9) are temporary workers. In the logistics department, none of the workers are permanent, 5 (1.7%) are contract staff, and none are temporary workers. In the department of security, none are permanent workers, 4 (1.3%) are contract staff, and none are temporary staff.

The educational cross-tabulated on employment status reveals that 2 (0.7%) of the tertiary education workers were permanent workers, while none of the secondary and matriculation were permanent workers. For contract employees, it was discovered that 139 (46.2%) of the tertiary education workers were on contract, 13 (4.3%) of the secondary education respondents are on contract, and 4 (1.3%) of the matriculation education respondents are on contract. For temporary employees, it was gathered that 113 (37.5%) of the tertiary education respondents are on temporary employment, 24 (8%) of the matriculation education are on temporary employment, and 6 (2%) of the secondary education are on temporary employment.

## **Length of their Contracts**



**Figure 5: Length of their Contracts** 

Statistics reveal that the majority of respondents, 82 (52.2%), are on contracts that are between 4 and 6 years long already, followed by those with contracts between 1 and 3 years who account for 51 (32.5), under 1 year with 13 (8.3%) and the least number of respondents are those with 7+ years with 11 (7%).

# If on contract, how long is your contract?

The age cross-tabulation of respondents reveals that 30 (19.1%) respondents in the age bracket of 18 to 27 said that their contract is between 1 and 3 years, 18 (11.5%) claimed that their contract is between 4 and 6 years, and 5 (3.2%) have a contract of under 1 year. In the age bracket 28 to 37, 17 (10.7%) have between 4 and 6 years contract, 7 (4.5%) have a contract of between 1 and 3 years, 7 (4.5%) have a contract of under 1 year, and 7 (4.5%) have a contract of over 7 years. Among the respondents in the age bracket 38 to 47, 28 (17.8%) are on a contract that is between 4 and 6 years, 9 (5.7%) are on a contract of between 1 and 3 years, 1 (0.6%) has a contract of under one year, and 1 (0.6%) has a contract of over 7 years. Among the respondents in the age bracket of 46 to 57, 18 (11.5%) are on a contract of between 4 and 6 years, 5 (3.2%) have worked for between 1 and 3 years, and 3 (1.9%) of the respondents have worked for over 7 years. In the age group 58 and above, only 1 (0.6%) has a contract of between 4 and 6 years.

Gender was cross-tabulated with length of contract. Of the male respondents, 44 (28%) reported that their contract was for 4 to 6 years, while 20 (12.7%) cited that their contracts were for 1 to 3 years, 3 (1.9%) reported that their contract was for under 1 year and only 3 (1.9%) reported that their contracts were for 7+ years. From the female respondents, 38 (24.2%) reported that their contract was for 4 to 6 years, 31 (19.7%) cited that their contracts were for 1 to 3 years, 10 (6.4%) reported that their contract was for under 1 year, and, finally, 8 (5.1%) reported that their contracts were for 7+ years.

The gender cross-tabulation of single respondents reveals that 24 (15.3%), who are the majority of this class, said they have a contract that runs for between 1 and 3 years. 20 (12.7%) of the respondents said their contract runs between 4 and 6 years. They are followed by 4 (2.5%) who say that their contract runs for under 1 year, and none of them have a contract that runs for more than 7

years. From the married respondents, 59 (37.6%) of them said they have a contract that runs for between 4 and 6 years, next are the 22 (15.3%) respondents who have a contract for 1 to 3 years, and 11 (7%) have a contract of 7+ years. Lastly, and the least represented of the distribution, 8 (5.1%) of the respondents say their contract is under a year. From the divorced respondents, 2 (1.3%) of them said they have a contract that runs for between 4 and 6 years, and next is the only 1 (0.6%) respondent who has a contract for 1 to 3 years. However, workers whose contract runs under 1 year and those with 7+ years have nobody in the distribution. From the widowed respondents, all of them, precisely 4 (2.5%), said they have a contract that runs for between 1 and 3 years, and the other classes have no representatives in the distribution. From the separated respondents, 1 (0.6%) of them said they have a contract that runs for between 4 and 6 years, and also under 1 year. None of the respondents have a contract that runs between 1 and 3 years and 7+ years.

Because some of the respondents fall into the category of temporary workers, their cross-tabulated analysis was explained thus: of the single respondents, 16 (11.1%), who are the majority of this class, said they are outsourced/agency workers. 10 (6.9%) of the respondents said they are contract staff. This same frequency is shared by casual and temporary staff. They are followed by 9 (6.3%) who say that they are part-time staff. From the married respondents, 23 (16%) of them said they are outsourced/agency workers, next are the 16 (11.1%) respondents who are both part-time and casual workers, 10 (6.9%) are contract workers and, lastly, 6 (4.2%) are temporary workers. From the divorced respondents, 1 (0.7%) of them said they are outsourced/agency workers. The same frequency also goes for contract staff members. However, no worker who is divorced fell into the remaining three categories; that is, part-time, casual and temporary employees. From the separated respondents, 7 (4.9%), who are the majority of this class, said they are outsourced/agency workers. 6 (4.2%) of the respondents said they are contract staff members. They are followed by 3 (2.1%) who say that they are casual staff. Lastly, no respondent said they are part-time or temporary workers.

The cross-tabulation of respondents based on earnings reveals that those who earn between N18, 000 and N50, 000 are 12 (15.3%) and have a contract that runs for between 1 and 3 years. It was, however, observed that no other respondent admitted to being under contract for under 1 year, between 4 and 6 years and 7+ years. From the N51, 000 to N100, 000 earning respondents, 10 (6.4%) of them said they have a contract that runs for between 1 and 3 years, next are the 6 (3.8%)

respondents who have a contract for 4 to 6 years, and 4 (2.5%) have a contract of 7+ years. Likewise, 4 (2.5%) of the respondents also say their contract is under a year. From the N101, 000 to N150, 000 earning respondents, 18 (11.5%) of them said they have a contract that runs for between 4 and 6 years, and next are the 12 (7.6%) respondents who have a contract for 1 to 3 years. However, workers whose contract runs for under 1 year and those with 7+ years have 2 (1.3%) apiece in the distribution. From the N151, 000 to N200, 000 earning respondents, all of them, precisely 45 (28.7%), said they have a contract that runs for between 4 and 6 years, next are the 13 (8.3%) respondents who have a contract for 1 to 3 years, and 7 (4.5%) have a contract of under a year. Meanwhile, 3 (1.9%) of the respondents also say their contract is 7+ years. From the respondents whose income is between N201, 000 and N300, 000, all of them said they have a contract that runs for between 4 and 6 years, and the remaining contracts lengths have nobody representing the groups. Also, 5 (3.2%), 4 (2.5%) and 2 (1.3%) of the respondents who earn N300, 000+ say that they have a contract for 4 to 6 years, 1 to 3 years and 7+ years respectively.

When department was cross-tabulated with length of respondents' contract, in the admin department, 3 (1.9%) said under 1 year, 13 (8.3%) asserted that their contract is 1 to 3 years long, 13 (8.3%) said 4 to 6 years, and 1 (0.6) said 7 years and above. In the marketing department, 1 (0.6%) said his contract is for under 1 year, 6 (3.8%) said 1 to 3 years long, 15 (9.6%) said 4 to 6 years long, and 5 (3.2%) asserted 7 years and above. In the finance department, 6 (3.8%) said their contract is under 1 year long, 9 (5.7%) said 1 to 3 years long, none said 4 to 6 years long, and none said 7 years and above. In the HRM department, 1 (0.6%) said their contract is under 1 year, 2 (1.3%) said 1 to 3 years long, 21 (13.4%) said their contract is 4 to 6 years long, and 2 (1.3%) said 7 years and above. In the accounts department, none said their contract is under 1 year, 2 (1.3%) said theirs is 1 to 3 years long, 8 (5.1%) said their contract is 4 to 6 years long, and none said theirs is 7 years and above. In the legal department, none said their contract is either under 1 year or 1 to 3 years, 2 (1.3%) said theirs is 4 to 6 years, and none said theirs is 7 years+. In the engineering department, 2 (1.3%) said their contract is under 1 year, 11 (7%) asserted that their contract is 1 to 3 years, 22 (14%) said their contract is 4 to 6 years long, and 3 (1.9%) said theirs is 7 years and above. In the logistics department, none said their contract is under 1 year, 4 (2.5%) said theirs is 1 to 3 years long, 1 (0.6%) said their contract is 4 to 6 years long, and none has a contract of 7 years and above. In the security department, none has a contract of under 1 year, 4 (2.5%) said their contract is 1 to 3 years long, and none have a contract of 4 to 6 years or 7 years and above.

The education cross-tabulation with duration of contract reveals that 13 (8.3%) of the tertiary education employees were under 1 year of contract, and none of the secondary and matriculation education employees are on contract under 1 year. For a contract duration of 1 to 3 years, 33 (21.2%) of the respondents were of tertiary education, 13 (8.3%) of the respondents were of secondary education, and 4 (2.6%) of the respondents were of matriculation education. For a contract duration of 4 to 6 years, it was observed that 82 (52.6%) of the tertiary education respondents are on contract for this period, while none of the employees with secondary and matriculation education are on contract for this period. For the 7 years and above contract period, 11 (7.1%) of the tertiary education respondents are on a contract basis for this working period, while none of the secondary and matriculation education employees are on contract for this period.

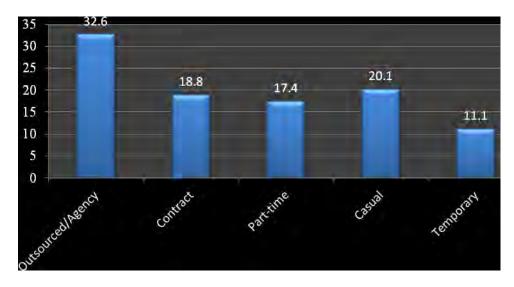


Figure 6: Types of Atypical Worker

The above statistics clearly denote that a significant number of employees, 47 (32.6%), at Shell Petroleum Development Company are with outsourced agencies, followed by 29 (20.1%) who are casual, 27 (18.8%) who are on contract, 25 (17.4%) who are part-time and 16 (11.1%) who are temporary.

As a result of the fact that some of the respondents fall into the category of temporary workers, their cross-tabulated analysis was explained thus: of the N18, 000 to N50, 000 respondents, 7 (4.9%), who are the majority of this class, said they are outsourced/agency workers. 2 (1.4%) of the respondents said they are contract staff, temporary staff, part-time staff, casual staff or temporary staff. From the N51, 000 to N100, 000 earning respondents, 16 (11.1%) of them said they are contract workers, next are the 13 (9%) respondents who are outsourced/agency workers, 10 (6.9%) are casual workers, 8 (5.6%) are part-time workers and, lastly, 5 (3.5%) are temporary workers. From the N101, 000 to N150, 000 earning respondents, 8 (5.6%) of them said they are outsourced/agency workers, and 4 (2.8%) are temporary staff members. However, 3 (2.1%) workers are both casual staff and part-time, and only 1 (0.7%) is a contract staff member. From the respondents who earn N151, 000 to N200, 000, 8 (5.6%), who are the majority of this class, said they are part-time workers, and 6 (4.2%) of the respondents said they are casual staff members. They are followed by 4 (2.8%) who say that they are temporary staff, and 3 (2.1%) said they are outsourced workers, while 2 (1.4%) said they are contract workers. The N201, 000 to N300, 000 earning respondents who are casual and outsourced staff are 8 (5.6%), each constituting the modal class of the distribution; following them are 5 (3.5%) of the respondents who claim that they are contract staff, while 4 (2.8%) of them are part-time staff represented in the distribution. Lastly, only 1 (0.7%) of the respondents is a temporary staff member. The N300, 000+ earning respondents who are outsourced/agency staff are 8 (5.6%), which is also the modal class of the distribution; following them is just 1 (0.7%) of the respondents who claims to be a contract staff member, while none of them who are part-time, casual and temporary staff members are represented in the distribution.

The educational cross-tabulation on what class of atypical work they fall into reveals that 41 (28.5%) of the tertiary education respondents are outsourced, while 3 (2.1%) of both the secondary and matriculation education are agency. From the contract temporary employment class, it was observed that 21 (14.6%) of the tertiary education employees are on contract, 6 (4.2%) of the matriculation education employees are on temporary contract and none of the secondary education employees are on temporary contract. For part-time temporary class, 20 (13.9%) of the tertiary education responded that they are part-time, 4 (2.8%) of the matriculation education said they are part-time, and 1 (0.7%) of the secondary education is part-time. For the casual temporary class, 22 (15.3%) of the tertiary education employees are casual, 5 (3.5%) of the matriculation education respondents are casual, and

2 (1.4%) of the secondary education are casual. From the temporary class of the atypical worker, 11 (7.6%) of the tertiary education employees said they are temporary, 5 (3.5%) of the matriculation education employees said they are temporary and none of the secondary education employees belong to this class.

## **Current Employment Conditions of Workers**

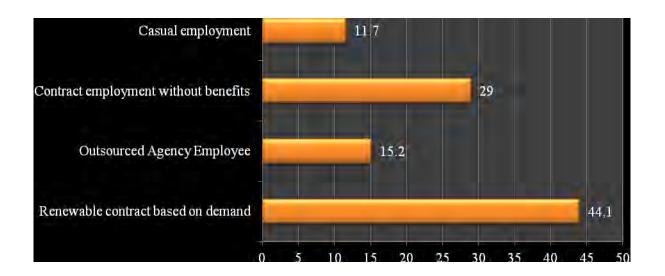


Figure 7: Current Employment Conditions under which Employees Work

A total of 128 (44.1%) of the respondents are employed on renewable contracts based on demand, followed by 84 (29%) who are employed on contract employment that does not have benefits, 44 (15.2%) are employed through outsourced agencies and 34 (11.7%) are on casual employment.

The age level cross-tabulation with the explanations of the current conditions under which respondents work reveals that the majority of the respondents between 18 and 27 years, 40 (13.8%), have their contracts renewable based on labour demand, 25 (8.6%) of the respondents claimed that their employment contract does not have benefits, 17 (5.9%) are outsourced agency employees, and 13 (4.5%) are on casual employment. Among the respondents in the age bracket of 28 to 37, 26 (9%) have their contracts renewable based on labour demand, 17 (5.9%) are working under an employment contract that does not have benefits, 8 (2.8%) are casual workers, and 8 (2.8%) are

outsourced agency employees. The next category of respondents is those in the age bracket of 38 to 47. Of these, 33 (11.4%) work under contract employment that has no benefits, 32 (11%) have renewable contracts based on labour demand, 12 (4.1%) are outsourced agency employees, and 9 (3.1%) are casual employees. In the age bracket of 48 to 57, 27 (9.3%) work on renewable contracts based on labour demand, 8 (2.8%) are on contract employment that does not have benefits, 6 (2.1%) are outsourced agency employees, and 4 (1.4%) are on casual employment. Among the respondents above 58 years, 3 (1%) are on renewable contract based on labour demand, 1 (0.3%) is an outsourced agency employee, and 1 (0.3%) is working on an employment contract that does not have benefits.

When gender was cross-tabulated with current employment conditions, among the male respondents, 58 (20%) stated that they were on a renewable contract based on labour demand, while 33 (11.4%) cited that they were on contract employment that does not have benefits, 21 (7.2%) are on casual employment, and 18 (6.2%) reported to be from an outsourced agency. Of the female respondents, 70 (24.1%) stated that they were on renewable contracts based on labour demand, 51 (17.6%) cited that they were on contract employment that does not have benefits, while 26 (9%) reported to be from an outsourced agency and 13 (4.5%) are on casual employment.

The marital status cross-tabulation with current respondents' employment conditions reveals that the majority of the respondents 43 (14.8%) have their contracts renewable based on labour demand, 25 (8.6%) of the respondents claimed that their contract employment does not have benefits, 17 (5.9%) are outsourced agency employees, and 16 (5.5%) are on casual employment. Among the married respondents, 75 (25.9%) have their contracts renewable based on labour demand, 46 (15.9%) are working under a contract employment that does not have benefits, 25 (8.6%) are outsourced agency employees, and, lastly, 16 (5.5%) are casual workers. The next category of respondents includes those who are divorced; 3 (1%) work on renewable contracts based on labour demand, 2 (0.7%) are under contract employment that has no benefits, and none work under outsourced agency and casual employment. From the widowed respondents, 2 (0.7%) are on contract employment that does not have benefits, 1 (0.3%) is on renewable contract based on labour demand, and the same frequency applies to those who are on renewable contracts based on labour demand, and none of the respondents work under casual employment. Among the respondents who are separated, 9 (3.1%) are working on a contract of employment that does not have benefits, 6 (2.1%) are on renewable

contracts based on labour demand, while 2 (0.7%) are casual employees and 1 (0.3%) is an outsourced agency employee.

The income status cross-tabulation reveals that the majority of the respondents who earn between N18, 000 and N50, 000, 10 (3.4%), have their contracts renewable based on labour demand, 8 (2.8%) of the respondents claimed that their contract of employment does not have benefits, 4 (1.4%) are on casual employment, and 3 (1%) are outsourced agency employees. Among the respondents who earn N51, 000 to N100, 000, 26 (9%) have contract employment that doesn't have benefits, 25 (8.6%) have renewable contracts based on labour demand, 14 (1.4%) are casual workers, and, lastly, 9 (3.1%) are outsourced agency employees. The next category of respondents includes those who are N101, 000 to N150, 000 earners; 25 (8.6%) work on renewable contracts based on labour demand, 13 (4.5%) are on contract employment that has no benefits, 9 (3.1%) are under outsourced agency, and 5 (1.7%) work under casual employment. From the N151, 000 to N200, 000 earning respondents, 41 (14.1%) are on renewable contracts based on labour demand, 23 (7.9%) are on contract employment that does not have benefits, 16 (5.5%) are outsourced agency workers, and 8 (2.8%) of the respondents work under casual employment. Among the respondents who are earners of N201, 000 to N300, 000, 15 (5.2%) are on renewable contracts based on labour demand, 10 (3.4%) are working on a contract of employment that does not have benefits, while 6 (2.1%) are outsourced agency employees and 1 (0.3%) is a casual employee.

When department was cross-tabulated with the explanation of the current employment conditions of the respondents, in the admin department, 25 (8.6%) said their contract is renewable based on labour demand, 7 (2.4%) asserted that they are outsourced agency employees, 17 (5.9%) posited that their contract employment does not have benefits, and 9 (3.1%) said they on casual employment. In the marketing department, 21 (7.2%) posited that their contract was renewable based on labour demand, 8 (2.8%) said they are outsourced agency employees, 14 (4.8%) are of the opinion that contract employment does not have benefits, and 1 (0.3%) said he is on casual employment. In the finance department, 8 (2.8%) said their contract is renewable based on labour demand, 3 (1%) asserted that they are outsourced agency employees, 5 (1.7%) argued that contract employment does not have benefits, and 1 (0.3%) said their employment is casual. In the HRM department, 20 (6.9%) argued that their contract is renewable based on labour demand, 9 (3.1%) said that they are outsourced

employees, 13 (4.5%) asserted that they are on contract employment without benefits, and 7 (2.4%) posited that their work is casual. In the accounts department, 11 (1.7%) agreed that they have a renewable contract based on labour demand, 3 (1%) are outsourced agency employees, 6 (2.1%) are of contract employment that does not have benefits, and 1 (0.3%) said he/she is a casual employee. In the procurement department, 2 (0.7%) said their renewable contract is based on labour demand, none are outsourced agency employee, 4 (1.4%) are on contract employment that does not have benefits, and 1 (0.3%) asserted that their employment is casual. In the legal department, 4 (1.4%) posited that theirs was a renewable contract based on labour demand, none said they are outsourced agency employees, 3 (1%) are of the opinion that contract employment does not have benefits, and none said they are on casual employment. In the engineering department, 33 (11.4%) said their contract is renewable based on labour demand, 13 (4.5%) asserted that they are outsourced agency employees, 19 (6.6%) argued that contract employment does not have benefits, and 13 (4.5%) said their employment is casual. In the logistics department, 3 (1%) posited that their contract was renewable based on labour demand, none said they are outsourced agency employees, 1 (0.3%) is of the opinion that contract employment does not have benefits, and 1 (0.3%) said he/she is on casual employment.

When educational information was cross-tabulated with the explanation of the current employment conditions under which the employees work, it was found that 112 (38.8%) of the tertiary education workers are on renewable contracts based on labour demand, 12 (4.2%) of the secondary education workers work on renewable contracts based on labour demand, while 4 (1.4%) of the secondary education renew their contract based on labour demand. From the outsourced agency employees, 38 (13.1%) are of tertiary education, 4 (1.4%) are of matriculation education, and 2 (0.7%) are of secondary education. From the current employment conditions under which contract employment does not have benefits, 66 (22.8%) of the tertiary education respondents said they don't have any benefits, 10 (3.5%) of the secondary education respondents assert that no benefit is attached to them, and 7 (2.4%) of the matriculation education respondents don't have any benefits. From the casual employment conditions, 28 (9.7%) assert that they are on casual employment conditions, 5 (1.7%) matriculation education respondents said they are on casual employment, while 1 (0.3%) secondary education respondent is on casual employment.

The skills cross-tabulation reveals that the majority of the respondents who possess administrative skills, 22 (8.6%), have their contracts renewable based on labour demand, 10 (3.9%) of the respondents claimed that their contract employment does not have benefits, 8 (3.1%) are on casual employment, and 6 (2.4%) are outsourced agency employees. Among the respondents who possess marketing skills, 15 (5.9%) have renewable contracts based on labour demand, 13 (5.1%) have a contract of employment that does not have benefits, 8 (3.1%) are outsourced agency employees and 0 are casual employees. The next category of respondents are those who possess electrical skills; 14 (5.5%) work on renewable contracts based on labour demand, 5 (2%) are on employment contracts that have no benefits, 5 (2%) work as casual employees, and 2 (0.8%) are under outsourced agency. From the accounting skilled respondents, 12 (4.7%) are on renewable contracts based on labour demand, 6 (2.4%) are on contract employment that does not have benefits, 5 (2%) are outsourced agency workers, and 2 (0.8%) of the respondents work under casual employment. Among the respondents who are skilled with technicalities, 13 (5.1%) are on renewable contracts based on labour demand, 3 (1.2%) are working on a contract of employment that does not have benefits, while 3 (1.2%) are casual employees and 2 (0.8%) are outsourced agency employees.

The majority of the respondents who possess analytic and design skills, 10 (3.9%), have their contracts renewable based on labour demand and the respondents claimed that their contract of employment does not have benefits, 7 (2.7%) are outsourced agency employees and the respondents who are on casual employment, among the respondents who possess conceptual and interpersonal skills, 7 (2.7%) have contract employment that does not have benefits, 5 (2%) have renewable contracts based on labour demand, 4 (1.6%) are outsourced agency employees and 3 (1.2%) are casual employees. The next category of respondents are those who possess industrial relations skills; 7 (2.7%) work on renewable contracts based on labour demand, 4 (1.6%) are on employment contracts that have no benefits, 3 (1.2%) are under outsourced agency, and 1 (0.4%) works as a casual employee. From the human resources skilled respondents, 2 (1.6%) are on renewable contracts based on labour demand and are on contract employment that does not have benefits, and none of the respondents work under casual employment or are outsourced agency workers.

Among the respondents who are skilled mechanically, 4 (1.6%) are on renewable contracts based on labour demand, 3 (1.2%) are working on a contract of employment that does not have benefits, while

1 (0.4%) is an outsourced agency employee and none are casual employees. The majority of the respondents who possess legal skills, 4 (1.6%), have their contracts renewable based on labour demand, 3 (1.2%) claimed that their contract of employment does not have benefits, none are outsourced agency employees and none are on casual employment. Among the respondents who possess managerial skills, all 2 (0.8%) are outsourced agency employees, none have contracts of employment that do not have benefits, or have renewable contracts based on labour demand, and are casual employees. The next category of respondents are those who possess budgeting relations skills; 6 (2.4%) work on renewable contracts based on labour demand, 2 (0.8%) are contracts of employment that have no benefits, none are under outsourced agency, and 0 work as casual employees. Lastly, from the security skilled respondents, 2 (0.8%) are on contract employment that does not have benefits, 1 (0.4%) of the respondents is on a renewable contract based on labour demand and who are outsourced agency worker, work under casual employment.

#### **Working Conditions Prior to the Implementation of Reforms**

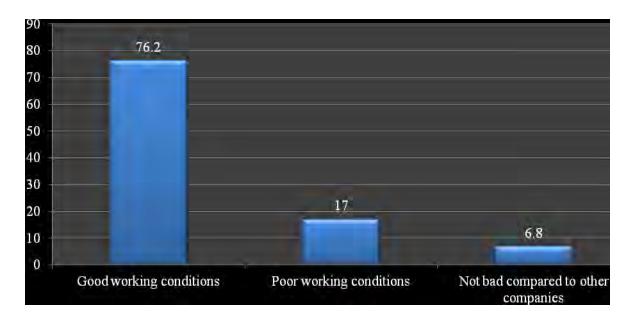


Figure 8: Working Conditions Prior to the Implementation of Reforms

The majority of respondents, 224 (76.2%), felt that their working conditions have not changed as contract workers since the reforms were implemented. A total of 50 (17%) of the respondents highlighted that the working conditions were poor even before the implementation of the reforms. A

small proportion of respondents, 20 (6.8%), felt that their working conditions are not bad when compared to other companies in Nigeria.

The respondents' views were further cross-tabulated by age using their working conditions prior to the implementation of the labour market reforms (flexibility trends). Within the age bracket of 18 to 27, 75 (25.5%) respondents assert that their working conditions have not changed as a contract worker, 16 (5.4%) claimed that they work under poor conditions, and 5 (1.7%) claimed that it is not bad compared to other companies. In the age bracket of 28 to 37, 47 (16%) said their working conditions have not changed as a contract worker, 10 (3.4%) are working under poor conditions, and 2 (0.7%) maintained that the condition is not bad when compared with other companies. Among the respondents in the age bracket of 38 to 47, 65 (22.1%) maintain that their working conditions have not changed as a contract worker, 11 (3.7%) are working under poor conditions, and 11 (3.7%) claimed it is not bad when compared with other companies, while 34 (11.6%) respondents in the age bracket 48 to 57 responded that their working conditions have not changed as a contract worker, 11 (3.7%) are working under poor conditions, and 1 (0.3%) said the working condition is not bad when compared with what is obtained in other companies, while 3 (1%) of the respondents aged 58 and above claimed that their working conditions have not changed as a contract worker, 2 (0.7%) are working under poor employment conditions, and 1 (0.3%) is of the opinion that the working conditions are not bad when compared to other companies.

The gender cross-tabulation reveals that 99 (33.7%) male respondents cited that the working conditions had not changed as contract workers, while 25 (8.5%) cited that there were poor working conditions and 10 (3.4%) indicated that the conditions were not bad compared to other companies. Of the female respondents, 125 (42.5%) cited that the working conditions had not changed as contract workers, while 25 (8.5%) cited that there were poor working conditions and 10 (3.4%) indicated that the conditions were not bad compared to other companies.

The respondents' views were further cross-tabulated using marital status; 79 (26.9%) respondents assert that their working conditions have not changed as a contract worker. This also represents the modal class of the distribution; 17 (5.8%) claimed that they work under poor conditions, 5 (1.7%) claimed that it is not bad compared to other companies, and married respondents gave their opinions

as follows: 123 (41.8%) said their working conditions have not changed as a contract worker, 31 (10.5%) are working under poor conditions, and 12 (4.1%) maintained that the condition is not bad when compared with other companies. From their opinions, it could be observed that most of the married respondents work under conditions that have not changed as a contract worker. They are followed – not closely, though – by those who claim to work under poor working conditions.

Among the divorced respondents, 4 (1.4%) maintain that their working conditions have not changed as a contract worker, 1 (0.3%) claimed it is not bad when compared with other companies, and none of them are working under poor conditions. All widowed respondents, 4 (1.4%), responded that their working conditions have not changed as a contract worker. However, no respondent said he/she is working under poor conditions, or that the working condition is not bad when compared with what is obtained in other companies. Of the separated respondents, 14 (4.8%) claimed that their working conditions have not changed as a contract worker, 2 (0.7%) are working under poor employment conditions, and 2 (0.7%) are of the opinion that the working conditions are not bad when compared to other companies.

The earnings cross-tabulation reveals that the respondents who earn between N18, 000 and N50, 000, 22 (7.5%), assert that their working conditions have not changed as a contract worker. This also represents the modal class of the distribution, and 2 (0.7%) claimed that they work under poor conditions. The same frequency also claimed that it is not bad compared to other companies. Respondents who earn N51, 000 to N100, 000 gave their opinion as: 60 (20.4%) said their working conditions have not changed as a contract worker, 9 (3.1%) are working under poor conditions and 5 (1.7%) maintained that the conditions are not bad when compared with other companies. From their opinions, it could be observed that most of the respondents work under conditions that have not changed as a contract worker. They are followed – not closely, though – by those who claim to work under poor working conditions. Among the N101, 000 to N150, 000 earning respondents, 34 (11.6%) maintain that their working conditions have not changed as a contract worker, 13 (4.4%) are working under poor conditions, and 5 (1.7%) claimed it is not bad when compared with other companies. Most respondents, 70 (23.8%), who are earn between N151, 000 and N200, 000 responded that their working conditions have not changed as a contract worker. However, 14 (4.8%) said they are working under poor conditions and 5 (1.7%) said that the working conditions are not bad when

compared with what is obtained in other companies. 26 (8.8%) of respondents who earn N201, 000 to N300, 000 claimed that their working conditions have not change as a contract worker, 6 (2%) are working under poor employment conditions, and 2 (0.7%) are of the opinion that the working conditions are not bad when compared to other companies.

When department was cross-tabulated, 48 (16.3%) respondents from the administration department said that their working conditions have not changed as a contract worker, 7 (2.4%) assert that their condition of working had become poor, and 3 (1%) said not bad compared to other companies. In the marketing department, 34 (11.6%) cited that the working conditions had not changed as contract workers, while 8 (2.7%) cited that there were poor working conditions and 3 (1%) indicated that the conditions were not bad compared to other companies. In the finance department, 11 (3.7%) said that the working conditions had not changed as contract workers, while 4 (1.4%) cited that there were poor working conditions and 2 (0.7%) indicated that the conditions were not bad compared to other companies. From the HRM department, 43 (14.6%) respondents assert that their working conditions have not changed as a contract worker, 9 (3.1%) claimed that they work under poor conditions, and 2 (0.7%) claimed that it is not bad compared to other companies. From the accounts department, 17 (5.8%) said that their working conditions have not changed as a contract worker, 3 (1%) assert that their condition of working has become poor, and 1 (0.3%) said not bad compared to other companies.

In the procurement department, 5 (1.7%) said that the working conditions had not changed as contract workers, while 1 (0.3%) cited that there were poor working conditions and 2 (0.7%) indicated that the conditions were not bad compared to other companies. In the legal department, 3 (1%) said that the working conditions had not changed as contract workers, while 1 (0.3%) cited that there were poor working conditions and 2 (0.7%) indicated that the conditions were not bad compared to other companies. In the engineering department, 55 (18.7%) respondents assert that their working conditions have not changed as a contract worker, 16 (5.4%) agreed that they work under poor conditions, and 5 (1.7%) said that it is not bad compared to other companies. In the logistic department, 4 (1.4%) said that their working conditions have not changed as a contract worker, 1 (0.3%) assert that their condition of working has become poor, and none said not bad compared to other companies. In the security department, 4 (1.4%) said that the working conditions

had not changed as contract workers, while none cited that there were poor working conditions and none indicated that the conditions were not bad compared to other companies.

The educational cross-tabulation reveals that 185 (63.1%) respondents with tertiary education said that their working conditions have not changed as a contract worker, 24 (8.2%) matriculation education respondents assert that their condition of working still remains the same as a contract worker, and 14 (4.8%) of the secondary education workers said their working conditions still remain the same as contract staff. Still on the working conditions, 46 (15.7%) said, prior to the implementation of the reform, their working condition had become poor, 2 (0.7%) of both the secondary and matriculation education respondents assert that the reform has made their working condition poor, 17 (5.8%) of the tertiary education respondents said their working conditions are not bad compared to other companies, 2 (0.7%) of the secondary education respondents assert that their working conditions are good compared to other companies, and 1 (0.3%) of the matriculation education respondents confirmed that the working conditions are not bad compared to other companies.

The departmental cross-tabulation reveals that, of the respondents who possess administrative skills, 41 (15.8%), assert that their working conditions have not changed as a contract worker. This also represents the modal class of the distribution; 5 (1.9%) claimed that they work under poor conditions, 1 (0.4%) claimed that it is not bad compared to other companies, and respondents with marketing skills gave their opinion as follows: 27 (10.4%) said their working conditions have not changed as a contract worker, 7 (2.7%) are working under poor conditions, and 3 (1.2%) maintained that the condition is not bad when compared to other companies. From their opinions, it could be observed that most of the respondents work under conditions that have not changed as a contract worker. Among those with electrical skills, 19 (7.3%) maintain that their working conditions have not changed as a contract worker, 9 (3.5%) are working under poor conditions and none claimed it is not bad when compared to other companies.

A total of 21 (8.1%) respondents who possess accounting skills responded that their working conditions have not changed as a contract worker. However, 3 (1.2%) said they are working under poor conditions and the same frequency also said that the working conditions are not bad when

compared to what is obtained in other companies. Of the respondents who possess technical skills, 12 (4.6%) claimed that their working conditions have not changed as a contract worker, 6 (2.3%) are working under poor employment conditions and none are of the opinion that the working condition is not bad when compared to other companies. From the respondents who possess analytical skills, 26 (10%) respondents assert that their working conditions have not changed as a contract worker. This also represents the modal class of the distribution, and 4 (1.5%) claimed that they work under poor condition, and 3 (1.2%) claimed that it is not bad compared to other companies. Respondents with conceptual skills gave their opinion as: 16 (6.2%) said their working conditions have not changed as a contract worker, 2 (0.8%) are working under poor conditions and 2 (0.8%) maintained that the conditions are not bad when compared to other companies.

Among those with industrial relation skills, 14 (5.4%) maintain that their working conditions have not changed as a contract worker, 3 (1.2%) are working under poor conditions and none claimed it is not bad when compared to other companies. From 3 (1.2%) respondents who possess human resources skills, responded that their working conditions have not changed as a contract worker. However, 1 (0.4%) said he/she is working under poor conditions and the same frequency also said that the working condition is not bad when compared to what is obtained in other companies. Of the respondents with mechanical skills, 6 (2.3%) claimed that their working conditions have not changed as a contract worker, 2 (0.8%) are of the opinion that the working conditions are not bad when compared to other companies, and 1 (0.4%) is working under poor employment conditions. Among those with legal skills, 3 (1.2%) maintain that their working conditions have not changed as a contract worker, 2 (0.8%) claimed it is not bad when compared to other companies, and 1 (0.4%) is working under poor conditions. A total of 2 (0.8%) respondents who possess managerial skills responded that their working conditions have not changed as a contract worker. None said they are working under poor conditions or that the working conditions are not bad when compared to what is obtained in other companies. Lastly, 4 (1.5%) of the respondents who possess security skills claimed that their working conditions have not changed as a contract worker, and none are of the opinion that the working conditions are not bad when compared to other companies and that they are working under poor employment conditions.

# Types of Labour Market Reforms Implemented at Shell Petroleum Development Company that Affected Workers

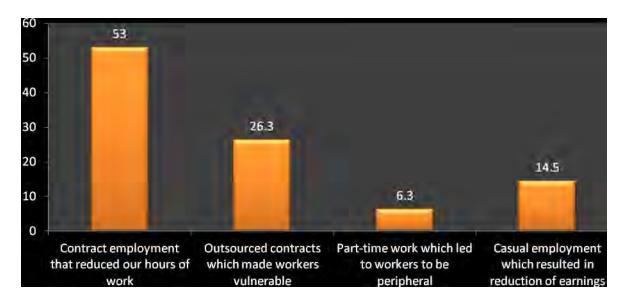


Figure 9: Types of Labour Market Reforms Implemented at Shell Petroleum Development

Company that Affected Workers

Statistics denote that 161 (53%) of the respondents highlighted that the implementation of contract employment affected them, as their hours of work were reduced. Secondly, a total of 80 (26.3%) workers cited that the use of outsourced contracts has made the workers more vulnerable to exploitation. A significant proportion of workers, 44 (14.5%), also felt that the implementation of casual labour has partly affected their take-home pay. Lastly, 19 (6.3%) workers cited that part-time work implementation has led to the 'peripheralisation' of the core staff.

The age cross-tabulation reveals that 50 (16.4%) respondents who are between 18 and 27 years of age had their hours of work reduced as a result of contract employment, 28 (9.25%) observed that outsourced contracts made them more vulnerable, 17 (5.6%) claimed they were affected by casual work and 5 (1.6%) said part-time work made them peripheral workers. Out of the total number of 61 respondents between the ages of 28 and 37, 32 (10.5%) said they were affected by contract employment that reduced their hours of work, 16 (5.3%) asserted that they were affected by outsourced contracts that made them vulnerable, 10 (3.3%) are affected by part-time work that

caused them to be peripheral workers, and 3 (1.0%) said they were affected by casual employment. Respondents in the age group of 38 to 47 are 90 in number, and 51 (16.8%) claimed that contract employment has reduced their hours of work, 23 (7.6%) said outsourced contracts have made them more vulnerable, 12 (3.9%) observed that they were affected by casual employment, and 4 (1.3%) said they were affected by part-time work that made them peripheral workers. Respondents in the age bracket 48 to 57 who were affected by contract employment were 24 (7.9%); those affected by outsourced contracts that made them vulnerable are 12 (3.9%), 6 (2%) claimed to have been affected by part-time work that led to them being peripheral workers, and 5 (1.6%) have been affected by casual employment. Respondents above the age of 58 years are the least affected by the labour market reforms implemented at Shell Petroleum Development Company – 4 (1.3%) are affected by contract employment, 1 (0.3%) is affected by outsourced contracts, and, similarly, 1 (0.3%) is affected by part-time work arrangements.

When gender was cross-tabulated, a total of 73 (24%) of the male respondents reported that they had been affected by contract employment and reduced hours of work, while 34 (11.2%) cited that they had been affected by outsourced contracts that have made them more vulnerable, and 6 (2%) reported that part-time work has affected them and has led them to be peripheral workers. Of the female respondents, 88 (29.9%) of the male respondents reported that they had been affected by contract employment that has reduced their hours of work, while 46 (15.1%) cited that they had been affected by outsourced contracts that have made them more vulnerable. Lastly, 13 (4.3%) reported that part-time work has affected them and has led them to be peripheral workers.

The marital status cross-tabulation reveals that 51 (16.8%) single respondents said that contract employment has reduced their hours of work. A total of 29 (9.5%) felt that outsourced contracts have made them more vulnerable, 21 (6.9%) said casual employment has reduced their earnings and 5 (1.6%) said part-time work has negated them to be peripheral workers. A total of 94 (30.9%) of those who are married felt that contract employment has reduced their hours of work, 44 (14.5%), said outsourced contracts have made them more vulnerable, 21 (6.9%) cited that casual employment has reduced their earnings, and 12 (3.9%) felt that part-time work has led them to be peripheral workers. From the divorced respondents, 3 (1%) said that contract employment has reduced their hours of work, 1 (0.3%) said that outsourced contracts made him/her more vulnerable and that part-time work

has led them to be peripheral workers, respectively. However, none from the divorced category said that casual employment has reduced their earnings.

From those who are widowed, 3 (1%) said that contract employment has reduced their hours of work. A total of 1 (0.3%) said that outsourced contracts has made him/her more vulnerable, none said part-time work has led them to be a peripheral worker and none said casual employment has reduced their earnings. From the respondents who are separated, 10 (3.3%) said that contract employment has reduced their hours of work, 5 (1.6%) said that outsourced contracts have made them more vulnerable, 2 (0.7%) said casual employment has reduced their earnings and 1 (0.3%) said that part-time work has led him/her to be a peripheral worker.

The income cross-tabulation reveals that, from the respondents who earn N18, 000 to N50, 000, 15 (4.9%) said that contract employment has reduced their hours of work. A total of 5 (1.6%) said that outsourced contracts have made them more vulnerable, 5 (1.6%) said that casual employment has reduced their earnings, and 2 (0.79%) cited that part-time work has led them to be peripheral workers. Those who are N51, 000 to N100, 000 earners are observed next; of these, 38 (12.5%) said contract employment reduced their hours of work, 18 (5.9%) said outsourced contracts have made them more vulnerable, 16 (5.3%) said they were casual employees, and 4 (1.3%) said part-time work has led them to be peripheral workers. A total 31 (10.2%) of the respondents who earn N101, 000 to N150, 000 said that contract employment has reduced their hours of work, 14 (4.6%) felt that outsourced contracts have made them more vulnerable to exploitation, and 2 (0.7%) said part-time work has led them to be peripheral workers. However, 8 (2.6%) said that casual employment has reduced their earnings. From the respondents who earn N151, 000 to N200, 000, a total of 46 (15.1%) said that contract employment has reduced their hours of work. A significant proportion, 27 (8.9%), said that outsourced contracts have made them more vulnerable, 11 (3.6%) said casual employment has reduced their earnings and 8 (2.6%) said part-time work has led them to be peripheral workers. Respondents who earn N201, 000 to N300, 000 20 (6.6%) said that contract employment has reduced their hours of work, 12 (3.9%) said that outsourced contracts have made them more vulnerable to exploitation, 1 (0.3%) said casual employment has reduced earnings and 1 (0.3%) said that part-time work has led him/her to be a peripheral worker. Earners of N300, 000+, 11 (3.6%), said that contract employment has reduced their hours of work. A total of 4 (1.3%) said that outsourced contracts have made them more vulnerable to exploitation, 3 (1%) said casual employment has reduced their earnings and 2 (0.7%) said that part-time work has negated them to be peripheral workers.

The department cross-tabulation reveals that, from the admin department, 32 (10.5%) said contract employment has reduced their hours of work, 12 (3.9%) said outsourced contracts have made them more vulnerable to exploitation, 5 (1.6%) said that part-time work has negated them to peripheral workers and 11 (3.6%) cited that casual employment implementation has led to the reduction of earnings. In the marketing department, 28 (9.2%) asserted that contract employment has reduced their hours of work, 14 (4.6%) posited that outsourced contracts have made them more vulnerable, 2 (0.7%) said that part-time work has negated them to be peripheral workers, and 2 (0.7%) cited that casual employment has reduced their earnings. In the finance department, 7 (2.3%) said contract employment has reduced their hours of work, 8 (2.6%) cited that outsourced contracts have made them more vulnerable, 1 (0.3%) said that part-time work has led them to be peripheral workers, and 2 (0.7%) highlighted that casual employment has led to the reduction of their earnings.

In the HRM department, 30 (9.9%) posited that contract employment has reduced their hours of work, 13 (4.3%) cited that outsourced contracts has made them more vulnerable, 4 (1.3%) said that part-time work has led them to be peripheral workers, and 7 (2.3%) felt that casual employment has led to the reduction of their earnings. In the accounts department, 14 (4.6%) said contract employment has reduced their hours of work, 4 (1.3%) cited that outsourced contracts have made them more vulnerable, 2 (0.7%) felt that part-time work has negated them to be peripheral workers and 2 (0.7%) said that casual employment has led to the reduction of their earnings. In the procurement department, 6 (2%) said contract employment has reduced their hours of work, 1 (0.3%) cited that outsourced contracts have made them more vulnerable, none pointed out that they were affected by part-time work, and 1 (0.3%) said that casual employment has led to the reduction of his/her earnings. In the legal department, 6 (2%) are of the opinion that contract employment has reduced their hours of work, none cited that outsourced contracts have made them more vulnerable, none pointed out that they were affected by part-time work, and 1 (0.3%) said that casual employment has led to the reduction of his/her earnings. In the engineering department, 33 (10.9%) said contract employment has reduced their hours of work, 26 (8.6%) cited that outsourced contracts

have made them more vulnerable, 4 (1.3%) pointed out that part-time work has negated core workers to peripheral workers and 17 (5.6%) highlighted that casual employment has led to the reduction of their earnings. In the logistics department, 2 (0.7%) said contract employment has reduced their hours of work, 1 (0.3%) cited that outsourced contracts have made him more vulnerable, 1 (0.3%) cited that part-time work has negated him/her to a peripheral worker and 1 (0.3%) felt that casual employment has reduced his/her earnings. In the security department, 3 (1%) said contract employment has reduced their hours of work, 1 (0.6%) cited that outsourced contracts have made him/her more vulnerable, 1 (0.3%) said that the introduction of part-time work has led to him/her being negated to a peripheral worker and no respondent cited that casual employment has in any way reduced their earnings.

Education was cross-tabulated using a total of 132 (43.6%). Respondents with tertiary education said contract employment has reduced their hours of work, 14 (4.6%) of both the matriculation and secondary education respondents also agreed that contract employment reduced their working hours. A total 71 (23.4%) of the tertiary education respondents said outsourced contracts have made them more vulnerable to exploitation, followed by 7 (2.3%) of those with matriculation education and 2 (0.7%) of respondents with secondary education. A total of 17 (5.6%) tertiary education respondents said they were affected by part-time work that has led them to be peripheral workers, 1 (0.3%) of both the secondary and matriculation education respondents assert that they were affected by the part-time work reform that has led them to be peripheral workers. From the respondents who felt that casual employment implementation has, in turn, led to a reduction of earnings, there are 36 (11.9%) with tertiary education, followed by 6 (2%) with matriculation education and 2 (0.7%) with secondary education.

The skills cross-tabulation reveals that those with administrative skills, 24 (9%), said that contract employment has led to the reduction of the hours of work, 10 (3.7%) said that outsourced contracts have made them more vulnerable to exploitation, 8 (2%) said casual employment has led to the reduction of earnings and 5 (1.9%) said part-time work has negated them to be peripheral workers. A total of 25 (9.4%) of those who possess marketing skills said that contract employment has reduced their hours of work, 11 (4.1%) said outsourced contracts have made them more vulnerable to exploitation, 1 (0.4%) said casual employment has contributed to the reduction of his/her earnings

and 1 (0.4%) said part-time work has marginalised him/her to be a peripheral worker. A total of 12 (4.5%) respondents with electrical skills said that the contract employment has reduced their hours of work, followed by 10 (3.7%) who said that outsourced contracts have made them more vulnerable, and 5 (1.9%) said casual employment has reduced their earning, while 1 (0.4%) said part-time work has led him/her being a peripheral worker.

From the respondents who possess accounting skills, 13 (4.9%) said that contract employment has reduced their hours of work, 9 (3.4%) said that outsourced contracts have made them more vulnerable, 3 (1.1%) said part-time work has led them to be peripheral workers and 2 (0.8%) said casual employment is responsible for the decline of their earnings. Of the respondents who possess technical skills, 7 (2.6%) said that contract employment has reduced their hours of work. A total of 6 (2.2%) said that outsourced contracts have made them more vulnerable, 6 (2.2%) felt that casual employment has reduced their earnings and 2 (0.7%) said part-time work has led to them to be peripheral workers. From those with analytic skills, 14 (5.2%) said that contract employment has reduced their hours of work, 10 (3.7%) said that outsourced contracts have made them more vulnerable, 8 (3%) said casual employment has reduced their earnings and 2 (0.7%) said that part-time work has led them to be peripheral workers.

For those with conceptual and interpersonal skills, 12 (4.5%) said that contract employment has reduced their hours of work, 5 (1.9%) said that outsourced contracts have made them more vulnerable, 3 (1.1%) said casual employment has reduced their earnings and none said part-time work has made them peripheral workers. A total of 9 (3.4%) who possess industrial relations skills said contract employment has reduced their hours of work, 5 (1.9%) said outsourced contracts have made them more vulnerable, 2 (0.7%) said part-time work has led them to be peripheral workers and 1 (0.4%) said casual employment has reduced his/her earnings. A total of 4 (1.5%) respondents who possess industrial relations skills said that contract employment has reduced their hours of work, 1 (0.4%) said that outsourced contracts have made him more vulnerable, none said that casual employment has reduced his/her earnings and none said part-time work has led him/her to be a peripheral worker.

From the respondents who possess mechanical skills, 6 (2.2%) said that contract employment has reduced the hours of their work, 2 (0.7%) said that outsourced contracts have made them more vulnerable, 1 (0.4%) said part-time work has led him/her to be a peripheral worker and none said casual employment has led to the reduction of earnings. From the respondents who possess legal skills, 6 (2.2%) said that contract employment has led to the reduction of their hours of work and 1 (0.4%) said casual employment has reduced his/her earnings. None said that outsourced contracts have made him/her more vulnerable and none said part-time work has led him/her to be a peripheral worker. Of the respondents with managerial skills, 2 (0.7%) said that outsourced contracts have made them more vulnerable, and none said contract employment has reduced their hours of work, or that casual employment has reduced their earnings or that part-time work has led them to be peripheral workers. Of the respondents who possess budgeting skills, 4 (1.5%) said that contract employment has reduced their hours of work, 2 (0.7%) said casual employment has led to a cut in earnings, 2 (0.7%) said that outsourced contracts have made them more vulnerable and none said part-time work has led them to be peripheral workers. Of those with security skills, 3 (1.1%) said contract employment has reduced their hours of work, 1 (0.4%) said that outsourced contracts have made him/her more vulnerable and none said that casual employment or part-time work has led them to be peripheral workers.

#### Management Rationale behind the Implementation of Labour Market Reforms

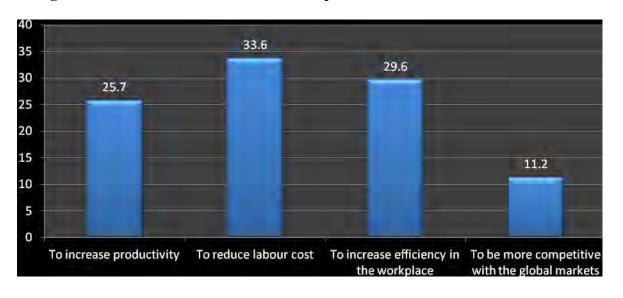


Figure 10: Management Rationale for Reforms Implementation

Statistics reveal that the rationale given by management in relation to the implementation of reforms can be classified into productivity, labour cost, efficiency and competitiveness. The percentage distribution reveals that a total of 102 (33.6%) respondents cited the reduction of labour costs, followed by 90 (29.6%) who cited increased efficiency, 78 (25.7%) who identified increased productivity and 34 (11.2%) who pointed to global competitiveness.

The age cross-tabulation reveals that, of respondents in the age category of 18 to 27, 32 (10.5%) claim that the rationale was to reduce labour costs, 29 (9.5) said it was to improve efficiency in the workplace, 26 (8.6%) said it was to increase productivity and 13 (4.3%) said it was to be more competitive in global markets. A total of 22 (7.2%) respondents in the age bracket of 28 to 37 claimed that the rationale for the implementation was to increase efficiency in the workplace, 19 (6.3%) said it was to reduce labour costs, 12 (3.9%) said it was to increase productivity and 8 (2.6%) claimed it was to be more competitive in the global market.

Respondents aged between 38 and 47 are 90 in number; 31 (10.2%) are of the opinion that the rationale for labour market reform implementation in Shell Petroleum Development Company is to reduce labour costs, 28 (9.2%) believed it is to improve productivity, 22 (7.2%) claimed that it was to increase efficiency in the workplace, and 4 (1.3%) said it was to be more competitive in the global market. Of respondents in the 48 to 57 age bracket, 16 (5.3%) said it was to reduce costs, 16 (5.3%) said it was to improve efficiency in the workplace, 11 (3.6%) maintained that it was to increase productivity and 4 (1.3%) posited that it was to be more competitive in the global market. Responses among those who are over 58 years indicate that 4 (1.3%) are of the opinion that labour reform implementation in Shell Petroleum Development Company was to reduce labour costs, 1 (0.3%) felt it was to increase productivity and 1 (0.3%) said it was to increase efficiency.

When gender was cross-tabulated, 46 (15.1%) male respondents cited that it was to reduce labour costs, 37 (12.2%) cited that it was to increase productivity and 34 (11.2%) said it was to increase efficiency in the workplace. Of the female respondents, 56 (18.4%) reported that it was to reduce labour costs, 56 (18.4%) said it was to increase efficiency in the workplace, and 41 (13.5%) cited that it was to increase productivity.

The marital status cross-tabulation of respondents reveals that, of those who are single, 34 (11.2%) said that it was done to reduce labour costs - this also happens to be the modal class of the distribution. They are closely followed by the 32 (10.5%) who said it was implemented to increase efficiency in the workplace, 24 (7.9%) said that it was done to increase productivity and 16 (5.3%) said it was done to be more competitive in the global market. Of those who are married, 63 (20.7%) said that it was done to reduce labour costs, 49 (16.1%) said it was implemented to increase efficiency in the workplace, 43 (14.1%) said that it was done to increase productivity and 16 (5.3%) said it was done to be more competitive in the global market. From those who are divorced, 3 (1%) said that it was done to increase productivity, 2 (0.7%) said that it was done to reduce labour costs and none said it was implemented to increase efficiency in the workplace or to be more competitive in the global market. From the widowed respondents, 3 (1%) said that it was done to increase productivity, 1 (0.3%) said it was implemented to increase efficiency in the workplace, and none said that it was done to reduce labour costs or to be more competitive in the global market. Of the respondents who are separated, 8 (2.7%) said it was implemented to increase efficiency in the workplace, 5 (1.6%) said that it was done to increase productivity, 3 (1%) said that it was done to reduce labour costs and 2 (0.7%) said it was implemented to be more competitive in the global market.

The income cross-tabulation reveals the respondents who earn N18, 000 to N50, 000 12 (3.9%) said that it was done to reduce labour costs; this also happens to be the modal class of the distribution. They are followed by 6 (2%) who said it was implemented to increase productivity, 5 (1.6%) who said that it was done to increase efficiency in the workplace and 4 (1.3%) who said it was done to be more competitive in the global market. A total of 22 (7.2%) respondents who earn N51, 000 to N100, 000 said that it was done to increase productivity, 21 (6.9%) said it was implemented to increase efficiency in the workplace, 19 (6.3%) said that it was done to reduce labour costs and 14 (4.6%) said it was done to be more competitive in the global market.

A total of 21 (6.9%) respondents who earn between N101, 000 and N150, 000 said it was implemented to increase efficiency in the workplace, 20 (6.6%) said that it was done to reduce labour costs, 9 (3%) said that it was done to increase productivity and 5 (1.6%) said it was done to be more competitive in the global market. From the N151, 000 to N200, 000 earning respondents, 34 (11.2%)

said that it was done to reduce labour costs, 26 (8.6%) said it was implemented to increase efficiency in the workplace, 24 (7.9%) said that it was done to increase productivity and 8 (2.6%) said it was done to be more competitive in the global market. Of the respondents who are earners of N201, 000 to N300, 000, 13 (4.3%) said that it was done to increase productivity, 11 (3.6%) said it was implemented to increase efficiency in the workplace, 9 (3%) said that it was done to reduce labour costs and 1 (0.3%) said it was done to be more competitive in the global market. Of those who earn N300, 000, 8 (2.6%) said that it was done to reduce labour costs, 6 (2%) said it was implemented to increase efficiency in the workplace, 4 (1.3%) said that it was done to increase productivity and 2 (0.7%) said it was done to be more competitive in the global market.

The departmental cross-tabulation reveals that, from the admin department, 14 (4.6%) said that it was done to increase productivity, 19 (6.3%) said that it was done to reduce labour costs, 18 (5.9%) said it was implemented to increase efficiency in the workplace and 9 (3%) said it was done to be more competitive in the global market. From the marketing department, 12 (3.9%) said that it was done to increase productivity, 17 (5.6%) said that it was done to reduce labour costs, 16 (5.3%) said it was implemented to increase efficiency in the workplace and 1 (0.3%) said it was done to be more competitive in the global market. From the finance department, 2 (0.7%) said that it was done to increase productivity, 8 (2.6%) said that it was done to reduce labour costs, 7 (2.3%) said it was implemented to increase efficiency in the workplace and 1 (0.3%) said it was done to be more competitive in the global market. From the HRM department, 13 (4.6%) asserted that it was done to increase productivity, 20 (6.6%) are of the opinion that it was done to reduce labour costs, 14 (4.6%) said it was implemented to increase efficiency in the workplace, and 7 (2.3%) said it was done to be more competitive in the global market.

From the accounts department, 6 (2%) posited that it was done to increase productivity, 8 (2.6%) said that it was done to reduce labour costs, 7 (2.3%) argued that it was implemented to increase efficiency in the workplace and 1 (0.3%) said it was done to be more competitive in the global market. From the procurement department, 3 (1%) asserted that it was done to increase productivity, 3 (1%) agreed that it was done to reduce labour costs, 1 (0.3%) said it was implemented to increase efficiency in the workplace and 1 (0.3%) said it was done to be more competitive in the global market. From the legal department, 2 (0.7%) said that it was done to increase productivity, 3 (1%)

posited that it was done to reduce labour costs, 2 (0.7%) said it was implemented to increase efficiency in the workplace and none said it was done to be more competitive with in the global market. From the engineering department, 21 (6.9%) felt that it was done to increase productivity, 23 (7.6%) said that it was done to reduce labour costs, 23 (7.6%) asserted that it was implemented to increase efficiency in the workplace and 13 (4.3%) said it was done to be more competitive in the global market. From the logistics department, 2 (0.7%) said that it was done to increase productivity, 1 (0.3%) said that it was done to reduce labour costs, 1 (0.3%) said it was implemented to increase efficiency in the workplace and 1 (0.3%) said it was done to be more competitive in the global market. From the security department, 3 (1%) said that it was done to increase productivity and none said that it was done to reduce labour costs or to be more competitive in the global market. Only 1 (0.3%) said it was implemented to increase efficiency in the workplace, while none said it was done

When educational information was cross-tabulated with respondents on the rationale behind the implementation of reforms, 64 (21.1%) of the tertiary education respondents assert that the reform is to increase productivity, 8 (2.6%) of the matriculation respondents said the rationale is to increase productivity and 5 (1.7%) of the secondary education respondents confirm the increase in productivity of the reform. A total of 86 (28.4%) of the tertiary education respondents said the rationale behind the implementation is to reduce labour costs, 9 (30%) of the matriculation education respondents said the rationale is cost-reducing and 7 (2.3%) of the secondary education respondents are of the opinion that the rationale behind the implementation is to reduce costs, while 78 (25.7%) of the tertiary education respondents are of the opinion that the rationale is to increase efficiency in the workplace and 6 (2%) of both the matriculation and secondary education workers asserted that the reform had increased efficiency in the workplace. A total of 28 (9.2%) of the tertiary education respondents said the rationale behind the implementation of the reform is to make the company more competitive in the global market, 5 (1.7%) of the matriculates assert the increase in the company's competition in the worldwide market and 1 (0.3%) of the secondary education respondents said the rationale is to be more competitive in the global market.

The skills cross-tabulation reveals that, of respondents who possess administrative skills, 14 (5.2%) said it was to increase efficiency in the workplace; this also happens to be the modal class of the distribution. They are followed by the 13 (4.9%) who asserted that it was done to reduce labour

costs, and 12 (4.5%) said it was implemented to increase productivity, while 8 (3%) felt it was done to be more competitive in the global market. Of those who possess marketing skills, 15 (5.6%) said that it was done to reduce labour costs, 14 (5.2%) said it was implemented to increase efficiency in the workplace, 9 (3.4%) said that it was done to increase productivity and none said it was done to be more competitive in the global market.

Of those who possess electrical skills, 11 (4.1%) said it was implemented to increase efficiency in the workplace, 8 (3%) said that it was done to increase productivity, 5 (1.9%) said it was done to be more competitive in the global market and 4 (1.5%) said that it was done to reduce labour costs. For accounting skilled respondents, 14 (5.2%) said that it was done to reduce labour costs, 6 (2.2%) said it was implemented to increase efficiency in the workplace, 5 (1.9%) said that it was done to increase productivity and 2 (0.7%) said it was done to be more competitive in the global market. Of the respondents who possess technical skills, 8 (3%) said that it was done to reduce labour costs, 7 (2.6%) said it was implemented to increase efficiency in the workplace, 3 (1.1%) said that it was done to increase productivity, and 3 (1.1%) said it was done to be more competitive in the global market.

Of those who possess analytical skills, 10 (3.7%) said that it was done to increase productivity, 9 (3.4%) said that it was done to reduce labour costs, 8 (3%) said it was implemented to increase efficiency in the workplace and 7 (2.6%) said it was done to be more competitive in the global market. For respondents who possess conceptual skills, 6 (2.2%) said it was implemented to increase productivity, and also that it was done to reduce labour costs; this also happens to be the modal class of the distribution. They are followed by the 5 (1.9%) who said it was done to increase efficiency in the workplace and 3 (1.1%) who felt it was done to be more competitive in the global market.

A total of 6 (2.2%) from those who possess industrial relations skills said that it was done to reduce labour costs, 5 (1.9%) said it was implemented to increase efficiency in the workplace and to increase productivity, and 1 (0.4%), said it was done to be more competitive in the global market. A total of 3 (1.1%) of those who possess human resources skills said that it was done to increase productivity, 2 (0.7%) said that it was done to reduce labour costs and none said it was implemented to increase efficiency in the workplace or to be more competitive in the global market.

For managerial skills, 1 (0.4%) said that it was done to reduce labour costs and to increase efficiency in the workplace. From those with budgeting skills, a total of 1 (0.4%) said it was done to increase productivity, 2 (0.7%) said it was done to reduce labour costs and 5 (1.9%) said it was done to increase efficiency in the workplace. A total of 3 (1.1%) from those with security skills said it was done to increase productivity and 1 (0.4%) said it was done to increase efficiency.

Were Employees Satisfied by Reasons Given by Employers with Regard to the Implementation of Reforms?

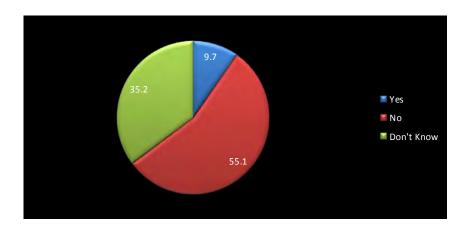


Figure 11: Employee Level of Satisfaction

The majority of employees, 125 (55.1%), were not satisfied with the reasons given by the employers with regards to the implementation of reforms. A significant proportion of employees, 80 (35.2%), did not know, and only 22 (9.7%) were satisfied with the reasons provided. The statistics reveal that the negatives combined, 205 (90.3), far outweigh the positives, 22 (9.7%).

The age cross-tabulation of respondents reveals that, from the age group 18 to 27, 40 (17.6%) are not satisfied, 27 (11.9%) don't know and 10 (4.4%) said yes, they are satisfied. A total of 29 (12.8%) of the respondents in the age bracket of 28 to 37 are not satisfied with the reasons given to them as employees for the implementation of the reforms, 11 (4.8%) don't know and 3 (1.3%) are satisfied with the reasons given to them by management. Of the respondents in the 38 to 47 age bracket, 41

(18.1%) are not satisfied, 31 (13.7%) don't know and 4 (1.8%) claimed to be satisfied with the reasons given to employees for reforms implementation. A total of 14 (6.2%) of the respondents in the 48 to 57 age bracket are not satisfied with the reasons given to them as employees, 8 (3.5%) claim not to know and 5 (2.2%) said they are satisfied with the reason given to them as employees. In the last age group of respondents, 58+, 3 (1.3%) don't know, 1 (0.4%) is not satisfied and nobody in this age category seems to be satisfied with the reasons given to them as employees.

The gender cross-tabulation of respondents denotes that, of the male respondents, 56 (24.7%) said no, 37 (16.3%) cited that they did not know, while 11 (4.8%) said yes, they were satisfied. From the female respondents, 69 (30.4%) said no, 43 (18.9%) cited that they did not know, while 11 (4.8%) said yes.

The marital cross-tabulation denotes that, from respondents who are single, 34 (11.2%) said that it was done to reduce labour costs; this also happens to be the modal class of the distribution. They are closely followed by 32 (10.5%) who said it was implemented to increase efficiency in the workplace, 24 (7.9%) who said that it was done to increase productivity and 16 (5.3%) who said it was done to be more competitive in the global market. A total of 63 (20.7%) of those who are married said that it was done to reduce labour costs, 49 (16.1%) said it was implemented to increase efficiency in the workplace, 43 (14.1%) said that it was done to increase productivity and 16 (5.3%) said it was done to be more competitive in the global market. Of those who are divorced, 3 (1%) said that it was done to increase productivity, 2 (0.7%) said that it was done to reduce labour costs and none said it was implemented to increase efficiency in the workplace or to be more competitive in the global market. From the widowed respondents, 3 (1%) said that it was done to increase productivity, 1 (0.3%) said it was implemented to increase efficiency in the workplace and none said that it was done to reduce labour costs or to be more competitive in the global market. Of the respondents who are separated, 8 (2.7%) said it was implemented to increase efficiency in the workplace, 5 (1.6%) said that it was done to increase productivity, 3 (1%) said that it was done to reduce labour costs and 2 (0.7%) said it was done to be more competitive in the global market.

The marital status cross-tabulation reveals that most of the single respondents, precisely 43 (18.9%), claimed that they were not satisfied with the reasons given to them as employees, 26 (11.5%) are

indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 11 (4.8%) affirmed that they were satisfied with the reasons given to them as employees. Among the respondents who are married, 68 (32%) claimed that they were not satisfied with the reasons given to them as employees, 47 (20.7%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 11 (4.8%) affirmed that they were satisfied with the reasons given to them as employees.

From the category of respondents who are divorced, 2 (0.9%) claimed that they were not satisfied with the reasons given to them as employees or were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not. None affirmed that they were satisfied with the reasons given to them as employees. In the category of widowed respondents, 3 (1.3%) claimed that they were not satisfied with the reasons given to them as employees, 1 (0.4%) was indifferent, saying he/she didn't know whether he/she was satisfied with the reasons given or not, and none affirmed that they were satisfied with the reasons given to them as employees. Among the respondents who are separated, 9 (4%) claimed that they were not satisfied with the reasons given to them as employees, 4 (1.8%) were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not, and none of them affirmed that they were satisfied with the reasons given to them as employees.

The income level cross-tabulation of the N18, 000 to N50, 000 earning respondents reveals that most of the respondents, 13 (5.7%), claimed that they were not satisfied with the reasons given to them as employees, 9 (4%) were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not, and 3 (1.3%) affirmed that they were satisfied with the reasons given to them as employees. Among the respondents who are N51, 000 to N100, 000 earners, 42 (18.5%) claimed that they were not satisfied with the reasons given to them, 18 (7.9%) were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not, and 2 (0.9%) affirmed that they were satisfied with the reasons given to them.

The next category of respondents is those who are earners of N101, 000 to N150, 000. A total of 17 (7.5%) of the respondents claimed that they were not satisfied with the reasons given to them, 14 (6.2%) are indifferent, saying they don't know whether they were satisfied with the reasons given to

them or not, and 6 (2.6%) affirmed that they were satisfied with the reasons given to them. In the category of N151, 000 to N200, 000 earning respondents, 35 (15.4%) claimed that they were not satisfied with the reasons given to them, 25 (11%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 6 (2.6%) affirmed that they were satisfied with the reasons given to them. Among the respondents who are earners of N201, 000 to N300, 000, 13 (5.7%) of the respondents claimed that they were not satisfied with the reasons given to them, 10 (4.4%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 2 (0.9%) of them affirmed that they were satisfied with the reasons given to them. Among the respondents who are earners of N300, 000+, 5 (2.2%) claimed that they were not satisfied with the reasons given to them, 4 (1.8%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 3 (1.3%) of them affirmed that they were satisfied with the reasons given to them.

The departmental cross-tabulation of the respondents indicates that 3 (1.3%) from the admin department affirmed that they were satisfied with the reasons given to them, 32 (14.1%) said no, they were not satisfied with the reasons given to them, and 11 (4.8%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not. In the marketing department, 3 (1.3%) said yes, they were satisfied, 19 (8.4%) said no and 13 (5.7%) said they don't know whether the reasons were genuine or not. In the finance department, 1 (0.4%) affirmed that he/she was satisfied with the reasons given, 3 (1.3%) claimed that they were not satisfied with the reasons given to them, and 6 (2.6%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not.

In the HRM department, 5 (2.2%) affirmed that they were satisfied with the reasons given to them, 22 (9.7%) claimed that they were not satisfied with the reasons given to them, and 15 (6.6%) are indifferent, saying they don't know whether or not they were satisfied. In the accounts department, 3 (1.3%) affirmed that they were satisfied with the reasons given to them, 9 (4%) said no, they were not satisfied with the reasons given to them, and 3 (1.3%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not. In the procurement department, none said they were satisfied, 4 (1.8%) said no, and 4 (1.8%) said they don't know whether the reasons were genuine or not. In the legal department, 1 (0.4%) affirmed that he/she was satisfied

with the reasons given, 3 (1.3%) claimed that they were not satisfied with the reasons given to them, and 2 (0.9%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not. In the engineering department, 6 (2.6%) affirmed that they were satisfied with the reasons given to them, 28 (12.3%) said no, they were not satisfied with the reasons given to them and 24 (10.6%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not.

In the logistics department, none affirmed that they were satisfied with the reasons given to them as employees, 2 (0.9%) claimed that they were not satisfied with the reasons given to them, and 1 (0.4%) is indifferent, saying he/she doesn't know whether or not he/she is satisfied with the reasons given. In the security department, none said that they were satisfied with the reasons given to them, 3 (1.3%) claimed that they were not satisfied with the reasons given to them, and 1 (0.4%) is indifferent, saying he/she doesn't know whether or not he/she was satisfied with the reasons given.

The educational cross-tabulation reveals that 18 (8%) of the tertiary education respondents said yes and 2 (0.9%) of both the matriculation and the secondary education respondents said they are satisfied with the reasons given to them. A total of 97 (42.9%) of the tertiary education respondents said they are not satisfied with the reason given to them, 17 (7.5%) of the matriculation education respondents said no and 10 (4.4%) of the secondary education respondents said no. Lastly, 68 (30.1%) of the tertiary education respondents said they don't know based on the reasons given to them and 6 (2.7%) of both the matriculation and secondary education respondents assert that they don't know if the reasons are genuine.

The cross-tabulation of skills of the administrative respondents reveals that most of the respondents, 26 (13.4%), claimed that they were not satisfied with the reasons given to them, 8 (4.1%) are indifferent, saying they don't know whether they were satisfied with the reasons given to them or not, and 1 (0.5%) affirmed that he/she was satisfied with the reasons given. Among the respondents who have marketing skills, 15 (7.7%) claimed that they were not satisfied with the reasons given to them, 11 (5.7%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, and 2 (0.9%) affirmed that they were satisfied with the reasons given to them. From those who possess electrical skills, 9 (4.6%) of the respondents claimed that they were not

satisfied with the reasons given to them as employees, 8 (4.2%) were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not, and 1 (0.5%) affirmed that he/she was satisfied with the reasons given.

In the category of accounting skilled respondents, 9 (4.6%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, 7 (3.6%) claimed that they were not satisfied with the reasons given to them and 2 (1%) affirmed that they were satisfied with the reasons given to them. From the respondents who possess technical skills, 6 (3.1%) claimed that they were not satisfied with the reasons given to them, 4 (2.1%) were indifferent, saying they didn't know whether they were satisfied with the reasons given to them or not, and 3 (2.1%) affirmed that they were satisfied with the reasons given to them.

Among the respondents who possess analytical and design skills, 15 (7.7%) claimed that they were not satisfied with the reasons given to them, 11 (5.7%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, and 1 (0.5%) affirmed that he/she was satisfied with the reasons given. From the observations above, it is worth noting that, in general, the majority of the respondents disagreed with the notion that they were satisfied with the reasons given to them as employees.

The conceptual and interpersonal cross-tabulation of respondents reveals that most of the respondents, 9 (4.6%), claimed that they were not satisfied with the reasons given to them as employees, 5 (2.6%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, and 2 (1%) affirmed that they were satisfied with the reasons given to them. Among the respondents who have industrial relations skills, 6 (3.1%) claimed that they were not satisfied with the reasons given to them as employees, 4 (2.1%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, and 1 (0.5%) affirmed that he/she was satisfied with the reasons given.

From those who possess human relations skills, 3 (1.5%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, 2 (1%) of the respondents claimed that they were not satisfied with the reasons given to them and none affirmed that they were satisfied

with the reasons given to them. In the category of mechanically skilled respondents, 5 (2.6%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, 3 (1.5%) claimed that they were not satisfied with the reasons given to them and none affirmed that they were satisfied with the reasons given to them.

Among the respondents who possessed legal skills, 3 (1.5%) claimed that they were not satisfied with the reasons given to them as employees, 2 (1%) are indifferent, saying they don't know whether they are satisfied with the reasons given to them or not, and 1 (0.5%) affirmed that he/she was satisfied with the reasons given. Among the respondents who possess managerial skills, 1 (0.5%) was indifferent, saying he/she don't know whether or not he/she was satisfied with the reasons given, and none of the respondents claimed that they were not satisfied with the reasons given to them or that they were satisfied with the reasons given to them.

Among the respondents who possessed budgeting skills, 2 (1%) of them affirmed that they were satisfied with the reasons given to them as employees, 1 (0.5%) claimed that he/she was not satisfied with the reasons given, and none of them were indifferent, saying they didn't know whether or not they were satisfied with the reasons given. Among the respondents who possess security skills, 3 (1.5%) claimed that they were not satisfied with the reasons given to them as employees, 1 (1%) was indifferent, saying he/she didn't know whether or not he was satisfied with the reasons given, and none said that they were satisfied with the reasons given to them as employees.

### Were these Reforms Consulted or Negotiated with Labour Formations?

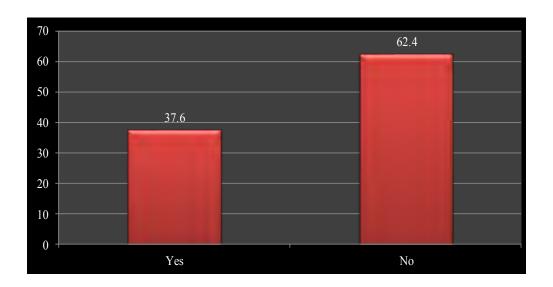


Figure 12: Were these Reforms Consulted or Negotiated with Labour Formations?

The age cross-tabulation reveals that 38 (22%) in the age bracket 18 to 27 stated that their employment condition is worse than before and 19 (11%) explained that their economic and social status have not changed as a contract staff member. In the age bracket 28 to 37, 27 (15.6%) asserted that their employment condition is worse than before and 13 (7.5%) said their economic and social status have not improved as a contract staff member. Among the respondents in the age bracket 38 to 47, 25 (14.5%) gave the reason for their dissatisfaction as their contract of employment being worse than before and 18 (10.4%) are dissatisfied because their economic and social status have not changed as a contract staff member. A total of 23 (13.3%) respondents in the 48 to 57 age bracket are not satisfied because their contract of employment is worse than what it was before and 8 (4.6%) are not satisfied because their economic and social status have not improved.

When gender was cross-tabulated, 57 (32.9%) respondents said their contract of employment was worse than before and 32 (18.5%) stated that their economic and social status have not changed as a contract staff member. Among the female respondents, a total of 58 (33.5%) reported that their contract of employment is worse than before and 26 (15%) claimed that their economic and social status have not changed as a contract staff member. Only 2 (1.2%) of the respondents above 58 years

of age gave the reason for their dissatisfaction as their contract of employment being worse than before.

The marital status cross-tabulation indicates that 41 (23.7%) of the single respondents claimed that their economic status has not changed as contract staff members and 23 (13.3%) are of the opinion that their contract of employment is worse than before. From the married respondents, 66 (38.2%) are of the opinion that their contract of employment is worse than before, and 30 (17.3%) of the respondents claimed that their economic status has not changed as contract staff members. The next category of respondents is those who are divorced, with 1 (0.6%) asserting that their economic status has not changed as contract staff members or that their contract of employment is worse than before. In the category of widowed respondents, 1 (0.6%) of the respondents claimed that their economic status has not changed as contract staff members or that their contract of employment is worse than before. Among the respondents who are separated, 6 (3.5%) are of the opinion that their contract of employment is worse than before and 3 (1.7%) claimed that their economic status has not changed as contract staff members.

The income cross-tabulation of the N18, 000 to N50, 000 earning respondents reveals that most of the respondents, 6 (3.5%), claimed that their economic status has not changed as contract staff members, and 5 (2.9%) are of the opinion that their contract of employment is worse than before. Among the N51, 000 to N100, 000 earning respondents, 23 (13.3%) are of the opinion that their contract of employment is worse than before and 20 (11.6%) of the respondents claimed that their economic status has not changed as contract staff members. The next category of respondents includes those who earn between N101, 000 and N150, 000; 24 (19.7%) are of the opinion that their contract of employment is worse than before and 10 (5.8%) claimed that their economic status has not changed as contract staff members.

In the category of N151, 000 to N200, 000 earning respondents, 37 (21.4%) are of the opinion that their contract of employment is worse than before and 14 (8.1%) claimed that their economic status has not changed as contract staff members. Among the respondents who are N201, 000 to N300, 000 earners, 14 (8.1%) are of the opinion that their contract of employment is worse than before and 6 (3.5%) claimed that their economic status has not changed as contract staff members. From the

respondents who earn N300, 000+, 12 (6.9%) are of the opinion that their contract of employment is worse than before and 2 (1.2%) claimed that their economic status has not changed as contract staff members.

The departments cross-tabulation of the respondents reveals that, in the admin department, 16 (9.2%) claimed that their economic status has not changed as contract staff members and 19 (11%) are of the opinion that their contract of employment is worse than before. From the marketing department, 5 (2.9%) of the respondents claimed that their economic status has not changed as contract staff members and 19 (11%) are of the opinion that their contract of employment is worse than before. In the finance department, 2 (1.2%) of the respondents claimed that their economic status has not changed as contract staff members and 9 (5.2%) said that their contract of employment is worse than before. From the HRM department, 10 (5.8%) of the respondents claimed that their economic status has not changed as contract staff members and 19 (11%) are of the opinion that their contract of employment is worse than before.

In the accounts department, 4 (2.3%) asserted that their economic status has not changed as contract staff members and 11 (6.4%) said that their contract of employment is worse than before. From the procurement department, 2 (1.2%) claimed that their economic status has not changed as contract staff members and 1 (0.6%) is of the opinion that his/her contract of employment is worse than before. In the legal department, 1 (1.2%) of the respondents claimed that his/her economic status has not changed as a contract staff member and 2 (1.2%) are of the opinion that their contract of employment is worse than before. From the engineering department, 15 (8.7%) of the respondents claimed that their economic status has not changed as contract staff members and 32 (18.5%) are of the opinion that their contract of employment is worse than before. In the logistics department, 1 (0.6%) of the respondents claimed that his/her economic status has not changed as a contract staff member and 2 (1.2%) are of the opinion that their contract of employment is worse than before. In the security department, 1 (1.2%) of the respondents asserted that his/her economic status has not changed as a contract staff member or that his/her contract of employment is worse than before.

The educational cross-tabulation indicates that 46 (26.7%) of the tertiary education respondents said their economic and social status have not changed as contract staff members, 10 (5.5%) of the

matriculation education respondents assert that their socio-economic status still remains as it was as a contract staff member and 2 (1.2%) of the secondary education respondents said their economic and social status have not changed as contract staff members. A total of 103 (59.9%) of the tertiary education respondents said they are not satisfied, because their contract of employment is worse than before, 7 (4.1%) of the matriculation education respondents assert that they are not satisfied, because the reform had worsened their contract of employment, and 4 (2.3%) of the secondary education respondents are of the opinion that the reform is not favourable and has thus made their contract of employment worse than before.

The cross-tabulation of the administrative skilled respondents reveals that most of the respondents, 14 (9%), claimed that their economic status has not changed as contract staff members and 13 (8.4%) are of the opinion that their contract of employment is worse than before. Among the marketing skilled respondents, 17 (11%) are of the opinion that their contract of employment is worse than before and 3 (1.9%) claimed that their economic status has not changed as contract staff members. In the next category of respondents are those who possess electrical skills; 11 (7.1%) are of the opinion that their contract of employment is worse than before or claimed that their economic status has not changed as contract staff members, and 6 (3.9%) claimed that their economic status has not changed as contract staff members.

In the category of accounting skilled respondents, 10 (6.5%) are of the opinion that their contract of employment is worse than before and 5 (3.2%) claimed that their economic status has not changed as contract staff members. Among the respondents who are skilled technically, 12 (7.7%) are of the opinion that their contract of employment is worse than before and 3 (1.9%) claimed that their economic status has not changed as contract staff members. From the respondents who possess analytic and design skills, 10 (6.5%) are of the opinion that their contract of employment is worse than before and 8 (5.2%) claimed that their economic status has not changed as contract staff members. The cross-tabulation of the conceptual and interpersonally skilled respondents reveals that most of the respondents, 10 (6.5%), claimed that their economic status has not changed as contract staff members and 4 (2.6%) are of the opinion that their contract of employment is worse than before. From the respondents skilled in industrial relations, 8 (5.2%) are of the opinion that their contract of employment is worse than before and 2 (1.3%) claimed that their economic status has not

changed as contract staff members. From those who possess human resource skills, 1 (0.6%) is of the opinion that his/her contract of employment is worse than before, and the same number claimed that economic status has not changed as a contract staff member. In the category of mechanically skilled respondents, 1 (0.6%) is of the opinion that his/her contract of employment is worse than before, and 1 (0.6%) claimed that his/her economic status has not changed as a contract staff member. Among the respondents who are legally skilled, 2 (1.3%) are of the opinion that their contract of employment is worse than before and 2 (1.3%) claimed that their economic status has not changed as contract staff members. From the respondents who possess managerial skills, 1 (0.6%) is of the opinion that his/her contract of employment is worse than before and none of the respondents claimed that their economic status has not changed as contract staff members. From the respondents who possess budgeting skills, 8 (5.2%) are of the opinion that their contract of employment is worse than before and none claimed that their economic status has not changed as contract staff members. Furthermore, from the respondents who possess security skills, 1 (0.6%) is of the opinion that his/her contract of employment is worse than before and the same number claimed that his/her economic status has not changed as contract staff members. The majority of respondents, 161 (62.4%), did not believe that these reforms were either consulted or negotiated with labour formations. A small proportion, 97 (37.6%), is of the opinion that these reforms were consulted and negotiated with labour formations.

The age cross-tabulated reveals that, among respondents aged 18 to 27, 53 (20.5%) claim there was no consultation or negotiation, and 33 (12.8%) agreed that there was consultation with the labour formations. Among respondents in the age group 28 to 37years, 28 (10.9%) said there was no consultation with labour formation, while 19 (7.4%) said labour formations were consulted. In the age group 38 to 47 years, 58 (22.5%) said no, there was no consultation, while 20 (7.8%) said there was consultation with labour formation. Among the respondents in the age group 48 to 57 years, 24 (9.3%) said labour formations were consulted, while 19 (7.4%) said there was no consultation with labour formations. For respondents aged 58 years and above, 3 (1.2%) asserted that there was no consultation and 1 (0.4%) said there was consultation with labour formation.

The gender cross-tabulation reveals that 81 (31.4%) male respondents said no and 42 (16.3%) of the male respondents agreed that there was some form of consultation or negotiation with the labour

formations. A total of 80 (31%) of the female respondents said no and 55 (21.3%) said yes, there was consultation.

The marital status cross-tabulation indicates that those who are single, 55 (21.3%), said no, as far as they know, the reforms were not consulted with labour formations, and 35 (13.6%) of the single respondents agreed there was consultation. Those who are married, 90 (34.9%), said no, as far as they know, the reforms were not consulted with labour formations, and 55 (21.3%) said yes. From those who are divorced, 4 (1.6%) said no, as far as they know, the reforms were not consulted with labour formations, and 1 (0.4%) said yes. From the widowed respondents, 3 (1.2%) said no, as far as they know, the reforms were not consulted with labour formations, and none of them affirmed that these reforms were consulted. Of the respondents who are separated, 9 (3.5%) said no and 6 (2.3%) said these reforms were consulted with labour formations.

The income cross-tabulation reveals that 16 (6.2%) of the respondents whose income is between N18, 000 and N50, 000 said these reforms were not consulted with labour formations and 5 (5.9%) said yes, the reforms were consulted. Of those who earn N51, 000 to N100, 000, 47 (18.2%) said the reforms were not consulted with labour formations and 16 (6.2%) said yes. Of those who are earners of N101, 000 to N150, 000, 25 (9.7%) said no, as far as they know, the reforms were not consulted with labour formations, and 20 (7.8%) said yes. From the N151, 000 to N200, 000 earning respondents, 46 (17.8%) said the reforms were not consulted with labour formations and 35 (13.6%) said yes. Of the respondents who are earners of N201, 000 to N300, 000, 19 (7.4%) said the reforms were not consulted with labour formations and 13 (5%) said yes. Of the respondents who are earners of N300, 000+, all 8 (3.1%) said the reforms were not consulted with labour formations and 8 (3.1%) said yes.

The departmental cross-tabulation of respondents reveals that, in the admin department, 30 (11.6%) said the reforms were not consulted with labour formations and 17 (6.6%) said yes. In the marketing department, 22 (8.5%) said the reforms were not consulted with labour formations and 14 (5.4%) said yes, there was consultation/negotiation. In the finance department, 8 (3.1%) said the reforms were not consulted with labour formations and 8 (3.1%) said yes, there was consultation/negotiation.

In the HRM department, 29 (11.2%) said the reforms were not consulted with labour formations and 20 (7.8%) affirmed. From the accounts department, 9 (3.5%) respondents said the reforms were not consulted with labour formations, while 9 (3.5%) asserted yes. In the procurement department, 7 (2.7%) said the reforms were not consulted with labour formations, while none said yes. In the legal department, 4 (1.6%) said the reforms were not consulted with labour formations, while 2 (0.8%) said yes. Of those in the engineering department, 46 (17.8%) said the reforms were not consulted with labour formations, while 26 (10.5%) said yes. In the logistics department, 3 (1.2%) said the reforms were not consulted with labour formations and 1 (0.4%) affirmed. From the security department, 3 (1.2%) respondents said the reforms were not consulted with labour formations and none affirmed.

The educational cross-tabulation reveals that 132 (51.4%) respondents with tertiary education said the reforms were not consulted with labour formations and 89 (34.6%) said yes, the reform was negotiated with labour formations. A total of 18 (7%) of those with matriculation education confirmed that labour formation was not consulted and 5 (1.9%) said labour formations was consulted and negotiated the reforms. Lastly, 10 (3.9%) of the respondents with secondary education said that labour formation was not consulted and 3 (1.2%) said yes, the reforms were consulted and negotiated with labour formations.

The skill cross-tabulation indicates that 23 (10%) of those with administrative skills said the reforms were not consulted with labour formations and 15 (6.5%) said yes, there were consultations/negotiations. Of those who possess marketing skills, 18 (7.8%) said the reforms were not consulted/negotiated with labour formations and 12 (5.2%) said there were consultations. From those who possess electrical skills, 15 (10.6%) said the reforms were not consulted with labour formations and 12 (5.2%) said yes, there was consultation/negotiations. From the accounting skilled respondents, 14 (6.1%) said the reforms were not consulted with labour formations and 12 (5.2%) admitted that there were consultations/negotiations with the labour formations. Among the respondents who possessed technical skills, 10 (4.3%) said yes, there was consultation/negotiation with labour formations. A total of 23 (10%) analytical and design skills respondents said there was no consultation/negotiation and 6 (2.6%) asserted that there was consultation/negotiation with labour

formations. For respondents whose skill is conceptual and interpersonal, 12 (5.2%) said the reforms were not consulted with labour formations, while 5 (2.2%) agreed that there was consultation/negotiation with the labour structures. Of those who possess industrial relations skills, 8 (3.5%) said the reforms were not consulted with labour formations and, similarly, the same number of respondents, 8 (3.5%), claimed the reforms were consulted with labour formations. Of those who possess human resources skills, 5 (2.2%) said reforms were not consulted with labour formations and none of the respondents in this skill group agreed that the reforms were consulted with labour formations.

From the mechanically skilled respondents, 6 (2.6%) said the reforms were not consulted with labour formations and 2 (0.9%) agreed that there was consultation/negotiation with the labour formations. Among the legal skills respondents, 4 (1.7%) said the reforms were not consulted with labour formations and 2 (0.9%) admitted that the reforms were consulted with the labour formations. A total of 1 (0.4%) respondent who possessed managerial skills said the reforms were not consulted with labour formations and the same number of respondents, 1 (0.4%), in this skill category said yes, there was consultation/negotiations with labour formations. A total of 4 (1.7%) of respondents who possessed budgeting skills admitted that the reforms were consulted with labour formations and 1 (0.4%) said the reforms were not consulted with labour formations. Lastly, 3 (1.3%) of respondents with security skills said that, as far as they know, the reforms were not consulted with labour formations. and none of the respondents admitted that there was any form consultation/negotiations with the labour formations.

## How were the Reforms Negotiated/Consulted?



Figure 13: How were the Reforms Negotiated/Consulted?

The majority of respondents, 53 (52.2%), said that reforms were negotiated/consulted with trade union officials and 43 (44.8%) said it was done between employers and the government, excluding labour formations.

From the age cross-tabulation of respondents who are between 18 and 27 years, 20 (20.8%) said there was consultation/negotiation with the trade union officials and 12 (12.5%) said the negotiation took place between the employers and the government. A total of 10 (10.4%) in the age bracket 28 to 37 claim that negotiation was done between employers and the government, and 9 (9.4%) said the negotiation took place with the trade union officials. A total of 11 (11.5%) and 9 (9.4%) in the 38 to 47 age bracket admitted that negotiations were held with trade union officials and between employers and the government respectively. Of the respondents aged between 48 and 57, 13 (13.5%) said that consultation/negotiations were held with trade union officials and 11 (11.5%) were of the opinion that negotiation took place between the employers and the government. Only 1 (1%) of respondents who is 58 years and above is of the opinion that there was negotiations between the employers and the government, while none of the respondents from this category said there was consultation/negotiation with union officials.

The gender cross-tabulation reveals that 25 (26%) male respondents claimed that there was negotiation with trade union officials and 17 (17.7%) said negotiations took place between employers and the government. Of the female respondents, 28 (29.2%) said there were consultation/negotiations with trade union officials and 26 (27.1%) said negotiation took place between the employer and government.

The marital status cross-tabulation reveals that, of respondents who are single, 20 (21.5%) said that it was consulted with trade unions officials and 14 (15.1%) said it was negotiated between employers and the government. Of those who are married, (32.3%) said that it was consulted with trade union officials and 23 (24.7%) said it was negotiated between employers and the government. From those who are divorced, 1 (1.1%) said it was negotiated between employers and the government and none said that it was consulted with trade union officials. From the respondents who are separated, 3 (3.2%) said it was negotiated between employers and the government and 2 (2.2%) said that it was consulted with trade union officials.

The income cross-tabulation reveals that, of respondents who earn N18, 000 to N50, 000, 3 (3.1%) said that it was consulted with trade union officials and 2 (2.1%) said it was negotiated between employers and the government. Of those who earn N51, 000 to N100, 000, 7 (7.3%) said that it was consulted with trade union officials and 9 (9.4%) said it was negotiated between employers and the government. Of those who are earners of N101, 000 to N150, 000, 12 (12.5%) said that it was consulted with trade union officials and 8 (8.3%) said it was negotiated between employers and the government. From the respondents who are earners of N151, 000 to N200, 000, a total of 18 (18.8%) said that it was consulted with trade union officials and 16 (16.7%) said it was negotiated between employers and the government.

From the respondents who are earners of N201, 000 to N300, 000, a total of 8 (8.3%) said that it was consulted with trade union officials and 5 (5.2%) said it was negotiated between employers and the government. Of those who are earners of N300, 000+, a total of 5 (5.2%) said that it was consulted with trade union officials and 3 (3.1%) said it was negotiated between employers and the government.

The departmental cross-tabulation reveals that, in the admin department, 8 (8.3%) said that it was consulted with trade union officials and 9 (9.4%) said it was negotiated between employers and the government. In the marketing section, 9 (9.4%) said that it was consulted with trade union officials and 5 (5.2%) said it was negotiated between employers and the government. In the finance department, 3 (3.1%) said that it was consulted with trade union officials and 5 (5.2%) said it was negotiated between employers and the government. In the HRM department, 11 (11.5%) said that it was consulted with trade union officials and 9 (9.4%) said that it was consulted with trade union officials and 5 (5.2%) said it was negotiated between employers and the government. In the legal department, 2 (2.1%) said that it was consulted with trade union officials and none said it was negotiated between employers and the government. In the engineering department, 16 (16.7%) said that it was consulted with trade union officials and 9 (9.4%) said it was negotiated between employers and the government. In the logistics department, none said that it was consulted with trade union officials and 1 (1%) said it was negotiated between employers and the government. In the logistics department, none said that it was consulted with trade union officials and 1 (1%) said it was negotiated between employers and the government.

The educational cross-tabulation denotes 47 (49%) of the tertiary education respondents said negotiation/consultation was done with the trade union officials and 41 (42.7%) said that consultation/negotiation was done between employers and the government. A total of 4 (4.2%) of the matriculation education respondents asserted that the reform committee consulted with the trade union officials and 1 (1%) said there was negotiation between employers and the government. Lastly, 2 (2.1%) with secondary education said trade union officials were consulted and 1 (1%) said there was negotiation between employers and the government.

For respondents who possess administrative skills, 8 (9.1%) said it was negotiated between employers and the government and 6 (8%) said that it was consulted with trade union officials. Of those possessing marketing skills, 8 (9.1%) said that it was consulted with trade union officials and 4 (4.5%) said it was negotiated between employers and the government. Of those who possess electrical skills, 8 (9.1%) said that it was consulted with trade union officials and 4 (4.5%) said it was negotiated between employers and the government who possess accounting skills, 8 (9.1%) said it was negotiated between employers and the government and 4 (4.5%) said that it was consulted with trade union officials. From the respondents who possess technical skills, 8

(9.1%) said that it was consulted with trade union officials and 2 (2.3%) said it was negotiated between employers and the government. From the analytic and design skills respondents, 3 (3.4%) said it was negotiated between employers and the government and 2 (2.3%) said that it was consulted with trade union officials.

From the respondents who possess conceptual and interpersonal skills, 3 (3.4%) said it was negotiated between employers and the government and 2 (2.3%) said that it was consulted with trade union officials. From those possessing industrial relations skills, 5 (5.7%) said it was negotiated between employers and the government and 3 (3.4%) said that it was consulted with trade union officials. Of the respondents with mechanical skills, 2 (2.3%) said it was negotiated between employers and the government and none said that it was consulted with trade union officials. Of the respondents who possess legal skills, 2 (2.3%) said it was consulted with trade union officials and none said the negotiations took place between the employer and government. In the managerial skills category, 1 (1.1%) said reforms were negotiated between the employer and government and the same number said that the reforms were negotiated with the union officials. Among respondents possessing budgeting skills, 3 (3.4%) said that it was consulted with trade union officials and 1 (1.1%) said it was negotiated between employers and the government.

## Impact of Labour Market Reforms on Terms and Conditions of Employment

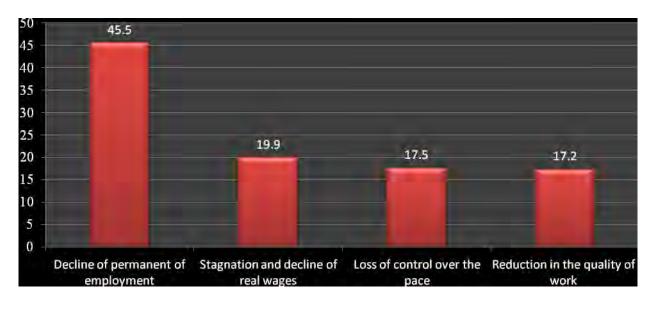


Figure 14: Impact of Labour Market Reforms on Terms and Conditions of Employment

The majority of respondents, 135 (45.5%), are of the view that the reforms have led to the decline of permanent employment at Shell Petroleum Development Company. Secondly, a significant proportion of respondents, 59 (19.9%), are also of the view that the reforms have been accompanied by stagnation of wage levels. Thirdly, a total of 52 (17.5%) respondents are convinced that the labour market reforms have led to the loss of the pace of work. Lastly, 51 (17.2%) respondents cited the reduction of the quality of working life as the major problem associated with labour market reform implementation at Shell Petroleum Development Company.

The age cross-tabulation reveals that 49 (16.5%) respondents between the age of 18 and 27 are of the opinion that the reforms have a declining effect on permanent employment, 19 (6.4%) said reforms led to loss of control over the pace of work, 16 (5.4%) claim that the reforms led to stagnation and decline of real wages and 14 (4.7%) said reforms led to a reduction in the quality of work. A total of 27 (9.1%) of the respondents in the age bracket of 28 to 37 feel that the reforms have reduced the level of permanent employment, 13 (4.4%) claim reforms led to the stagnation and decline of real wages, 9 (3%) said it has reduced the quality of working life and 8 (2.7%) said reforms led to the loss of control over the pace of work. A total of 34 (11.4%) among respondents in the age bracket 38 to 47 said reforms led to the decline in permanent employment, 20 (6.7%) claim reforms led to stagnation and decline of real wages, 18 (6.1%) opine that it brings about reduction in the quality of working life, and 17 (5.7%) said it causes loss of control over the pace of work. Among respondents in the age bracket 48 to 57, a total of 23 (7.7%) said the impact of the reform is the declining of permanent employment, 9 (3%) said it has reduced the quality of working life, 8 (2.7%) claim it brings about loss of control over the pace of work and 7 (2.4%) said it leads to stagnation and decline in wages. Lastly, 3 (1%) of respondents above 58 years subscribes to the idea that the reforms bring about stagnation and decline in real wages, 2 (0.7%) identified decline in permanent employment as the impact of the reforms implementation and 1 (0.3%) considered the reduction in the quality of working life as the impact of the labour reforms.

The gender cross-tabulation reveals that 67 (22.6%) of the male respondents are of the opinion that the reforms brought about the decline of permanent employment and 25 (8.4%) pointed that the reforms brought about stagnation and decline of real wages. A total of 23 (7.7%) said that the

reforms have led to the loss of control over the pace of work and 20 (6.7%) said it brought about reduction in the quality of working life. Of the female respondents, 68 (22.9%) said the reforms brought about a decline of permanent employment, 34 (11.4%) highlighted that the reforms have led to the stagnation and decline of real wages, 31 (10.4%) posited that the reforms have reduced the quality of working life and 29 (9.8%) cited that the reforms have caused loss of control over the pace of work.

The marital status cross-tabulation reveals that the majority of the single respondents, 52 (17.5%), cited the decline of permanent employment associated with reforms, 18 (6.1%) of the respondents claimed that it leads to stagnation and decline of real wages and also the loss of control over the pace of work, respectively, and 15 (5.1%) said reforms are synonymous with the reduction of the quality of working life. The marital status cross-tabulation of married respondents reveals that the majority of the married respondents, 75 (25.3%), cited the decline of permanent employment, 35 (11.8%) claimed that it leads to stagnation and 29 (9.8%) said that reforms led to the decline of real wages and the loss of control over the pace of work, respectively. The marital status cross-tabulation of the divorced respondents reveals that most of the respondents, 3 (1%), said that reforms led to the reduction in the quality of working life and 1 (0.3%) respondent claimed that reforms are synonymous with the decline of permanent employment and loss of control over the pace of work, respectively. None of the respondents cited the stagnation and decline of real wages as a problem.

The cross-tabulation of widowed respondents reveals that 2 (0.7%) said reforms led to the decline of permanent employment, and 1 (0.3%) claimed that it leads to stagnation and decline of real wages and loss of control over the pace of work. None of the respondents cited the problems associated with the reduction in the quality of working life. From the separated respondents, 5 (1.7%) cited the decline of permanent employment and stagnation and decline of real wages, respectively. A total of 4 (1.3%) said reforms have an impact on the reduction in the quality of working life. Lastly, 3 (1%) of the widowed said that, because of reforms, they have lost control over the pace of work.

The income cross-tabulation with what has been the impact of the reforms on the terms and conditions of employment of respondents reveals that the majority of the respondents who earn between N18, 000 and N50, 000, 11 (3.7%), cited the decline of permanent employment, 6 (2%)

claimed that it leads to stagnation and decline of real wages, 6 (2%) also said reforms have led to the loss of control over the pace of work and 4 (1.3%) said reforms have led to the reduction of the quality of working life.

The income cross-tabulation also reveals that the majority of the N51, 000 to N100, 000 earning respondents, who total 31 (10.4%), cited the decline of permanent employment, 17 (5.7%) claimed that it leads to stagnation and decline of real wages, 15 (5.1%) cited the loss of control over the pace of work and 12 (4%) cited the reduction in the quality of working life. The income cross-tabulation with N101, 000 to N150, 000 earners reveals that most of the respondents, 26 (8.8%), claimed that reforms have led to the decline of permanent employment. Following is 11 (3.7%) of them who cited stagnation and decline of real wages, 10 (3.4%) who cited the reduction in the quality of working life and, lastly, another 6 (2%) who cited the loss of control over the pace of work.

The cross-tabulation of earners of N151, 000 to N200, 000 reveals that 42 (14.1%) cited the decline of permanent employment, 17 (5.7%) said reforms led to the loss of control over the pace of work, another 15 (5.1%) claimed that it leads to stagnation and decline of real wages and 15 (5.1%) of them said reforms led to the reduction in the quality of working life. The modal group of N201, 000 to N300, 000 earners are the 18 (6.1%) who cited the decline of permanent employment; followed by the 7 (2.4%) who cited the reduction in the quality of working life and 5 (1.7%) who said that the reforms led to stagnation and decline of real wages. A total of 3 (1%) respondents said reforms have led to the loss of control over the pace of work. For N300, 000+ earners, 7 (2.4%) cited the decline of permanent employment as a problem associated with reforms, 5 (1.7%) claimed that it leads to stagnation and decline of real wages, 5 (1.7%) also said reforms led to the loss of control over the pace of work and 3 (1%) felt reforms are synonymous with the reduction of the quality of working life.

The department cross-tabulation reveals that, in the admin department, 29 (9.8%) cited the decline of permanent employment, 13 (4.4%) claimed that it leads to stagnation and decline of real wages, 9 (3%) said reforms led to the loss of control over the pace of work and 7 (2.4%) said reforms led to the reduction in the quality of working life. In the marketing department, 22 (7.4%) cited the decline of permanent employment, 8 (2.7%) claimed that it leads to stagnation and decline of real wages, 9

(3%) cited loss of control over the pace of work and 7 (2.4%) cited the reduction in the quality of working life.

From the finance department, 6 (2%) of the respondents cited the decline of permanent employment as a problem associated with reforms implementation, 4 (1.3%) cited stagnation and decline of real wages, just 2 (0.7%) affirmed the loss of control over the pace of work and, lastly, 3 (1%) cited the reduction in the quality of working life. From the HRM department, 23 (7.7%) cited the decline of permanent employment, 11 (3.7%) claimed that it leads to stagnation and decline of real wages, 7 (2.4%) cited the loss of control over the pace of work and 13 (4.4%) said reduction in the quality of working life. In the accounts department, 11 (3.7%) said decline of permanent employment, 5 (1.7%) claimed that it leads to stagnation and decline of real wages, 4 (1.3%) said reforms have led to the loss of control over the pace of work and 1 (0.3%) said reforms are synonymous with the reduction in the quality of working life.

In the procurement department, 1 (0.3%) cited the decline of permanent employment, 3 (1%) claimed that reforms have led to the stagnation and decline of real wages, 1 (0.3%) said reforms have led to the loss of control over the pace of work and 3 (1%) said reforms have led to the reduction in the quality of working life. In the legal department, 3 (1%) cited the decline of permanent employment, 1 (0.3%) claimed that the reforms have led to the stagnation and decline of real wages, 1 (0.3%) said reforms have led to the loss of control over the pace of work and 2 (0.7%) cited the reduction in the quality of working life. From the engineering department, 37 (12.5%) of the respondents cited the decline of permanent employment, 12 (4%) said stagnation and decline of real wages, 15 (5.1%) cited the loss of control over the pace of work and, lastly, 15 (5.1%) said reduction in the quality of working life. In the logistics department, 1 (0.3%) of the respondents claimed that reforms have led to the decline of permanent employment and 1 (0.3%) cited stagnation and decline of real wages, 3 (1%) cited the loss of control over the pace of work and, lastly, none of the respondents cited the reduction in the quality of working life. In the security department, 2 (0.7%) of the respondents felt that the reforms have led to the decline of permanent employment, 1 (0.3%) cited stagnation and decline of real wages, 3 (1%) cited loss of control over the pace of work and none of the respondents felt that reforms have led to reduction in the quality of working life.

Of the educational cross-tabulation, 115 (38.9%) respondents with tertiary education said the reform had brought about decline of permanent employment, 16 (5.4%) of the matriculated education respondents asserted that the reforms have led to the reduction of permanent employment, and 4 (1.4%) of the secondary education respondents said the reforms have led to the decline of permanent employment. A total of 46 (15.5%) tertiary education respondents said the reforms have brought about stagnation and decline of real wages, 8 (2.7%) of those with secondary education asserted that the reforms have caused stagnation and decline of real wages, and 5 (1.7%) of the matriculation education respondents said the reforms have led to decline and stagnation of real wages. A total of 44 (14.9%) respondents with tertiary education cited that the reforms have brought about loss of control over the pace of work, 4 (1.4%) of the secondary education respondents said the implementation of the reforms causes loss of control over the pace of work, and 3 (1%) of the matriculation education respondents said the reforms resulted in loss of control over the pace of work. Furthermore, 44 (14.9%) of the respondents with tertiary education cited that the reforms have brought about reduction in the quality of working life, 4 (1.4%) of the matriculation education respondents said the reforms have brought about reduction in the quality of working life and 3 (1%) of the respondents with secondary education agreed that the reforms have brought about a reduction in the quality of working life.

The skills cross-tabulation reveals that the majority of the respondents who possess administrative skills, 26 (10%), cited the decline of permanent employment, 8 (3.1%) of the respondents claimed that reforms have led to stagnation and decline of real wages, 6 (2.3%) cited the loss of control over the pace of work or the reduction in the quality of working life, respectively. The cross-tabulation also reveals that the majority of those with marketing skills, 18 (6.9%), cited the decline of permanent employment, 8 (3.1%) of the respondents claimed that it leads to stagnation and decline of real wages, 6 (2.3%) cited the loss of control over the pace of work or the reduction in the quality of working life, respectively. The cross-tabulation with electrically skilled respondents reveals that 14 (5.4%) cited the decline of permanent employment, 5 (1.9%) cited the loss of control over the pace of work, 4 (1.5%) cited the reduction in the quality of working life and, lastly, 4 (1.5%) cited stagnation and decline of real wages.

The cross-tabulation of accounting skilled respondents reveals that 15 (5.8%) cited the decline of permanent employment, 4 (1.5%) cited loss of control over the pace of work, 3 (1.2%) claimed that it

leads to stagnation and decline of real wages and 2 (0.8%) said reform led to the reduction in the quality of working life. The modal group of technically skilled respondents are the 8 (3.1%) who cited the decline of permanent employment, followed by the 6 (2.3%) who said loss of control over the pace of work and 5 (1.9%) who asserted that the reforms led to stagnation and decline of real wages. A total of 2 (0.8%) respondents from this group cited the reduction in the quality of working life. For the analytic and design skilled, 15 (5.8%) cited the decline of permanent employment, 7 (2.7%) loss of control over the pace of work, 6 (2.3%) claimed that it leads to stagnation and decline of real wages and 6 (2.3%) affirmed that reforms led to the reduction in the quality of working life.

Of those who possess conceptual skills, 10 (3.8%) cited the decline of permanent employment, 4 (1.5%) claimed that it leads to stagnation and decline of real wages or reduction in the quality of working life, respectively, and 2 (0.8%) cited the loss of control over the pace of work. The crosstabulation also reveals that, in the modal class of the industrial relations skilled respondents, 6 (2.3%) cited the decline of permanent employment, 5 (1.9%) reduction in the quality of working life, 3 (1.2%) loss of control over the pace of work and 2 (0.8%) respondents claimed that it leads to stagnation and decline of real wages. The cross-tabulation with human resources skilled respondents reveals that 2 (0.8%) of the respondents cited reduction in the quality of working life, 1 (0.4%) claimed the decline of permanent employment, loss of control over the pace of work and the stagnation and decline of real wages.

The cross-tabulation of mechanically skilled respondents reveals that 4 (1.5%) of the respondents claimed that it leads to stagnation and decline of real wages, 3 (1.2%) said decline of permanent employment, 1 (0.4%) said loss of control over the pace of work and 1 (0.4%) said reduction in the quality of working life. The modal group of legally skilled respondents are the 3 (1.2%) who said decline of permanent employment. They, however, are followed by the 2 (0.8%) who said reduction in the quality of working life and 1 (0.4%) who said that the reforms led to stagnation, decline of real wages or loss of control over the pace of work, respectively. From the managerial skills, 1 (0.4%) cited the decline of permanent employment and reduction in the quality of working life, respectively, and none cited the loss of control over the pace of work, and that it leads to stagnation and decline of real wages.

From those with budgeting skills, 3 (1.2%) of the respondents claimed that it leads to stagnation and decline of real wages and loss of control over the pace of work, respectively. Only 1 (0.4%) of them said reforms led to the reduction in the quality of working life. None cited the decline of permanent employment. The modal group of security skilled respondents are the 2 (0.8%) who cited the decline of permanent employment, followed by the 1 (0.4%) who said that reforms led to stagnation and decline of real wages and loss of control over the pace of work, respectively. None of the respondents in this skills category cited the reduction in the quality of working life.

## Impression of Workers on the Use of Segmented/Contract Workers in Shell

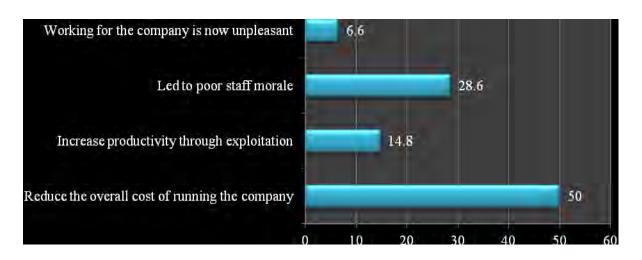


Figure 15: Impression of Workers on the Use of Segmented/Contract Workers in Shell

A total of 152 (50%) of respondents are of the view that the use of segmented/contract workers at Shell Petroleum Development Company has reduced the overall cost of running the company. Furthermore, 87 (28.6%) workers cited that this practice has led to poor staff morale, 45 (14.8%) are of the opinion that it increases productivity through exploitation and 20 (6.6%) affirmed that working for the company is now unpleasant since the use of segmented/contract labour.

The age cross-tabulation reveals that, from the age bracket 18 to 27, 52 (17.1%) have the impression that it reduces the overall cost of running the company, 29 (9.5%) are of the impression that it leads to poor staff morale, 14 (4.6%) have the impression that it increases productivity through exploitation of workers, and 5 (1.6%) say that it makes working for the company unpleasant. Among

the respondents between 28 and 37 years, 27 (8.9%) have the impression that the use of segmented/contract workers in Shell Petroleum Development Company reduces the overall cost of running the company, 24 (7.9%) have the impression that the use of segmented or contract workers in Shell Petroleum Development Company has led to poor staff morale, 8 (2.6%) are of the opinion that segmented workers increase productivity through exploitation of workers and 2 (0.7%) of the respondent assert that the use of contract workers has made working for the company unpleasant. Among the respondents between 38 and 47 years, 42 (13.8%) are of the opinion that the use of contract workers reduces the overall cost of running the company, 24 (7.9%) agreed that segmented workers has led to poor staff morale, 13 (4.3%) have the impression that contract workers increase productivity through exploitation of workers, and 11 (3.6%) assert that contract workers have made working for the company unpleasant. From the age bracket 48 to 57 years, 28 (9.2%) are of the opinion that the use of contract workers reduces the overall cost of running the company, 9 (3%) agreed that segmented workers increase productivity through exploitation of workers and have led to poor staff morale, and 1 (0.3%) settled on the impression that the use of contract workers has made working for the company unpleasant. Among the age 58 years and above, 3 (1%) of the respondents have the impression that the use of segmented workers in Shell Petroleum Development Company reduces the overall cost of running the company, 1 (0.3%) believed that the use of contract workers in Shell Petroleum Development Company increases the productivity through exploitation of workers, has led to poor staff morale and has made working for the company very unpleasant, respectively.

The gender cross-tabulation results show that 72 (23.7%) of the male respondents have the impression that it reduces the overall cost of running the company, 38 (12.5%) are of the opinion that it has led to poor staff morale, 18 (5.9%) highlighted that it increases productivity through exploitation of workers, and 10 (33%) said working for the company as a contract worker has become unpleasant. From the female respondents, 80 (26.3%) have the impression that the use of contract workers reduces the overall cost of running the company, 49 (16.1%) have the impression that it has led to poor staff morale, 27 (8.9%) said it increases productivity through exploitation of workers, and 10 (3.3%) think that the use of contract workers made working for the company unpleasant.

The marital status cross-tabulation reveals that the majority of the single respondents, 53 (17.4%), said it reduced the overall cost of running the company, 33 (10.9%) claimed that it has led to poor staff morale, 15 (4.9%) said it increases productivity through exploitation of workers and 5 (1.6%) said working for the company is now unpleasant. From the analysis, it could be observed that the modal class as represented in the distribution is those who are single and said that the use of segmented workers in Shell Petroleum Development Company has led to a reduction in the overall cost of running the company.

The marital status cross-tabulation of married respondents reveals that the majority of the married respondents, 88 (28.9%), said it reduced the overall cost of running the company. A total of 46 (15.1%) of the respondents claimed that it has led to poor staff morale, 25 (8.2%) said it increases productivity through exploitation of workers and 12 (3.9%) said working for the company is now unpleasant. The marital status cross-tabulation with divorced respondents reveals that most of the respondents, precisely 2 (0.7%), said it reduced the overall cost of running the company, another 2 (0.7%) claimed that it increased productivity through exploitation of workers, none said it has led to poor staff morale, and 1 (0.3%) said working for the company is now unpleasant.

The cross-tabulation of widowed respondents shows that 3 (1%) of the respondents said it reduced the overall cost of running the company and 1 (0.3%) claimed that it has led to poor staff morale. None said it increases productivity through exploitation of workers or that working for the company is now unpleasant. The separated respondents are led by the 7 (2.3%) who said it has led to poor staff morale, followed by the 6 (2%) who said that the reforms have led to reduction in the overall cost of running the company. There are 3 (1%) respondents in this group who said it increases productivity through exploitation of workers. Lastly, 2 (0.7%) persons said that, since the reforms were implemented, working for the company is now unpleasant.

The income cross-tabulation reveals that the majority, 10 (3.3%), of the N18, 000 to N50, 000 income earners said it reduces the overall cost of running the company and has led to poor staff morale, respectively. A total of 5 (1.6%) said it increases productivity through exploitation of workers and 2 (0.7%) said working for the company is now unpleasant. From the analysis, it could be observed that the modal class as represented in the distribution is those who said that the use of

segmented workers in Shell Petroleum Development Company has led to a reduction in the overall cost of running the company. The income cross-tabulation with N51, 000 to N100, 000 respondents reveals that the majority, 33 (10.9%), said it reduced the overall cost of running the company, 28 (9.2%) claimed that it has led to poor staff morale, 10 (3.3%) said it increases productivity through exploitation of workers and 5 (1.6%) said working for the company is now unpleasant. The cross-tabulation with N101, 000 to N150, 000 earning respondents reveals that most of the respondents, precisely 31 (10.2%), said it reduced the overall cost of running the company. A total of 13 (4.3%) said it has led to poor staff morale, 6 (2%) claimed that it increases productivity through exploitation of workers and 5 (1.6%) said working for the company is now unpleasant.

The cross-tabulation of N151, 000 to N200, 000 reveals that the majority, 45 (14.8%), of the respondents said it reduced the overall cost of running the company and 25 (8.2%) claimed that it has led to poor staff morale. A total of 17 (5.6%) said it increases productivity through exploitation of workers and 5 (1.6%) said working for the company is now unpleasant. The respondents who earn N201, 000 to N300, 000 are led by the 22 (7.2%) who said that the reforms led to a reduction in the overall cost of running the company. They are followed by the 7 (2.3%) who said it has led to poor staff morale. Next are those who said it increases productivity through exploitation of workers. There are 3 (1%) respondents in this group. Lastly, 2 (0.7%) persons say that working for the company is now unpleasant.

When department was cross-tabulated with respondents' impression of the use of segmented/contract workers in Shell Petroleum Development Company, the various responses from each department were recorded as below. In the admin department, 25 (8.2%) said it reduces the overall cost of running the company, 8 (2.6%) said it increases productivity through exploitation of workers, 24 (7.9%) claimed that it has led to poor staff morale, and 3 (1%) said working for the company is now unpleasant. In the marketing department, 26 (8.6%) said it reduces the overall cost of running the company, 6 (2%) said it increases productivity through exploitation of workers, 11 (3.6%) claimed that it has led to poor staff morale, and 3 (1%) said working for the company is now unpleasant. In the finance department, 8 (2.6%) said it reduces the overall cost of running the company, 3 (1%) claimed that it increases productivity through exploitation of workers, 5 (1.6%) said it has led to poor staff morale, and 2 (0.7%) said working for the company is now unpleasant. In the human resources

management department, 29 (9.5%) said it reduces the overall cost of running the company, 7 (2.3%) claimed that it increases productivity through exploitation of workers, 16 (5.3%) said it has led to poor staff morale and 2 (0.7%) said working for the company is now unpleasant. From the accounts department, 13 (4.3%) said it reduces the overall cost of running the company, 3 (1%) said it increases productivity through exploitation of workers, 5 (1.6%) claimed that it has led to poor staff morale, and 1 (0.3%) said working for the company is now unpleasant. In the procurement department, 3 (1%) said it reduces the overall cost of running the company, 1 (0.3%) said it increases productivity through exploitation of workers, 2 (0.7%) claimed that it has led to poor staff morale, and 2 (0.7%) said working for the company is now unpleasant. In the legal department, 3 (1%) said it reduces the overall cost of running the company, 1 (0.3%) said it increases productivity through exploitation of workers, 1 (0.3%) claimed that it has led to poor staff morale, and 2 (0.7%) said working for the company is now unpleasant. In the engineering department, 40 (13.2%) said it reduces the overall cost of running the company, 14 (4.6%) said it increases productivity through exploitation of workers, 21 (6.9%) claimed that it has led to poor staff morale, and 5 (1.6%) said working for the company is now unpleasant. In the logistics department, 2 (0.7%) said it reduces the overall cost of running the company, 2 (0.7%) said it increases productivity through exploitation of workers, 1 (0.3%) claimed that it has led to poor staff morale and none said working for the company is now unpleasant. In the security department, 3 (1%) said it reduces the overall cost of running the company, none said it increases productivity through exploitation of workers, 1 (0.3%) claimed that it has led to poor staff morale, and none said working for the company is now unpleasant.

The educational cross-tabulation reveals that 129 (42.6%) of the tertiary education respondents are of the impression that the use of contract workers reduces the overall running cost of the company, 14 (4.6%) of the matriculation education respondents assert that segmented workers in Shell Petroleum Development Company has brought about a reduction in the cost of running the company, and 8 (2.6%) of the secondary education respondents have the opinion that the use of contract staff has cut down the running cost of the company. Of the tertiary education respondents, 40 (13.2%) said the use of segmented workers has increased productivity through exploitation of workers, 3 (1%) of the matriculation education respondents said the use of segmented workers has increased production though worker exploitation, and 2 (0.7%) of the secondary education respondents also agreed that using segmented workers has increased the company's production through staff exploitation. Also,

70 (23.1%) of the tertiary education respondents believed that the use of segmented workers has led to poor staff morale, 10 (3.3%) of the matriculation education respondents have the impression that contract staff usage has led to poor staff morale, and 7 (2.3%) of the secondary education respondents said the use of segmented staff caused poor staff morale in the company. Of the tertiary education respondents, 17 (5.6%) said the use of segmented staff has made working for the company unpleasant, 2 (0.7%) of the secondary education respondents are of the opinion that the use of contract staff made working boring, and 1 (0.3%) of the matriculation education respondents said contract workers have made working for the company unpleasant.

The skills cross-tabulation reveals that the majority of the administrative skilled respondents, 20 (7.5%), claimed that it has led to poor staff morale, 19 (7.1%) said it reduced the overall cost of running the company, 7 (2.6%) said it increases productivity through exploitation of workers and 1 (0.4%) said working for the company is now unpleasant. From the analysis, it could be observed that the modal class as represented in the distribution is those who said that the use of segmented workers in Shell Petroleum Development Company has led to poor staff morale. The skills cross-tabulation with marketing skilled respondents reveals the following: the majority of them, 24 (9%), said it reduced the overall cost of running the company, 8 (3%) claimed that it has led to poor staff morale, 3 (1.1%) said it increases productivity through exploitation of workers and 3 (1.1%) said working for the company is now unpleasant. Cross-tabulation with electrical skilled respondents reveals that most of the respondents, precisely 14 (5.2%), said it reduced the overall cost of running the company, another 9 (3.4%) said it has led to poor staff morale, 5 (1.9%) claimed that it increases productivity through exploitation of workers, and none said working for the company is now unpleasant. Next is the cross-tabulation of accounting skilled respondents with the question raised above. 13 (4.9%) of the respondents said it reduced the overall cost of running the company, 7 (2.6%) claimed that it has led to poor staff morale, 4 (1.5%) said it increases productivity through exploitation of workers and 3 (1.1%) said working for the company is now unpleasant. The respondents who possess technical skills are led by the 11 (4.1%) who said that the reforms led to reduction in the overall cost of running the company. They are followed by the 6 (2.2%) who said it increases productivity through exploitation of workers. Next are those who said it has led to poor staff morale. There are 4 (1.5%) respondents in this group. Lastly, none of the respondents said that working for the company is now unpleasant. The majority of the analytic and design skilled respondents, 16 (6%), said it reduced the overall cost of running the company, 10 (3.7%) claimed that it has led to poor staff morale, 5 (1.9%) said it increases productivity through exploitation of workers and 3 (1.1%) said working for the company is now unpleasant. From the analysis, it could be observed that the modal class as represented in the distribution is those who said that the use of segmented workers in Shell Petroleum Development Company has led to a reduction in the overall cost of running the company. The skills cross-tabulation with conceptual skilled respondents reveals the following: the majority of them, 12 (4.5%), said it reduced the overall cost of running the company, 6 (2.2%) of the respondents claimed that it has led to poor staff morale, 2 (0.7%) said working for the company is now unpleasant and 0 said it increases productivity through exploitation of workers. Cross-tabulation with industrial relations skilled respondents reveals that most of the respondents, precisely 9 (3.4%), said it reduces the overall cost of running the company, another 4 (1.5%) said it has led to poor staff morale, 4 (1.5%) claimed that it increases productivity through exploitation of workers, and none said working for the company is now unpleasant. Next is the cross-tabulation of human resource skilled respondents with the question raised above. Of these respondents, 3 (1.1%) said it reduces the overall cost of running the company, 1 (0.4%) claimed that it has led to poor staff morale, 1 (0.4%) said working for the company is now unpleasant and none said it increases productivity through exploitation of workers. The respondents who possess mechanical skills are led by the 3 (1.1%) who said that the reforms led to reduction in the overall cost of running the company. They are followed by the 2 (0.7%) who said it has led to poor staff morale. Next are those who said it increases productivity through exploitation of workers and there are 2 (0.7%) respondents in this group. Lastly, 2 (0.7%) persons say that working for the company is now unpleasant.

The cross-tabulation of those with legal skills denotes that 3 (1.1%) of the respondents said it reduces the overall cost of running the company, 2 (0.7%) said working for the company is now unpleasant and 1 (0.4%) said it increases productivity through exploitation of workers and that it has led to poor staff morale, respectively. The respondents who possess managerial skills are 2 (0.7%) who said that the reforms have led to reduction in the overall cost of running the company. None said it has led to poor staff morale, none said it increases productivity through exploitation of workers and none said that the working conditions in the company are now unpleasant. For those with budgeting skills, 5 (1.9%) of the respondents said it reduces the overall cost of running the company, 2 (0.7%) said it

increases productivity through exploitation of workers, 1 (0.4%) claimed that it has led to poor staff morale and none said working for the company is now unpleasant.

For security skilled respondents, 3 (1.1%) said it reduces the overall cost of running the company, 1 (0.4%) claimed that it has led to poor staff morale, none said it increases productivity through exploitation of workers and none said working for the company is now unpleasant.

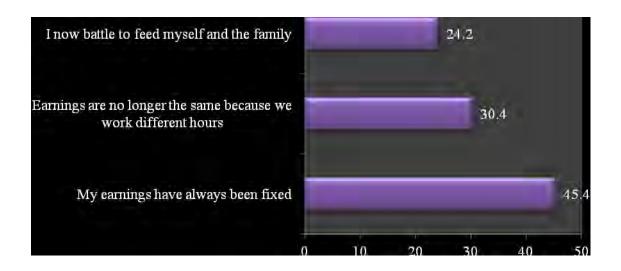


Figure 16: The Effects of Reforms on Earnings of Employees

Statistics reveal that the majority of the respondents, 133 (45.4%), cited that their earnings have always been fixed. A significant number of respondents, 89 (30.4%), felt that their earnings are no longer the same because they work different hours. Lastly, 71 (24.2%) of the respondents are battling to feed themselves and their families.

The age cross-tabulation among the respondents between 18 and 27 years reveals that 46 (15.7%) of the respondents asserted that their earnings have been fixed since the implementation of the reform. A further 33 (11.3%) were of the opinion that their earnings are no longer fixed because they now work different hours and 19 (6.5%) asserted that, since the implementation of the reforms, they are battling to feed themselves and their families. From the respondents who are between 28 and 37 years, 25 (8.5%) said that their earnings have always been fixed, and 19 (6.5%) said their earnings are no longer fixed because they now work different hours since the implementation of the reform.

Lastly, 13 (4.4%) of the respondents complained that they battle to feed themselves and their families since the implementation of the reforms.

From those between the age of 38 and 47 years, 38 (13%) asserted that their earnings have always been fixed since the implementation of the reform, 25 (8.5%) were of the opinion that the implementation of the reforms made their earnings no longer fixed. As things stand, they now work different hours and, hence, they battle to feed themselves and their families. Among the respondents whose ages are 48 to 57 years, 21 (7.2%) asserted that their earnings have always been fixed since the implementation of the reforms and 12 (4.1%) said their income is insecure, because they now work different hours. As things stand, feeding their families is difficult. From the age 58 and above, 3 (1%) said their earnings have always been fixed since the implementation of reforms and 2 (0.7%) said they are battling to feed their families. None of the respondents said that their earnings are no longer fixed because of working different hours.

The gender cross-tabulation shows that, of the male respondents, 61 (20.8%) said their earnings have always been fixed, 37 (12.6%) cited that their earnings are no longer fixed because they now work in different hours, and 33 (11.3%) claimed that they struggle to feed themselves and their families. Of the female respondents, 72 (24.6%) posited that their earnings have always been fixed since the reform implementation, 52 (17.7%) said their earnings are no longer fixed because of the different hours of work and 38 (13%) are struggling to feed their families.

The marital cross-tabulation reveals that most of the single respondents, 47 (16%), said their earnings have always been fixed, 36 (12.3%) claimed that earnings are no longer fixed because they now work different hours and 19 (6.5%) said they battle to feed their families and themselves. The marital status cross-tabulation with married respondents reveals that the majority of the married respondents, 77 (26.3%), said their earnings have always been fixed, 45 (15.4%) claimed that earnings are no longer fixed because they now work different hours and 42 (25.6%) said feeding themselves and their families is now a challenge. The marital status cross-tabulation with divorced respondents reveals that 3 (1%) said they battle to feed themselves and their families, 2 (0.7%) claimed that their earnings have always been fixed and said earnings are no longer fixed because they now work different hours, respectively.

The cross-tabulation of widowed respondents shows that 2 (0.7%) said their earnings have always been fixed, 1 (0.3%) claimed that earnings are no longer fixed because they now work different hours and that they are battling to feed themselves and their families, respectively. Lastly, for separated respondents, 7 (2.4%) pointed out that their earnings are no longer fixed because they now work different hours, 6 (2%) said they battle to feed themselves and their families and 5 (1.7%) cited that their earnings have always been fixed.

The income cross-tabulating reveals that most of the N18, 000 to N50, 000 earning respondents, 12 (4.1%), said their earnings have always been fixed, 10 (3.4%) claimed that earnings are no longer fixed because they now work different hours and 5 (1.7%) said that they battle to feed themselves and their families. The income status cross-tabulation with N51, 000 to N100, 000 earners reveals that the majority of the respondents, 28 (9.6%), claimed that earnings are no longer fixed because they now work different hours, 27 (9.2%) said their earnings have always been fixed and 19 (6.5%) cited that they battle to feed themselves and their families. The income status cross-tabulation among N101, 000 to N150, 000 earning respondents reveals that 24 (8.2%) of the respondents claimed that their earnings have always been fixed, 17 (5.8%) said earnings are no longer fixed because they now work different hours and 10 (3.4%) said they battle to feed their families and themselves.

The cross-tabulation of respondents who earn N151, 000 to N200, 000 reveals that 43 (14.7%) said their earnings have always been fixed, 24 (8.2%) claimed that earnings are no longer fixed because they now work different hours and 23 (7.8%) said they battle to feed their families and themselves. For the N201, 000 to N300, 000 earners, 20 (6.8%) said their earnings have always been fixed, 8 (2.7%) said they battle to feed their families and themselves and 6 (2%) said earnings are no longer fixed because they now work different hours. Lastly, from the respondents who earn N300, 000+, a total of 7 (2.4%) cited that their earnings have always been fixed, 4 (1.4%) said their earnings are no longer fixed because they now work different hours and 6 (2%) complained that they battle to feed their families and themselves.

The departmental cross-tabulation reveals that, in the administration department, 24 (8.2%) said their earnings have always been fixed, 22 (7.5%) claimed that earnings are no longer fixed because they

now work different hours and 13 (4.4%) said they battle to feed their families and themselves. In the marketing department, 25 (8.5%) said their earnings have always been fixed, 11 (3.8%) claimed that earnings are no longer fixed because they now work different hours and 9 (3.1%) said they battle to feed their families and themselves. In the finance department, 8 (2.7%) said their earnings have always been fixed, 2 (0.7%) claimed that earnings are no longer fixed because they now work different hours and 6 (2%) complained that they are battling to feed their families and themselves. In the HRM department, 27 (9.2%) said their earnings have always been fixed, 15 (5.1%) claimed that earnings are no longer fixed because they now work different hours and 11 (3.8%) complained that they are battling to feed their families and themselves. In the accounts department, 10 (3.4%) said their earnings have always been fixed, 5 (1.7%) claimed that earnings are no longer fixed because they now work different hours and 6 (2%) complained that they are battling to feed their families and themselves

In the procurement department, 3 (1%) said their earnings have always been fixed, 2 (0.7%) claimed that earnings are no longer fixed because they now work different hours and 3 (1%) complained that they are battling to feed their families and themselves. In the legal department, 2 (0.7%) posited that their earnings have always been fixed, 3 (1%) claimed that earnings are no longer fixed because they now work different hours and 2 (0.7%) asserted that they battle to feed their families and themselves. In the engineering department, 31 (10.6%) said their earnings have always been fixed, 27 (9.2%) claimed that earnings are no longer fixed because they now work different hours and 18 (6.1%) said they battle to feed their families and themselves. In the logistics department, 1 (0.3%) cited that his/her earnings have always been fixed and that his/her earnings are no longer fixed because they now work different hours, respectively, and 2 (0.7%) complained that they are now battling to feed their families and themselves. In the security department, 2 (0.7%) asserted that their earnings have always been fixed, 1 (0.3%) claimed that earnings are no longer fixed because he/she now works different hours, and he/she is battling to feed his/her family and him/herself, respectively.

The educational cross-tabulation of respondents shows that 113 (38.7%) of those with tertiary education said their earnings have always been fixed since the implementation of the reform, 14 (4.8%) of the matriculation education respondents asserted that their income has been fixed since implementation and 6 (2.1%) of the secondary education respondents are of the opinion that the

implementation has made theirs fixed. A total of 71 (24.3%) of the respondents with tertiary education cited that their earnings are no longer fixed because they now work different hours, 10 (3.4%) of the matriculation education respondents are of the impression that their earnings are no longer fixed since they now work different hours, and 8 (2.7%) of the secondary education respondents said their earnings are no longer fixed because they now work different hours. Lastly, a total of 61 (20.9%) respondents with tertiary education proclaimed that they now battle to feed their household since the implementation of reforms, 5 (1.7%) of the secondary education respondents said they battle to feed themselves and their families since the implementation, and 4 (1.4%) of the respondents with matriculation education said that the reform makes feeding the family very difficult.

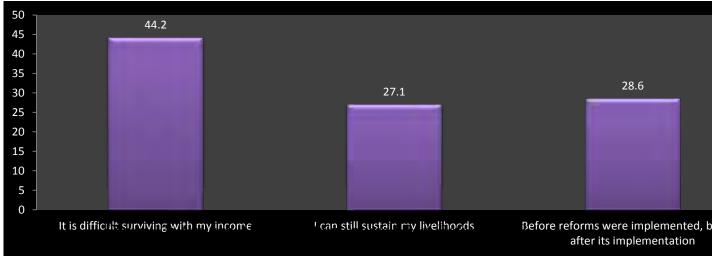
The cross-tabulation of skills reveals that most of the administrative skilled respondents, 21 (8.2%), said their earnings have always been fixed, 17 (6.6%) claimed that earnings are no longer fixed because they now work different hours and 8 (3.1%) cited that they battle to feed their families and themselves. The income status cross-tabulation with marketing skilled respondents reveals that 20 (7.8%) respondents cited that their earnings have always been fixed, 9 (3.5%) claimed that earnings are no longer fixed because they now work different hours and 8 (3.1%) complained that they are battling to feed their families and themselves. The skills cross-tabulation with electrically skilled respondents reveals that 12 (4.7%) of the respondents claimed that their earnings have always been fixed, 12 (4.7%) said earnings are no longer fixed because they now work different hours and 4 (1.6%) said they battle to feed their families and themselves.

The cross-tabulation of respondents who are skilled with accounting skills reveals that 15 (5.9%) said their earnings have always been fixed, 9 complained that they battle to feed their families and themselves and (3.5%) of the respondents claimed that earnings are no longer fixed because they now work different hours. For technical skills, 8 (3.1%) said their earnings have always been fixed, 7 (2.7%) said they battle to feed their families and themselves and 4 (1.6%) said their earnings are no longer fixed because they now work different hours. For respondents who have analytic and design skills, 11 (4.3%) cited that their earnings have always been fixed, 11 (4.3%) said earnings are no longer fixed because they now work different hours and 9 (3.5%) said they battle to feed their families and themselves.

From the conceptual and interpersonal skilled respondents, 9 (3.5%) said their earnings have always been fixed, 6 (2.3%) claimed that earnings are no longer fixed because they now work different hours and 4 (1.6%) said they are battling to feed their families and themselves. Most of the respondents who have industrial relation skills, 9 (3.5%) of the respondents, claimed that earnings are no longer fixed because they now work different hours, 5 (2%) said their earnings have always been fixed and 3 (1.2%) said they battle to feed their families and themselves. The skills cross-tabulation with human resource skilled respondents reveals that 3 (1.2%) claimed that their earnings have always been fixed, 2 (0.8%) said earnings are no longer fixed because they now work different hours and none said that they are battling to feed their families and themselves.

The cross-tabulation of respondents who are skilled with mechanical skills reveals that 5 (2%) said their earnings have always been fixed, 3 (1.2%) claimed that earnings are no longer fixed because they now work different hours and 1 (0.4%) said that they are battling to feed their families and themselves. For those with budgeting skills, 2 (0.8%) said their earnings have always been fixed and said they are battling to feed their families and themselves, respectively. Lastly, 1 (0.4%) said his/her earnings are no longer fixed because he/she now works different hours. For respondents who have security skills, 2 (0.8%) said their earnings have always been fixed and that their earnings are no longer fixed because they now work different hours, respectively. Lastly, 1 (0.4%) the respondents complained that he/she is battling to feed his/her family and him/herself.

## Are You Able to Sustain Yourself Post-Reform Era?



The majority of the respondents, 119 (44.2%), felt that it is difficult surviving with the income they are earning. A significant proportion, 77 (25.3%), are no longer able to sustain their livelihoods as compared to the period before reforms were implemented. Lastly, 73 (24%) of the workers can still sustain their livelihoods. Most of these workers are clustered amongst those who are single.

The age cross-tabulation reveals that, of respondents between 18 and 27 years, 37 (13.8%) find it difficult surviving with their income during the post-reform era, 30 (11.2%) can still sustain their livelihood in the post-reform era and 24 (8.9%) asserted that, when they started, they were able to sustain their livelihood, but, lately, it is difficult in the post-reform era. Among the respondents aged 28 to 37 years, 21 (7.8%) asserted that it was difficult surviving with their income in the post-reform era. A total of 17 (6.3%) asserted that, when they started, they were able to sustain their livelihood, but, lately, it has become difficult in the post-reform era, and 13 (4.8%) said they can still sustain their livelihood in the post-reform era. From those between the age of 38 and 47 years, 37 (13.8%) of the respondents said it was difficult surviving with their income in the post-reform era. A total of 27 (10%) respondents asserted that, when they started, they were able sustain their livelihood, but, lately, it is difficult in the post-reform era, and 17 (6.3%) said that they can still sustain their livelihood in the post-reform era.

Among the ages 48 to 57 years, 22 (8.2%) respondents said it is difficult surviving with their income, 12 (4.5%) agreed that they can still sustain their livelihood in the post-reform era and 7 (2.6%) stated that, when they started, they were able to sustain their livelihood, but, lately, it was difficult in the post-reform era. From the ages 58 years and above, 2 (0.7%) of the respondents said it is difficult surviving with their income and, when they started, they were able to sustain their livelihood, but, lately, it is difficult in the post-reform era, respectively. Lastly, 1 (0.4%) of the respondents said he/she can still sustain his/her livelihood in the post-reform era.

The gender cross-tabulated reveals that, of the male respondents, 53 (19.7%) said it is difficult surviving with their income, 38 (14.1%) maintained that they can still sustain their livelihood and 28 (10.4%) asserted that they were able to sustain their livelihood when they started, but find it difficult lately. Of the female respondents, 66 (24.5%) found it difficult surviving with their income, 49

(18.2%) were able to sustain their livelihood when they started, but find it difficult lately, and 35 (13%) can still sustain their livelihood in the post-reform era.

The marital status cross-tabulation reveals that most of the respondents, 39 (14.1%), claimed that they find it difficult to survive with the income, 31 (11.5%) are of the opinion that they can still sustain their livelihoods and 25 (9.3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. From the respondents who are married, 71 (26.4%) claimed that they find it difficult to survive with the income, 43 (16%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 38 (14.1%) are of the opinion that they can still sustain their livelihoods. The next category of respondents is those who are divorced; 3 (1.1%) of the respondents claimed that they find it difficult to survive with the income, 1 (0.4%) said when he/she started he/she was able to sustain his/her livelihood, but, lately, it is difficult, and none are of the opinion that they can still sustain their livelihoods. In the category of widowed respondents, 2 (0.7%) of the respondents claimed that they find it difficult to survive with the income and 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood, and the same number also said when he/she started he/she was able to sustain his/her livelihood, but, lately, it is difficult. Among the respondents who are separated, 7 (2.6%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, 5 (1.9%) claimed that they find it difficult to survive with the income and 3 (1.1%) are of the opinion that they can still sustain their livelihoods.

The income cross-tabulation reveals that, of those who earn N18, 000 to N50, 000, 11 (4.1%) of the respondents claimed that they find it difficult to survive with the income. About 8 (3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 6 (2.2%) are of the opinion that they can still sustain their livelihoods. Among the respondents who earn N51, 000 to N100, 000, 29 (10.8%) claimed that they find it difficult to survive with the income, 20 (7.4%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 20 (7.4%) are of the opinion that they can still sustain their livelihoods.

The next category of respondents is those who earn N101, 000 to N150, 000. Of these, 19 (7.1%) claimed that they find it difficult to survive with the income, 15 (5.6%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 14 (5.2%) are of the opinion that

they can still sustain their livelihoods. In the category of earners of N151, 000 to N200, 000, 36 (13.4%) of the respondents claimed that they find it difficult to survive with the income, 24 (8.9%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 22 (8.2%) are of the opinion that they can still sustain their livelihoods. Among the respondents who are earners of N201, 000 to N300, 000, 16 (5.9%) claimed that they find it difficult to survive with the income, 8 (3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 6 (2.2%) are of the opinion that they can still sustain their livelihoods. Among the respondents who are earners of N300, 000+, 8 (3%) claimed that they find it difficult to survive with the income, 5 (1.9%) are of the opinion that they can still sustain their livelihoods and 2 (0.7%) said when they started they were able to sustain their livelihood, but, lately, it is difficult.

The departmental cross-tabulation reveals that, in the admin department, 22 (8.2%) of the respondents claimed that they find it difficult to survive with the income, 16 (5.9%) are of the opinion that they can still sustain their livelihoods and 18 (6.7%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. In the marketing department, 21 (7.8%) of the respondents claimed that they find it difficult to survive with the income, 5 (1.9%) are of the opinion that they can still sustain their livelihoods and 16 (5.9%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. From the finance department, 6 (2.2%) of the respondents claimed that they find it difficult to survive with the income, 2 (7%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 4 (1.5%) are of the opinion that they can still sustain their livelihoods.

In the HRM department, 24 (8.9%) of the respondents claimed that they find it difficult to survive with the income, 13 (4.8%) are of the opinion that they can still sustain their livelihoods and 13 (4.8%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. In the accounts department, 10 (3.7%) the respondents claimed that they find it difficult to survive with the income, 4 (1.5%) are of the opinion that they can still sustain their livelihoods and 6 (2.2%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. In the procurement department, 3 (1.1%) of the respondents claimed that they find it difficult to survive with the income, 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood and 3 (1.1%) said when they started they were able to sustain their livelihood, but, lately, it is difficult.

From the legal department, 2 (0.7%) claimed that they find it difficult to survive with the income, the same number are of the opinion that they can still sustain their livelihoods, and 3 (1.1%) said when they started they were able to sustain their livelihood, but, lately, it is difficult.

In the engineering department, 27 (10%) of the respondents claimed that they find it difficult to survive with the income, 28 (10.4%) are of the opinion that they can still sustain their livelihoods and 13 (4.8%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. In the logistics department, 2 (0.7%) of the respondents claimed that they find it difficult to survive with the income, 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood and none said when they started they were able to sustain their livelihood, but, lately, it is difficult. In the security department, 2 (0.7%) of the respondents claimed that they find it difficult to survive with the income, 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood, and the same number said when he/she started with Shell, he/she was able to sustain his/her livelihood, but, lately, it is difficult.

The educational cross-tabulation denotes that 96 (35.8%) of the respondents with tertiary education asserted that it is difficult surviving with their income, 15 (5.6%) of those with matriculation education said it not easy surviving with their income and 7 (2.6%) of the matriculation secondary education respondents are of the opinion that it is difficult for them to survive with their income. A significant proportion of respondents, 63 (23.5%), with tertiary education said they can still sustain their livelihood, 6 (2.2%) of the matriculation respondents agreed that they can still sustain their livelihood and 4 (1.5%) of the secondary education respondents can sustain their livelihoods. A further 63 (23.5%) with tertiary education said initially they were able to sustain their livelihoods, but, lately, it has become hard, 8 (3%) with secondary education said it was easy when they started, but became difficult at the end, and 6 (2.2%) with matriculation education said it was easy at the beginning, but became difficult lately.

The education cross-tabulation of respondents who possess administrative skills reveals that 16 (6.9%) claimed that they find it difficult to survive with the income, 14 (6%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 13 (5.6%) are of the opinion that they can still sustain their livelihoods. Among the respondents who have marketing skills, 18

(7.7%) claimed that they find it difficult to survive with the income, 14 (6%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 4 (1.7%) are of the opinion that they can still sustain their livelihoods. From the category of respondents who have electrical skills, 12 (5.2%) of the respondents claimed that they find it difficult to survive with the income, 8 (3.4%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 2 (0.9%) of them are of the opinion that they can still sustain their livelihoods. In the category of accounting skills, 12 (5.2%) of the respondents claimed that they find it difficult to survive with the income, 7 (3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 4 (1.7%) are of the opinion that they can still sustain their livelihoods.

Among the respondents who have technical skills, 10 (4.3%) claimed that they find it difficult to survive with the income, 7 (3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood. Among the respondents who possess analytic skills, 11 (4.7%) claimed that they find it difficult to survive with the income, 11 (4.7%) are of the opinion that they can still sustain their livelihoods and 7 (3%) said when they started they were able to sustain their livelihood, but, lately, it is difficult. From the respondents who possess conceptual skills, 7 (3%) claimed that they find it difficult to survive with the income, 6 (2.6%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 5 (2.1%) are of the opinion that they can still sustain their livelihoods.

Among the respondents who have industrial relations skills, 8 (1.4%) claimed that they find it difficult to survive with the income, 4 (1.7%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 3 (1.3%) are of the opinion that they can still sustain their livelihoods. The next category of respondents is those who have human resource skills; 3 (1.3%) claimed that they find it difficult to survive with the income, 1 (0.4%) said when he/she started, he/she was able to sustain his/her livelihood, but, lately, it is difficult. None of them were of the opinion that they can still sustain their livelihoods. In the category of legal skills, 3 (1.3%) of the respondents claimed that they find it difficult to survive with the income, 2 (0.9%) said when they started they were able to sustain their livelihood, but, lately, it is difficult, and 2 (0.9%) are of the opinion that they can still sustain their livelihoods.

From the respondents who have managerial skills, 1 (0.4%) of the respondents claimed that he/she finds it difficult to survive with the income, and the same number said that when he/she started, he/she was able to sustain his/her livelihood, but, lately, it is difficult. None of the respondents are of the opinion that they can still sustain their livelihoods. Among the respondents who possess budgeting skills, 2 (0.9%) claimed that they find it difficult to survive with the income and that they can still sustain their livelihoods, respectively. None said when they started they were able to sustain their livelihood, but, lately, it is difficult. From the respondents who possess security skills, 2 (0.9%) claimed that they find it difficult to survive with the income, 1 (0.4%) is of the opinion that he/she can still sustain his/her livelihood and the same number said when he/she started he/she was able to sustain his/her livelihood, but, lately, it is difficult.

## Role that Needs to be Played by Government in Reforming the Sector

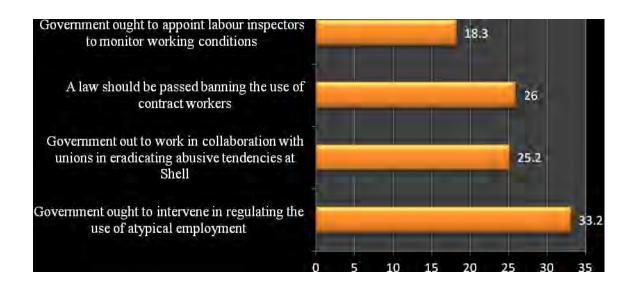


Figure 18: Role that Needs to be Played by Government in Reforming the Sector

The frequency distribution of respondents shows that the majority of respondents, 96 (33.2%), are of the opinion that the government ought to intervene in regulating the use of atypical employment in Shell. A significant proportion of respondents, 75 (26%), are of the view that laws should be passed banning the use of contract workers. Furthermore, 65 (22.5%) respondents cited that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. Lastly,

53 (18.3%) respondents stressed that the government ought to appoint labour inspectors to monitor working conditions.

The age cross-tabulation of respondent shows that 32 (11.1%) of the respondents between the age of 18 and 27 years are of the view that the government ought to intervene in regulating the use of atypical employment in reforming the petroleum sector, followed by 26 (9%) who asserted that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 25 (8.7%) who suggested that laws should be passed banning the use of contract workers in the petroleum industry and 12 (4.2%) who said the government ought to appoint labour inspectors to monitor working conditions in the reforming of the petroleum sector.

Among the ages 28 to 37 years, 23 (8%) of the respondents said that the government ought to intervene in regulating the use of atypical employment in reforming the petroleum sector, 13 (4.5%) asserted that the government ought to appoint labour inspectors to monitor working conditions in the reforming of the petroleum sector, 12 (4.2%) suggested that laws should be passed banning the use of contract workers in the petroleum sector and 11 (3.8%) asserted that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace.

From the ages 38 to 47 years, 32 (11.1%) of the respondents said that the government ought to intervene in regulating the use of atypical employment in reforming the petroleum sector, 19 (6.6%) are of the opinion that laws should be passed banning the use of contract workers in the petroleum sector, 18 (6.2%) advised that the government ought to appoint labour inspectors to monitor working conditions in the reforming of the petroleum sector and 15 (5.2%) asserted that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. From those aged 48 to 57 years, 17 (5.9%) respondents said laws should be passed banning the use of contract workers, 11 (3.8%) advised that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 9 (3.1%) are of the opinion that the government ought to intervene in regulating the use of atypical employment and 8 (2.8%) said that the government ought to appoint labour inspectors to monitor working conditions.

Lastly, among the ages 58 years and above, 2 (0.7%) respondents said that the government needs to work hand in hand with unions in eradicating abusive tendencies at the workplace, the same number said laws should be passed banning the use of contract workers, again the same number said the government ought to appoint labour inspectors to monitor working conditions in the reforming of the petroleum sector, and none of the respondents agreed that the government should play any role in regulating the use of atypical employment.

The gender cross-tabulation reveals that 38 (13.1%) respondents said laws should be passed banning the use of contract workers, 37 (12.8%) think that the government needs to work with the unions in eradicating abusive tendencies in the workplace, 31 (10.7%) feel that government intervention is required in regulating the use of atypical employment and 25 (8.7%) posited that the government should appoint labour inspectors to monitor working conditions. Of the female respondents, 65 (22.5%) said the government should regulate the use of atypical employment, 37 (12.8%) said laws should be passed banning the use of contract workers in the petroleum/oil and gas sector, 28 (9.7%) suggested that the government needs to work in conjunction with unions in eradicating abusive tendencies in the workplace and 28 (9.7%) suggested that the government ought to appoint labour inspectors to monitor working conditions.

The marital cross-tabulation reveals that the majority of the single respondents, 35 (12.1%), said the government should intervene in regulating the use of atypical employment, 27 (9.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 26 (9%) said laws should be passed banning the use of contract workers and 13 (4.5%) said that the government should appoint labour inspectors to monitor working conditions. From the analysis, it could be observed that the modal class as represented in the distribution is those who think the government should intervene in regulating the use of atypical employment.

The marital status cross-tabulation of married respondents reveals that the majority, 52 (18%), said the government should intervene in regulating the use of atypical employment, followed by the 42 (14.5%) who suggested that laws should be passed banning the use of contract workers, 36 (12.5%) who said the government should appoint labour inspectors to monitor working conditions, and 34 (11.8%) who said the government needs to work hand in hand with unions in eradicating abusive

tendencies in the workplace. The marital status cross-tabulation with divorced respondents reveals that 1 (0.7%) said the government should intervene in regulating the use of atypical employment, 1 (0.7%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 1 (0.7%) said laws should be passed banning the use of contract workers and 1 (0.7%) said that the government should appoint labour inspectors to monitor working conditions.

The cross-tabulation of widowed respondents reveals that 2 (0.7%) said the government should intervene in regulating the use of atypical employment, 1 (0.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace and that laws should be passed banning use of contract workers, respectively. None of them said that the government should appoint labour inspectors to monitor working conditions. Lastly, of the separated respondents, 6 (2.1%) said the government ought to intervene in regulating the use of atypical employment, 5 (1.7%) opined that laws should be made banning the use of contract workers, 3 (1%) suggested that the government ought to appoint labour inspectors to monitor working conditions, and 2 (0.7%) said that the government needs to work hand in hand with labour unions in eradicating abusive tendencies in the workplace.

The income cross-tabulation reveals that the majority of the N18, 000 to N50, 000 earning respondents, 10 (3.5%), said the government should intervene in regulating the use of atypical employment, 7 (2.4%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 5 (1.7%) said laws should be passed banning the use of contract workers and 3 (1%) said that the government should appoint labour inspectors to monitor working conditions. The income cross-tabulation of respondents who earn N51, 000 to N100, 000 reveals that the majority, 29 (10%), said the government should intervene in regulating the use of atypical employment, 18 (6.2%) suggested that laws should be passed banning the use of contract workers, 18 (6.2%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace and 7 (2.4%) said the government should appoint labour inspectors to monitor working conditions. The cross-tabulation of those who earn N101, 000 to N150, 000 reveals that 21 (7.3%) said the government should intervene in regulating the use of atypical employment, 13 (4.5%) said that the government should appoint labour inspectors to monitor working conditions,

of the respondents said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 10 (3.5%) said laws should be passed banning the use of contract workers and 10 (3.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace.

The cross-tabulation of N151, 000 to N200, 000 earning respondents reveals that 27 (9.3%) said laws should be passed banning the use of contract workers, 25 (8.7%) said the government should intervene in regulating the use of atypical employment, 18 (6.2%) said that the government should appoint labour inspectors to monitor working conditions and 17 (5.9%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. The crosstabulation of N201, 000 to N300, 000 earning respondents reveals that 9 (3.1%) of them said that the government should appoint labour inspectors to monitor working conditions, 9 (3.1%) said the government should intervene in regulating the use of atypical employment, 8 (2.8%) said laws should be passed banning the use of contract workers and 6 (2.1%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. Lastly, respondents who earn N300, 000+ share the following views: 7 (2.4%) said that the government needs to work hand in hand with labour unions in eradicating abusive tendencies in the workplace and 7 (2.4%) said that laws should be made banning the use of contract workers. However, 3 (1%) persons opined that the government ought to appoint labour inspectors to monitor working conditions, and then, lastly, 2 (0.7%) said the government ought to intervene in regulating the use of atypical employment.

The departmental cross-tabulation reveals that, in the admin department, 22 (7.6%) are of the opinion that the government should intervene in regulating the use of atypical employment, 13 (4.5%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 14 (4.8%) said laws should be passed banning the use of contract workers and 10 (3.5%) said that the government should appoint labour inspectors to monitor working conditions. In the marketing department, 22 (7.6%) said the government should intervene in regulating the use of atypical employment, 4 (1.4%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 3 (3.8%) said laws should be passed banning the

use of contract workers and 10 (3.5%) said that the government should appoint labour inspectors to monitor working conditions.

From the finance department, 6 (2.1%) said the government should intervene in regulating the use of atypical employment, 1 (0.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 4 (1.4%) said laws should be passed banning the use of contract workers and 6 (2.1%) said that the government should appoint labour inspectors to monitor working conditions. In the HRM department, 13 (4.5%) said the government should intervene in regulating the use of atypical employment, 17 (5.9%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 15 (5.2%) said laws should be passed banning the use of contract workers and 7 (2.4%) said that the government should appoint labour inspectors to monitor working conditions.

In the accounts department, 6 (2.1%) said the government should intervene in regulating the use of atypical employment, 4 (1.4%) said the government ought to work hand in hand with unions in eradicating abusive tendencies in the workplace, 7 (2.4%) claim that laws should be passed banning the use of contract workers and 5 (1.7%) said the government should appoint labour inspectors to monitor working conditions. In the procurement department, 2 (0.7%) are of the opinion that the government should intervene in regulating the use of atypical employment, 1 (0.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 2 (0.7%) said laws should be passed banning the use of contract workers and 2 (0.7%) said that the government should appoint labour inspectors to monitor working conditions. In the legal department, 4 (1.4%) are of the opinion that the government should intervene in regulating the use of atypical employment, none said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, none said laws should be passed banning the use of contract workers and 3 (1%) said that the government should appoint labour inspectors to monitor working conditions. In the engineering department, 19 (6.6%) said the government should intervene in regulating the use of atypical employment, 22 (7.6%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 19 (6.6%) said laws should be passed banning the use of contract workers and 14 (4.8%) said that the government should appoint labour inspectors to monitor working conditions. In the logistics department, none said the government should intervene in regulating the use of atypical employment, 2 (0.7%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, the same number said laws should be passed banning the use of contract workers and none said that the government should appoint labour inspectors to monitor working conditions. From the security department, 2 (0.7%) said the government should intervene in regulating the use of atypical employment, 1 (0.3%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace and that laws should be passed banning the use of contract workers, respectively. None said that the government should appoint labour inspectors to monitor working conditions.

The educational cross-tabulation reveals that 72 (25%) respondents with tertiary education said the government ought to intervene in regulating the use of atypical employment, 16 (5.6%) of the matriculation respondents asserted that the government ought to intervene in regulating the use of atypical employment and 8 (2.8%) of the secondary education respondents suggested that the government should intervene in regulating the use of atypical employment. A significant 55 (19.1%) of the respondents with tertiary education are of the impression that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 6 (2.1%) of the respondents with matriculation education said that the government needs to work with unions in eradicating abusive tendencies in the workplace and 4 (1.4%) with secondary education suggested that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. Of the tertiary education respondents, 66 (22.9%) posited that laws should be passed banning the use of contract workers in Shell Petroleum Development Company, 5 (1.7%) of the secondary education respondents said that laws should be passed banning the use of contract workers in Shell Petroleum Development Company and 3 (1%) of the matriculation education respondents suggested that laws should be passed banning the use of contract workers in Shell Petroleum Development Company. Of the respondents with tertiary education, 49 (17%) suggested that the government ought to appoint labour inspectors to monitor working conditions in Shell Petroleum Development Company, and 2 (0.7%) of both the matriculation and secondary education respondents suggested that the government ought to appoint labour inspectors to monitor working conditions.

The skills cross-tabulation reveals that, amongst administrative skilled respondents, 15 (5.9%) said the government should intervene in regulating the use of atypical employment, 12 (4.7%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 11 (4.3%) said laws should be passed banning the use of contract workers and 7 (2.8%) said that the government should appoint labour inspectors to monitor working conditions. The cross-tabulation of respondents who have marketing skills reveals that the majority of them, 18 (7.1%), said that the government should intervene in regulating the use of atypical employment, 10 (4%) suggested that laws should be passed banning the use of contract workers, 6 (2.4%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace and 3 (1.2) said the government should appoint labour inspectors to monitor working conditions.

The cross-tabulation of respondents with electrical skills reveals that 8 (3.2%) said the government should intervene in regulating the use of atypical employment, 6 (2.4%) said that the government should appoint labour inspectors to monitor working conditions, 5 (2%) said laws should be passed banning the use of contract workers and that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, respectively. The cross-tabulation of respondents with accounting skills reveals that 10 (4%) said laws should be passed banning the use of contract workers, 7 (2.8%) pointed out that the government should intervene in regulating the use of atypical employment, 5 (2%) suggested that the government should appoint labour inspectors to monitor working conditions and 4 (1.6%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace.

The cross-tabulation of technical skilled respondents reveals that 6 (2.4%) of them said that the government should appoint labour inspectors to monitor working conditions, 6 (2.4%) suggested that the government should intervene in regulating the use of atypical employment, 4 (1.6%) said laws should be passed banning the use of contract workers and 4 (1.6%) suggested that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. From the respondents who possess analytic and design skills, 12 (4.7%) said that the government needs to work hand in hand with labour unions in eradicating abusive tendencies in the workplace, 9 (3.6%) opined that laws should be made banning the use of contract workers, 8 (3.2%) suggested that the

government ought to appoint labour inspectors to monitor working conditions and, lastly, 3 (1.2%) said the government ought to intervene in regulating the use of atypical employment.

From the conceptual skilled respondents, 7 (2.8%) said the government should intervene in regulating the use of atypical employment, 7 (2.8%) suggested that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, 4 (1.6%) said laws should be passed banning the use of contract workers, and 2 (0.8%) felt that the government should appoint labour inspectors to monitor working conditions. The cross-tabulation of respondents who have industrial relations skills reveals that the majority, 7 (2.8%), said the government should intervene in regulating the use of atypical employment, 4 (1.6%) claimed that laws should be passed banning the use of contract workers, 3 (1.2%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace and 2 (0.8%) suggested that the government should appoint labour inspectors to monitor working conditions.

The cross-tabulation of respondents with human resources skills reveals that 2 (0.8%) said the government should intervene in regulating the use of atypical employment, and 1 (0.4%) said that the government should appoint labour inspectors to monitor working conditions and laws should be passed banning the use of contract workers, respectively. None of the respondents said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. The cross-tabulation of respondents with mechanical skills reveals that 3 (1.2%) said laws should be passed banning the use of contract workers, 2 (0.8%) said the government should intervene in regulating the use of atypical employment, 2 (0.8%) suggested that the government should appoint labour inspectors to monitor working conditions and 1 (0.4%) said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace.

The cross-tabulation of legal skilled respondents reveals that 4 (1.6%) said the government should intervene in regulating the use of atypical employment, 3 (1.2%) said that the government should appoint labour inspectors to monitor working conditions, none said laws should be passed banning the use of contract workers and none said the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace. From the respondents who possess managerial skills, 1 (0.4%) said that the government needs to work hand in hand with labour unions in eradicating abusive tendencies in the workplace and 1 (0.4%) opined that laws should be made

banning the use of contract workers. However, none opined that the government ought to appoint labour inspectors to monitor working conditions, and then, lastly, none said the government ought to intervene in regulating the use of atypical employment.

The cross-tabulation of respondents with budgeting skills reveals that 4 (1.6%) said the government should intervene in regulating the use of atypical employment, 2 (0.8%) said laws should be passed banning the use of contract workers, 1 (0.4%) said that the government should appoint labour inspectors to monitor working conditions and that the government needs to work hand in hand with unions in eradicating abusive tendencies in the workplace, respectively. Of the respondents who possess security skills, 2 (0.8%) said the government ought to intervene in regulating the use of atypical employment, 1 (0.4%) opined that laws should be made banning the use of contract workers and that government needs to work hand in hand with labour unions in eradicating abusive tendencies in the workplace, respectively. Lastly, none of the workers opined that the government ought to appoint labour inspectors to monitor working conditions.

# 5.4 Perceptions of Employers in Shell Petroleum Development Company in Nigeria

In trying to corroborate the responses generated from questionnaires with employees, further interviews were conducted with management staff. Out of the ten questionnaires distributed among the management staff of Shell Petroleum Development Company, seven respondents returned the questionnaires.

The first question posed to employers relates to types of labour market flexibility trends implemented in Shell Petroleum Development Company. In response to the types of labour market reforms that were implemented in the oil-producing sector in Nigeria, the employers identified 'casualisation', fixed-term contract and outsourcing. From the employers interviewed, a total of 3 (42.9%) said 'casualisation', another 3 (42.9%) are of the opinion that outsourcing is the type of labour market reforms implemented in the oil-producing sector of Nigeria and 1 (14%) of the respondents said fixed-term contract. The employers' views corroborate the employees' views in the earlier analysis, who also cited 'casualisation', outsourcing and contract work. The only type of labour reform that was not mentioned by the employees, but was mentioned by the employers, is part-time work.

Secondly, the researcher went on to understand what the rational was behind the implementation of the labour market reforms at Shell Petroleum Development Company. The management responses as presented in order shows that priority one was to minimise cost, priority 2 was to maximise profit and priority 3 was for reasons related to global competitiveness. The employers' perception on the rationale for implementing reforms was cost and productivity related, and this view concurs with the employees' perceptions. Furthermore, employers were asked which reforms have mostly benefited Shell Petroleum Development Company in terms of cost cutting. The employers mentioned that they have benefited from 'casualisation', fixed-term contracts and outsourcing. Employers also cited that, since they adopted these labour market flexibility trends, the annual turnover of the company has improved significantly.

When employers were asked whether or not the reforms were consulted/negotiated with labour formations in the company, all employers interviewed affirmed that these reforms were consulted/negotiated with labour formations. This is corroborated by 55.2% of employees, who earlier highlighted that reforms were negotiated/consulted with labour formations. The challenges identified by employers after the implementation of reforms relate to pockets of demonstrations by labour formations in trying to force employers to stop using casual labour and fixed-term contracts at Shell. The employers at Shell asserted that they see no reason for labour formation to be disgruntled, because all the agreements reached with the labour unions were implemented to the satisfaction of the labour formations, with all of them giving what turns out to be a positive response to support the notion. It is in this context that employers felt that labour formations need to start working together with the employers towards achieving a common goal and ensuring effective labour/management relations.

In conclusion, employers suggested that the labour formations ought to utilise the collective bargaining platforms available in ensuring that workers' grievances are heard. Employers also felt that, most often, the labour formations in Shell Petroleum Development Company are not progressive. In light of that, the employers suggested that trade union formations need to start adopting a pluralistic approach to labour relations.

#### **Interview with Government Officials**

The intention of this researcher was to interview ten government officials. However, I succeeded in interviewing eight, four from the Ministry of Labour, two from the Department of Petroleum Resources (DPR) and the remaining two from the Ministry of Petroleum Resources. In line with our research ethics, pseudonyms are used to protect the identities of the respondents.

## Respondent (A) is a senior official in the Ministry of Labour.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The role played by the government in the introduction of labour market reforms is through implementation of legislation. This legislation only provided an enabling environment for the implementation of the reforms in order to encourage re-investment.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: It was the idea of the organised private sector; it was brought to the government for the government to play its regulatory role.

Question: What forms of intervention did the government initiate to regulate the various types of labour market reforms implemented by the organised private sector?

Response: In some cases, the government, through its agencies, such as the Ministry of Labour, monitors the implementation of the reforms to ensure that work standards are not compromised and that workers' rights are not violated.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Answer: One of the things that has been done by the government to ensure a friendly environment in the petroleum sector includes the provision of a conducive negotiating environment for the parties involved.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell has been very compliant with labour flexibility regulations.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: The government has establishment the Industrial Arbitration Panel and the National Industrial Court to deal with labour disputes.

# Respondent (B) is another senior official in the monitoring department of the Ministry of Labour; he has this to say to the questions posed to him:

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government has been advisory and supervisory in the introduction of labour market reforms; the roles are not limited to the petroleum sector alone, but to all employers with over 50 employees.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: The reforms were private initiatives of the employers, in most cases, with consultation with the workers' union.

Question: What forms of intervention did the government initiate to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The government only made laws, regulations and enactment to safeguard the interest of the parties, particularly the workers.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The government has provided a conducive negotiating environment for the parties involved; an example is the guidelines put up by the government on labour administration issues on contract staffing/outsourcing in the oil and gas sector.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: When compared with other employers, particularly the Indian/Lebanese companies, I will say Shell has been compliant.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate and deal with disputes emanating from non-compliance with regulations?

Response: The establishment of the oil and gas sector of the Nigerian Employers' Consultative Association (NECA) has made conflict resolution easier between labourers and employers in the petroleum sector.

## Respondent (C) is a factory inspector in the inspectorate division of the Ministry of Labour.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government only sees to it that the implementation of such reforms is not detrimental to the quality of working life of the workers; this is done through the various regulatory bodies and agencies.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: Both the government and the organised private sector conceive reforms and implement them; however, most of the labour reforms in Shell were conceived solely by the company.

Question: What forms of intervention did the government initiate to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The government only made laws to ensure peaceful implementation of the reforms.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The government has ensured a peaceful and labour friendly environment by providing mechanisms for negotiation and collective bargaining for the parties involved.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell Petroleum Development Company has been compliant.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate deal/with disputes emanating from non-compliance with regulations?

Response: The promulgation of laws and the establishment of various conflict resolution institutions have made effective dispute resolution possible.

# Respondent (D) is one of the managers in the monitoring department of the Ministry of Labour.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government plays advisory and regulatory roles during the introduction of labour market reforms.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: Reforms globally are conceived by both the government and the organised private sector.

Question: What forms of intervention did the government take to regulate the various types of labour market reforms implemented by the organised private sector?

Response: Laws were promulgated to ensure peaceful implementation of the reforms and, as I mentioned earlier, the roles of the government are monitoring, evaluation and regulatory.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The government has provided a platform for a labour friendly environment, through the introduction and implementation of the guidelines put up by the government on labour administration issues on contract staffing/outsourcing in the oil and gas sector.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell has adhered strictly to the legislations pertaining to labour flexibility implementation.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: The labour laws in Nigeria have been very effective in this area; laws have been made to make effective dispute resolution possible through the establishment of the Industrial Arbitration Panel and the National Industrial Court.

## Respondent (E) is a staff member of the Ministry of Petroleum Resources.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government and its agencies played the role of umpire in the introduction and implementation of labour market reforms in Shell; the idea is to make sure neither of the parties is unfairly treated, particularly the employees, who are considered the weaker party in an employment relationship.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: Both the government and the organised private sector are involved in the labour reforms in Nigeria.

Question: What forms of intervention did the government initiate to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The major role of the government is in the areas of legislations and guidelines for effective implementation of the reforms. Laws were introduced to ensure implementation of the reforms.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The establishment of reliable collective bargaining levels and conflict management mechanisms and institutions has ensured a labour-friendly environment in the petroleum sector.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell Petroleum Development Company has strictly complied with legislations pertaining to labour flexibility implementation; agreements reached by the parties before the implementation of the various reforms were fulfilled and various improvements after the implementation were also carried out.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: In most instances, when it is observed by the workers that government regulations on the implementation of labour reforms are not observed by the employer, the workers are likely to embark on strike actions to bring such non-compliance to the notice and attention of the government. The government, on its part, can, as a form of sanction, seal up the premises of the defaulting employer; however, the regular visits and monitoring by the factories' inspectors from the Ministry of Labour has drastically reduced non-compliance.

## Respondent (F) is also a staff member of the Ministry of Petroleum Resources.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government and its agencies supervised and monitored the implementation of labour market reforms.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: It is conceived mainly by the private sector, but the government also makes reforms in the labour sector as it does in all other sector of the economy.

Question: What forms of intervention did the government take to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The government has implemented certain labour-related laws to ensure fair implementation of the reforms.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: In order to ensure a labour-friendly atmosphere in the petroleum sector, the government has established a mediation and conciliation forum and also the National Industrial Court where conciliation and mediation fails.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell Petroleum Development Company has done fairly well in the area of compliance with the various legislations on labour reform implementation lately, and this has reduced the level of grievances in the company.

Question: What dispute resolution mechanisms are enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: The government, through its agencies, such as the Industrial Arbitration Panel and the National Industrial Court, provided platforms that deal with disputes emanating from non-compliance with regulations and collective agreement.

## Respondent (G) is from the Ministry of Petroleum Resources.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Responses: The government played the role of an umpire and watchdog to see to the effective implementation of the labour market reforms so that labour standards can be maintained.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: The labour market reforms in the petroleum sector are the brainchild of the organised private sector, through their various sectoral employer organisations.

Question: What forms of intervention did the government take to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The intervention of government is mainly in the area of legislation; related laws and guidelines were introduced to ensure implementation of the reforms.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The introduction of policy guidelines, and regulation and monitoring of the implementation of such guidelines has ensured a labour-friendly environment in the petroleum sector.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell Petroleum Development Company is complying with the guidelines on casual and outsourcing staffing policies as laid down by the minister of labour.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: The government has established institutions that deal with disputes emanating from non-compliance with regulations; such institutions and establishments are the conciliation, Industrial Arbitration and the National Industrial Court where conflicts emanating from labour disputes are resolved.

# Respondent (H) is a geologist and a senior official in the Ministry of Petroleum Resources.

Question: What was the role played by the government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?

Response: The government, through the Ministry of Labour and other of its agencies, monitors the implementation of the labour market reforms to protect the interest of the workers.

Question: Were these reforms conceived by the government or the organised private sectors?

Response: The labour market reforms implemented in Shell were conceived by the employer and their association; the government only developed a guideline for its implementation.

Question: What forms of intervention did the government take to regulate the various types of labour market reforms implemented by the organised private sector?

Response: The government of Nigeria adopted the legislative intervention in regulating the labour market reforms; laws were made for effective implementation.

Question: What has the government done to ensure a labour-friendly environment in the petroleum sector?

Response: The government has the responsibility of ensuring a conducive working environment and this has been done in the petroleum sector through the introduction of the guidelines on labour reform implementation, policies on casual and outsourced staffing, and enabling a collective bargaining environment for labour/management relations in the petroleum sector.

Question: How is Shell Petroleum Development Company in compliance with legislations pertaining to labour flexibility implementation?

Response: Shell has complied and is still complying; where it defaults, the agencies of government are quick to call their attention to such non-compliance.

Question: What are the dispute resolution mechanisms enacted by the government to effectively regulate/deal with disputes emanating from non-compliance with regulations?

Response: Institutions, which deal with disputes emanating from non-compliance with regulations, have been established and put in place by the government; these are the Industrial Arbitration Panel and the National Industrial Court.

#### **Pearson's Correlation Coefficient**

Furthermore, a correlation of independent variables (age, marital status, income, department, educational level and type of skills possessed) was undertaken to measure how they are related. The Pearson Product Moment Correlation results, which show the linear relationship between variables, are outline below:

	Age	Gender	Marital status	Income	Department	Education	Types of skills
Age	1	096	.452**	.653**	.203**	.416**	.029
Pearson		.093	.000	.000	.000	.000	.642
Correlation	304	304	304	304	304	303	267
Sig. (2-tailed)							
N		**		*	**	0 **	**
Marital Status	.452**	.269**	1	134*	.296**	.178 **	179**
Pearson	.000	.000	20.4	.020	.000	.002	.003
Correlation	304	304	304	304	304	303	267
Sig. (2-tailed)							
N							
Income	.653**	262**	.134*	1	.245**	.524**	.069
Pearson	.000	.000	.020		.000	.000	.259
Correlation	304	304	304	304	304	303	267
Sig. (2-tailed)							
N							
Department	.203**	086	.296**	.245**	1	.126*	.533**
Pearson	.000	.136	.000	.000		.028	.000
Correlation	304	304	304	304	304	303	267
Sig. (2-tailed)							

N							
Education	.416**	135*	.178**	.524**	.126*	1	-
Pearson	.000	.019	.002	.000	.028		.250**
Correlation	303	303	303	303	303	303	.000
Sig. (2-tailed)							267
<b>Types of Skill</b>	.029	.144*	.179**	.069	.533**	250**	1
Pearson	.642	.018	.003	.259	.000	.000	
Correlation	267	267	267	267	267	267	267
Sig. (2-tailed)							
N							

**Table 8: Correlation** 

There is significant positive correlation (r=-.096 < 0.05) between age and gender. Such statistics indicate that age and gender dynamics have a significant bearing on the impact of reforms on employment security at Shell Petroleum Development Company. There is no significant positive correlation (r=.452 > 0.05) between age and marital status. These statistics indicate age and marital status have no significant bearing on flexibility trends and employment insecurity. There is also no significant positive correlation (r=.653 > 0.05) between age and income, which, in essence, means that age and income do not influence the labour market reforms and employment insecurity. There is also no significant positive correlation (r=.203 > 0.05) between age and department, which, in essence, means that age and department do not have a significant bearing on labour market reforms

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed)

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed)

and employment insecurity. There is also no significant positive correlation (r=.416 > 0.05) between age and education, which, in essence, means that age and education at Shell do not have a significant bearing on labour market reforms and employment insecurity. Lastly, there is no significant positive correlation (r=.029 > 0.05) between age and type of skills, which, in essence, means that age and skills that workers have do not have a significant bearing on labour market reforms and employment insecurity.

There is no significant positive correlation (r=.269 > 0.05) between gender and marital status. These statistics indicate that labour market reforms and employment insecurity are not influenced by gender and marital status. There is a significant positive correlation (r=-262. < 0.05) between gender and income. This means that the workers, because of their gender and income, are affected by reforms and employment insecurity in a different way. There is also a significant positive correlation (r=-086. < 0.05) between gender and department. This means that gender and department have a significant bearing on reforms and employment insecurity. There is also a significant positive correlation (r=-135 < 0.05) between gender and education, which informs us that gender and educational level have a significant impact on reforms and employment insecurity. Lastly, there is no significant positive correlation (r=.144 > 0.05) between gender and type skills possessed. This means that gender and skills do not, in any way, influence reforms and the insecurities in employment that are linked to reforms.

There is no significant positive correlation (r=.296 > 0.05) between marital status and department. There is also no significant positive correlation (r=.178 > 0.05) between marital status and educational levels of workers. Lastly, there is also no significant positive correlation (r=.179 > 0.05) between marital status and type of skills that workers have. Overall, the above variables do not have a significant bearing on how labour market reforms impact on employment insecurity.

There is no significant positive correlation (r=.245 > 0.05) between income and department. Income and department do not play a significant role when reforms are implemented and the insecurities in job cuts across all income and departments. There is also no significant positive correlation (r=.524 > 0.05) between income and educational levels of workers. Lastly, there is also no significant positive correlation (r=.069 > 0.05) between income and type of skills that workers have.

There is also no significant positive correlation (r=.126 > 0.05) between department and educational levels of workers, and there is no positive correlation (r=.533 > 0.05) between department and type of skills possessed. This, in essence, means that the department, type of skills and educational level do not have a bearing on the reforms and insecurities in employment. Lastly, there is a significant positive correlation (r=.-250 < 0.05) between educational information and type of skills possessed.

#### 5.5 Conclusion

From the responses generated through interviews with employees, employers and government officials, it is evident that the reforms have been detrimental to employees, but beneficial to employers. The role of the government has only been limited to regulating industrial relations and through various statutory bodies such as the Industrial Arbitration Panel and the National Industrial Court. However, unlike in South Africa, where the Labour Relations Act and the Basic Conditions of Employment Act make prescriptions about workers' rights, in Nigeria, the Ministry of Labour is lagging behind in terms of protecting workers' rights.

## **Chapter Six**

# Discussion and Interpretation of the Results

...Remember your seventy-year-old grandmother who still farms before she eats; remember also your poverty stricken people; remember too your petroleum, which is being pumped out daily from your veins, and then fight for your freedom.

Isaac Jasper Adaka Boro\*5

## 6.1 Introduction

This chapter is based on my findings and descriptive phenomenon generated from my fieldwork interactions with the employees of Shell Petroleum Development Company in Nigeria and government officials. The researcher set to understand what labour reforms really entail and the meaning of labour flexibility; secondly, the study intended to find out from employees the types of labour market reforms implemented by the management of Shell Petroleum Development Company in Nigeria and how working as an employee of Shell in Nigeria has affected individual worker income, their livelihood and standard of living. Thirdly, through the enquiry, the researcher wanted to ascertain the impact of such reforms on the employment security and benefits of the workers, and, finally, how these labour market reforms ignited worker-organised union and community resistance in Nigeria.

# 6.2 Discussion and Interpretation of Results

The discussion and interpretation of results is in line with the studies conducted by other researchers on labour market reforms trend in both Nigeria and other jurisdictions. The discussion and interpretation exercise took into consideration the initial hypothesis, which stated that: "There is a negative relationship between labour market reforms and employment security in Shell oil companies in Nigeria and, secondly, the growing insecurities in employment and wages in Nigerian Shell-dominated communities in the Niger Delta are linked to the ongoing restructuring in the sector."

<sup>&</sup>lt;sup>5</sup> Isaac Jasper Adaka Boro, addressing his 59-man ragtag army before the first revolts against the oil multinationals and the Nigerian Government in 1966. See Courson (2009).

Despite the riches that oil brings to the country, Nigerian oil workers, particularly those in the periphery segment, have been subjected to poverty, deprivation and labour abuse as decent job have been abandoned, and more jobs are created through outsourcing and employment agencies.

A study by Boyer in 2006 pinpoints that the functioning of highly competitive labour markets does not provide the job security that workers expect; he gave reasons for these to be that modern labour market theory considers full employment to be an exception and the equilibrium with unemployment or scarcity of workers is the rule. Secondly, he opined that, in the case of unemployment, the access to employment can be limited to the most skilled and productive workers, leaving the less privileged in long-term unemployment – a reason that active labour market policies have to be designed and implemented.

This study described and analysed the important characteristics and aspects of labour market segmentation and numerical flexibility of workers in Shell Petroleum Development Company in Nigeria. The researcher aimed to uncover elements of this mechanism as used by Shell managers in Nigeria. The result of this empirical study suggests that, under the labour market segmentation model, Shell managers have succeeded in dividing the employees in the internal labour market into core and peripheral margins. This division is reflected in enormous variations in the terms of the contract, conditions of service and the opportunities available to those working in the same work environment and exposed to the same kinds of risks. The situation in Shell, as shown by the results of this investigation, can be related to Atkinson's flexible firm model; that there are two categories of workers, namely, core workers, usually referred to as permanent staff, and peripheral or contract workers. In each category, there are expatriate workers and indigenous workers, as well as peripheral expatriates and peripheral indigenous workers. Like the flexible firm model, core workers in Shell Petroleum Development Company are also workers whose skills are not necessarily core to the operations of the company. Similarly, in the peripheral categories of Shell, there are skills that are both core and non-core to the operations of the company. This model is interesting and different from the flexible firm model and it should be noted that such a distinction is one of the discoveries in this investigation.

Tokman (2007), in his study, offered an analysis of the social and economic changes taking place in the countries of Latin America and their effects on social cohesion in recent times; he opined that changes of macroeconomic regime in this jurisdiction, brought about by the liberalisation of trade and globalisation, created increased volatility of wages and a greater risk of unemployment, made more likely by the recently introduced labour reforms in these jurisdictions. With the consequence of employment instability and as labour turnover increased and, given the lack of good jobs, he posited that the only alternative was to work in the informal sector, with its low productivity and poor wages. He argued further that, as employment opportunities grew in the informal economy, workers are on subcontracts, precarious conditions and have no employment stability or social protection, a job that can in no way be deemed to offer decent work.

'Casualisation' has been promoted by the widespread unemployment and poverty and what were hitherto good jobs are falling prey to corporate cost-cutting strategies at the expense of the workers, as too many jobs are being outsourced, contracted out or reclassified to keep pay down, and benefits and unions out (Solidarity Centre, 2010).

## 6.3 Labour Flexibility: A New Form of Employment Contract

Labour flexibility, a concept that depicts the freedom employers enjoy to expand or contract their workforce as they wish and to engage workers on a temporary or part-time basis, came into the limelight of labour relations literature in Europe around the mid-1970s as a result of the economic crisis ignited by the massive oil price increases of 1973 (Treu, 1992).

Oil companies in Nigeria, including Shell, appear to be taking advantage of the chronic level of unemployment and economic underdevelopment prevalent in the country and have used casual workers to replace full-time unionised workers with reduced remunerations and less legal protection. When the casual or temporary workers complain to the employment agency firms, they are quickly reminded of the large army of unemployed graduates in the delta region who are waiting and willing to take the job according to their terms and conditions (Solidarity Centre, 2010).

Atypical employment has taken a global dimension that is beyond the oil industry. On 26 January 2000, Coca-Cola headquarters in Atlanta reduced its employees at the headquarters by 2500, along

with 800 employees at other US sites and 2700 employees in other countries in what became known as the 'Day of the Long Knives' and many of the responsibilities performed by those laid-off were to be assigned to labour brokers. Only about 20, 000 of the hundreds of thousands of employees around the world who serviced the vast Coke Empire were to be directly employed by the company; the implication of this development is that labour standards of the other employees were no longer to be the responsibility of Coca-Cola (Tørres and Gunnes, 2003).

This manifestation was revealed by Clarke and Borisov (1999) in their assessment of the new forms of labour contract and labour flexibility in Russia; they evaluated the different types of labour contracts under which people are employed in the different sectors of the Russian economy.

First, they identified the traditional form of permanent employment, which can be associated with a non-renewable probationary period. This form of employment relation might be confirmed in the traditional way and is mainly used to provide senior managers or scarce-skilled employees with more favourable terms and conditions of employment.

A second type of contract identified by them is the short-term contracts of up to five years; in this form of contract, the character of work, the duties and obligation of the employee, as well as work conditions, are stipulated by law. Such laws also make it impossible for the contract to be converted into an indefinite agreement in conformity with ILO recommendation 166 of 1982, to prevent employers from transferring their entire labour force to the five-year fixed-term contracts.

The third categories are those whose contracts are to provide goods and services under contracts governed by the Civil Code; in this class, employees are considered to be self-employed and their employment relation goes beyond the application of the Labour Code. They noted that 'this provides a familiar loophole for those small employers wishing to flout the provisions of the Labour Code with impunity by subcontracting, but it is also used as a mechanism by which regular employees are contracted to do additional jobs on the side, since it makes it possible to pay them directly without having to formulate a labour agreement' (Clarke and Borisov, 1999:598).

The Russian situation is similar to what the researcher observed in his study; the core workers in Shell have a form of permanent employment with security of tenure, while the periphery workers can be likened to the second and third categories of workers in Russia. However, while regulations are observed in the Russian situation, management of Shell in Nigeria have the tendency to disregard local and international labour laws and regulations, particularly as it affects segmented workers.

## 6.4 'Casualisation' and Employment Security

Standing (2008:17) defines job security to be the ability and opportunity to retain a niche, an occupation or 'career', plus barriers to skill dilution, and opportunities for 'upward' mobility in terms of status and income, etc. He argues that 'casualisation' has both negative and positive sides for the major parties in the industrial relations system (workers and employers) and looked at how the positive sides could be developed while allowing flexible employment to continue to grow.

His contextual argument is that the pressures of globalisation, via the 'flexibilisation' and 'informalisation' of labour markets, produce an agenda for 'casualisation'. In reviewing the advantages and disadvantages of casual labour for employers, he depicts 'casualisation' and other forms of flexible work processes as usually involving some forms of economic insecurity for the worker. According to him: "The modern 'casualisation' that is taking place as part of globalisation involves a steady restructuring of social income and labour modification, in which many workers are finding that an increasing share of their remuneration is coming from money wages, which are a relatively insecure part of their social income. As a result, there is a need to find new ways of providing income security that could allow workers to accept the more casual work arrangements without excessive anxiety and alienation." (p.15) He further argued that, where job security is lacking, employees will not only be vulnerable, they will also not adopt socially responsible behaviour as chronic insecurity induces adverse behavioural reactions.

For companies, non-standard employment reduces overall labour costs and is considered an easy way to disengage short-term staff when their services are not required. Casual workers in Shell are only entitled to 15 to 50% of negotiated union wages and no wage benefits. In the opinion of atypical employment proponents, workers are concerned with monetary rewards and have no interest in non-wage benefits or positive employee-management relations (Solidarity Centre, 2010).

The researcher made considerable efforts to interview the members of the senior management team (SMT) of Shell. This effort was, however, not successful, as they were either in a management meeting or their secretaries simply told me they were not available for interview. However, I succeeded in interviewing some managers. Gumede, <sup>2</sup> a co-ordinator in the human resource department, while justifying the use of casual and temporary staff, disclosed that the situation in the company is the organisation's human resource staffing policy, emphasising that other companies in the industry similarly engage the use of casuals and temporary workers. Khuzwayo,\* a deputy manager in the industrial relations department, when asked by the researcher why there is large disparity in the earnings of core and peripheral employees of Shell, disclosed that contract and temporary workers are not employees of the company and that what they try to do as responsible corporate citizens is to agree with the employment agencies to pay a reasonable minimum to their employees seconded to Shell.

# 6.5 Labour and Community Resistance: The Fundamental Issues

Since the discovery of oil in commercial quantity and inception of oil production in the Niger Delta in 1956 and 1958 respectively, there seemed to be hope of the promise of rapid development for the neglected minorities of the delta region, but the presence of the transnational oil companies in collaboration with the Nigerian state has subjected the people and oil-bearing communities of the delta to experience increasing ecological degradation and poverty, which has culminated in a resurgence of violence in the region. Due to pervasive underdevelopment occasioned by blatant environmental pollution and despoliation, political marginalisation and outright neglect by the MNOCs, oil-related agitations commenced in the region in an attempt to compel the state and the oil-producing companies' MNOCs to remedy the injustices meted out to the people of the Niger Delta. Using the state security apparatus, youth peaceful protests against Shell at Umuechem in Rivers state was brutally quelled and the community was virtually destroyed on 31 October 1990, leaving over 80 people dead and about 500 houses reduced to the ground, an incident that resulted in an unprecedented number of internally displaced people (IDP) in the history of that community (Omeje, 2006). (See also Watts, 2004; Zalik, 2004; Omeje, 2005; Obi, 2009; Courson, 2009.)

Community conflicts and agitations with multinational oil companies have been largely directed at Shell Petroleum Development Company. This is not unconnected with the fact that it has the longest history in the country and has far broader social contact and interaction with the communities of the Niger Delta than its counterparts, whose installations are primarily offshore (Zalik, 2004). He reiterated further that the opinion of the in the Niger Delta is that 'in the Niger Delta, Shell is the state'. This belief was to be confirmed by Shell Nigeria (SPDC Shell Petroleum Development Company of Nigeria) in its 2001 annual report – that their community development work has left communities in the area with the impression that 'Shell is the only government we know' (p.406) (see also, SPDC, 2001).

It was in the context of the socio-economic crisis partly occasioned by the collapse of the external oil sector and the continued neglect of the Niger Delta by the government-oil companies' partnership that the spirit of resistance in the region was revived (Courson, 2009). These agitations and pressures for revenue derivation have been channelled through youth movements pioneered by Ken Saro-Wiwa, renowned writer and environmentalist activist who founded a grass-roots movement in the early 1990s called 'Movement for the Survival of Ogoni People' (MOSOP). MOSOP campaigned as a grass-roots organisation and demanded local autonomy for the Ogoni people and Ogoniland. Saro-Wiwa challenged both the Nigerian state and the oil companies for social accountability and environmental damages. Under his leadership, MOSOP successfully stopped Shell Petroleum Development Company (SPDC) and all oil exploration activities in the whole of Ogoniland through peaceful non-violent mass action in 1993. Consequently, and using the apparatus of the state, as usual, 'the Nigerian state under the authoritarian military regime led by General Sani Abacha repressed the Ogoni campaign using military force. Many MOSOP cadres and Ogoni people suffered from the military campaigns against the Ogoni, and some fled into exile or went underground. This culminated in the arrest, torture, detention, trial and widely condemned execution by hanging of Ken Saro-Wiwa along with eight leaders of MOSOP on 10 November 1995 on the orders of a special tribunal and sanctioned by the military ruling council' (Courson, 2009, p.13).

# 6.6 Poverty Amidst Plenty: A Resource Curse

The problems of community resistance in the Niger Delta have made the place increasingly uncomfortable for oil companies to do business. Community protests frequently stop multinational

production and the violence has worsened as weapons have flowed into the Niger Delta and militias and community members have become more deeply involved in piracy and illegal bunkering.

The complicity of the state is noted in this development, although Shell and other oil companies in Nigeria have argued that they are into business and not governance and that they work separately from the process of governing the country. It is observed that all the onshore joint ventures run by the oil multinationals are majority-owned by the government. This relationship is bound together in a manner that lacks accountability and transparency (Peel, 2005).

One of the demands of the Niger Delta communities is that there should be an increase in the percentage of oil revenues that are fed back by the Federal Government to the oil-producing states – this demand was considered by other states in the federation to mean 'more money for the Niger Delta states, less for rest of the country' (Smock, 2009). It is the opinion of this researcher that, if some of the demands of the people of the Niger Delta are granted, restiveness and agitations would reduce and oil production would increase significantly and the whole country could benefit.

## 6.7 Conclusion

Labour flexibility trends are continuously being adopted in Shell, and the situation requires commitment from all the parties, employers, employees and the government, to achieve healthy and peaceful workplace relations, service providers and customers. For this to be achievable, new strategies and mechanisms that take into consideration the workers' and community's needs should be adopted. Such strategies and mechanisms should be geared towards ensuring that there is security of employment, job satisfaction, community participation, accountability and transparency.

## **Chapter Seven**

#### **Conclusion and Recommendations**

# Nigerian Oil Workers' Song\*

Oil job is not good.

Who can make soup with oil?

Who can drink oil?

Impossible!

The white man's trouble is more than oil.

They want us to work hard,

But don't want to pay us well.

The rich eat, while the poor work.

#### 7.1 Introduction

This study has considered the impacts of labour market reforms on job security of employees of Shell Petroleum Development Company in Nigeria. There is no doubt that the work processes have changed due to the introduction of labour flexibility trends, the quality of working life has been reduced to the minimum possible level, particularly among those who had to be moved from the core segment to the periphery, and worker commitment and loyalty that was the feature of the company is no longer existing.

It has been established that there is a negative relationship between labour market reforms and employment security in Shell Petroleum Development Company in Nigeria and, secondly, the growing insecurities in employment and wages in Shell are linked to the ongoing restructuring in the company.

The conclusion of this research work might not necessarily provide a detailed summary of the preceding chapters; rather, the first part of the chapter is an attempt to discuss the Nigerian oil sector and the oil workers. This thesis has offered an account of how the labour flexibility trends taking place in Shell Nigeria have impacted job security, quality of work life and poverty level.

The chapter also presented major issues in the Nigerian oil sector, which include employment insecurity and unrest in the Niger Delta region. Conclusions were made based on the research questions. For the purposes of this discussion, Shell workers include all employees of the company, regardless of rank. Changes within the workforce affect all echelons, and particular initiatives usually involve both white- and blue-collar oil workers. Shell workers are among the best paid of Nigeria's international corporate employees and also constituted an elite within the public sector with respect to salaries until the 1983 to 1986 retrenchment drive and the subsequent conversion of most of the employees to the peripheral segment of the internal labour market.

Historically, Shell employees, like workers in other petroleum companies in Nigeria, have been divided along four main lines: ethnicity, job rank, whether employment is in private or public corporations, and whether jobs are permanent or temporary. Government oil workers have protected jobs and benefit more than their private sector counterparts. This reflects the state's greater vulnerability to industrial action. Employees in the state-owned Nigerian National Petroleum Corporation have leverage based on inside information and could engage in exposés if provoked. They also know how dependent the state is on their work for revenues. Finally, a tradition of job security in the public service provides state employees with more protection than is available to workers in oil multinationals and service contracting firms. With the financial crisis of the state, wages due to school teachers, civil servants and even soldiers and professors are late or unpaid. In contrast, state-employed oil workers have continued to receive their pay packets. In Shell, workers are represented by union formations based on the senior and junior staff status division, PENGASSAN (Petroleum and Natural Gas Senior Staff Association of Nigeria), for senior and NUPENG (National Union of Petroleum and Natural Gas Workers) for junior staff. The former is affiliated with the Trade Union Congress (TUC), while the later affiliates to the Nigerian Labour Congress. The oil price crash and recession have exacerbated some differences, reduced others and fostered new patterns of solidarity. These unions were created in 1977 and 1978.

#### 7.2 Findings

This study, among other things, discovered the role of oil in the Nigerian economy and how state dependence on oil has brought about slow economic growth and a high level of corruption. Other findings include:

#### 7.2.1 Unemployment

The activities of Shell and other multinational oil giants has caused environmental damages in the Niger Delta, culminating in the destruction of traditional occupations of fishing and farming and, consequently, loss of jobs and sources of livelihood to members of the communities who have survived and thrived on this type of economy and now suddenly find themselves without gainful employment and, thus, unable to provide for the basic needs of their families.

Young men and women needing jobs look to the oil industry, but oil is an enclave industry and only employs a few people with highly specialised skills. Some community members lack these skills and even those who have the requisite skills have not always been successful in securing the well-paying oil industry jobs (Duruigbo, 2004).

# 7.2.2 Mineral Wealth Resources and Poverty

The problems created by the discovery of abundant oil in Nigeria have led to social, political and labour unrest. This is, however, not a unique feature to the Nigerian society. For example, in South Africa, there's the Marikana mine experience, during which 34 striking workers were shot dead by police for protesting the exploitation and bad working conditions, and many others abound in other African nations and Persian Gulf.

#### 7.2.3 Workers' Dissatisfaction

It is found out that majority of the workers affected by the flexibility trends are not satisfied with their jobs in Shell; this dissatisfaction arises because their economic and social status have not changed as contract staff, they have become vulnerable and lack security of employment.

# 7.2.4 Union Repression and Collective Bargaining

The power of unions in Shell has been weakened; segmented workers are not allowed to be unionised despite concerted efforts by unions to organise them, and this has led to loss of members and dues. The atypical workers are paid differentially depending on the agency that employed them, and efforts to form a bargaining council by these categories of workers has been suppressed by the

outsourcing agencies who insisted that they will determine what the workers earn unilaterally and according to their ability to pay. The temporary staff could be dismissed instantly for attempts to organise the workers and resistance.

## 7.2.5 Workers and Community Restiveness

Shell workers, peasants and other residents in the oil-producing communities have mobilised together against the state. In 1986 – and, since then, a recurrent development – 400 Bonny Island residents, including Shell workers, shut down the largest oil export terminal in Africa on the grounds that Shell, the operator of the terminal, disrupted their lives and contributed nothing (Turner, 1986). Oil-producing communities, as well as Nigerians living near production and exploration sites, consider themselves entitled to employment by the oil companies – when this dream is not achievable, they engage in oil theft and pipeline sabotage. Government effort to reduce this by the provision of legislation that made these activities punishable by death has not reduced the activities of the vandals.

Turner and Brownhill (2004) explain that about 600 Itsekiri women occupied the oil giant's 450, 000 barrels a day (b/d) at Escravos export terminal and tank yard for ten days after several correspondences with the oil company failed to yield any meaningful result. In their ten-day takeover, the women negotiated 26 demands with corporate management, which included a demand that the government and oil companies meet with rural women and establish a permanent tripartite body (multinationals, state and women) for the resolution of problems related to oil operations. They signed a memorandum of understanding committing Chevron/Texaco to the upgrading of 15 members of the communities who are contract staff to permanent staff status.

## 7.2.6 Gender and Work Organisation

It was discovered in the course of this study that about 15 percent of the overall workforce is female, concentrated in administrative, public relations, medical and legal departments. The main reasons for this gender imbalance, Fajana (2005) observed, are: the volatile nature of the oil industry, the remote location of work sites, and the family work conflicts. 'Family-friendly' work organisation, although not specifically a gender issue, can certainly affect women's perceptions of an industry. Current working time arrangements in Shell contribute 'possibly very little' to the promotion of gender

equality, and few arrangements have been made so far to reconcile working in Shell with family life. Graham (2010:39) similarly observed that, as women continue to participate in the paid labour market in increasing numbers, and with families becoming more reliant on more than one wage earner, traditional solutions to reconciling work and family life are under great strain.

# 7.2.7 Sales of Oil Blocks

It was further discovered that Shell Nigeria is putting up for sale four onshore Niger Delta oil blocks with a combined production of about 70, 000 barrels per day (bpd). This development is coming up as they remain a major target for vandals and oil thieves, whom the company says stole 100, 000 barrels a day in the first quarter of this year (Reuters, 2013). This, in the opinion of the researcher, is a move by Shell to divest investments and assets from the area, a development that will further impact on the job security of the oil workers who are already insecure and demoralised, particularly the atypical workers.

# 7.2.8 Environmental Insecurity in the Niger Delta

The operation of Shell and other oil multinationals has led to degradation of the Niger Delta region. Environmental security is 'the relative public safety of environmental damages caused by natural or human processes due to ignorance, accident, mismanagement or design and originating within or across the national borders'. It has been seen as 'the state of human-environment dynamics that includes restoration of the environment damaged by military actions and amelioration of resource scarcities, environmental degradation and biological threats that could lead to social disorder and conflict', as well as 'freedom from social instability due to environmental degradation' (Glenn et al, 1998: p1–2 in Omotola, 2007).

The state response to the deepening crisis was the establishment of the OMPADEC and the NDDC. These institutions have moderated the crisis, but they remain inadequate and ineffective due to political influences, corruption, lack of representation and other underlying structural problems.

## 7.3 Policy Recommendation

The petroleum sector of the Nigerian economy will continue to be a vital source of growth for the Nigerian economy (Fajana, 2005). It will create obstacles to poverty alleviation and government is almost certain to remain highly dependent on oil for many years to come. This will continue to create obstacles to poverty alleviation. Still, there are four measures the Nigerian Government could take to help overcome these obstacles.

## 7.3.1 Labour Regulation and Administration

One of the best solutions is for the government to make guidelines on labour administration issues on contract staffing and outsourcing in the oil and gas sector, like, additionally, laws should be made to sanction employers who deviate from the standard rules. One strategy would be for Nigeria to adopt the 'South African approach', with its observed effectiveness of enforcement of labour regulations where labour market institutions such as industrial councils (now called bargaining councils) and wage boards set sectoral minimum wages and stipulate working conditions in many industries in the country. These minimum wages and stipulations are made applicable to all firms in the industry and region, irrespective of their sizes and structures. Additionally, there are serious penalties for flouting the agreements of these institutions (Kingdon et al, 2006).

#### 7.3.2 Institutional Framework

The government seems to be more concerned with environmental insecurity in the Niger Delta than employment insecurity. Hence, the establishment of agencies like the Niger Delta Development Board in 1961, OMPADEC in 1992 and NDDC in 2000, with substantial financial resources to tackle the local underdevelopment. Despite these responses, the environmental insecurity and developmental problems of the delta do not seem to have abated significantly, largely due to the high level of corruption in these agencies. The socioeconomic conditions of the segmented oil workers remain, at best, manageable and, at worst, hardly bearable. It is, therefore, recommended that the government should set up a similar institutional framework to alleviate the problems and challenges of segmented workers in the oil and gas sector.

## 7.3.3 Work Protection and Collective Bargaining

Collective bargaining has gained root in the Nigerian upstream oil and gas industry and has been deployed in the regulation of employment relationships in this strategic sector of the economy. The two workers' unions in this sector, namely, Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) and National Union of Petroleum and Natural Gas Workers (NUPENG), have gained considerable bargaining power and have repeatedly taken advantage the strategic importance of this sector to national economic development. However, several attempts by these to organise segmented workers in Shell and generally in the oil companies in Nigeria have been resisted by the employer (Fajana, 2005). It is the opinion of this researcher that this category of workers, as well as expatriates, should be allowed to organise themselves into unions for the purpose of collective bargaining.

## 7.3.4 Regulatory Compliances

Several justifications had been advanced by both employers and government agencies for business models and employment policies necessitating outsourcing and other forms of atypical employment (John, 2011). The study has shown that there was little regulatory framework by the Government of Nigeria on segmented workers and official enforcement is low on the very few that exists. On the part of employers, compliance is low and this is encouraged by weak institutional capacity (Adewumi and Adedugba, 2010). It is, therefore, suggested that workplace regulations should be legally enforced by the Ministry of Labour through factory inspector regular visits to the oil companies.

In addition, the following three important recommendations are hereby put forward. First, the researcher believes that there is an urgent need for an overhaul in the international business strategies pursued by multinational companies such as Shell Nigeria. Ethical business considerations should be placed high and above the profit to be made. Shell and other multinational companies operating in Nigeria should openly demonstrate a willingness to be socially responsible in creating stable jobs.

Second, this investigation recommends that the Nigerian Government, in conjunction with the multinational companies in the oil sector, make a concerted effort towards moving the Nigerian oil industry from solely a secondary workforce to expanding the primary workforce to cater for the indigenous workers' needs. The Nigerian Government should endeavour to safeguard workers within

the precarious segments of the labour markets. This can be done by enacting, reviewing and implementing the labour and employment laws to cater for the natural progression of workers from the peripheral of the flexible firm model into the core within a short period of time – one to two years is hereby suggested.

## 7.4 Contribution to Knowledge

The main thrust of this investigation is to evaluate the importance of labour market segmentation of workers in Shell Petroleum Development Company operating in Nigeria. This research work described and analysed the important characteristics of labour market segmentation and flexibility of workers in Shell Nigeria, highlighted the dilemmas this strategy poses for Shell workers and labour-management relations and critically assessed the kind of flexibility policy the management of Shell is pursuing in order to secure the future of the company.

This study has made both empirical and theoretical contributions to the study and scholarship of industrial and labour relations. It is unique because it deviated from the dominant trend of discourse and debates. While reviewing the literature, I discovered that the majority of the research on non-standard employment in Nigeria has focussed on labour standards and regulations, psychological contracts and workers' rights, all of which pointed to either helping in sustaining the survivors of this work arrangement or assisting the employer to continue the exploitation of non-standard workers.

At a time when there are very few scholars, donor agencies or organisations that bother to study the conditions of oil workers and how to transform them, this study not only made important contributions to the advancement of knowledge and workers' rights in Nigeria, it also exposed the excessive exploitation, poverty and deprivation of Nigerian workers in Shell and the level of employment insecurity under which they work at a time when their employer is generating the greatest amount of wealth ever known in human history.

This investigation fills the research gap by using data from Shell Nigeria in evaluating the methods that Shell management adopts in its efforts to restructure its workforce.

## 7.5 Suggestions for Further Studies

In relation to further research studies, I must confess that I have only engaged in one case study; therefore limiting my investigation to Shell Petroleum Development Company in Nigeria. It would be interesting not only to consider a comparative study of two or more oil companies in Nigeria, but also two or more industries, and/or two or more views of these categories of workers from two countries.

Additionally, apart from the petroleum sector whose non-standard employment is assumed to be unreasonably high, most of the multinationals enslave Nigerians in the guise of providing employment; this implies that the scourge of 'casualisation' and other forms of labour flexibility is not limited to the oil and gas industry. It is suggested that a study like this should be conducted in the banking sector of the Nigerian economy, where a noticeable number of the workers are in the peripheral segment of the internal labour market.

#### 7.6 Conclusion

Prior to arriving at any conclusion, the objectives of this study were revisited in order to advance recommendations in tandem with the overall objectives. The engagements between the researcher and the workers of Shell Petroleum Development Company revealed that there is a negative relationship between labour market reforms and employment security in Shell Petroleum Development Company in Nigeria. Secondly, the growing insecurities in employment and wages in Shell Nigeria are linked to the ongoing restructuring in the sector.

The conclusion arrived at is consistent with the theoretical frameworks utilised in this study, which include the labour theory of value, the institutional theory, the contract theory of the labour market, and the human captain theory – these theories were selected because they depict the development taking place in Shell Nigeria. The study revealed, as stated by all the respondents, that non-standard or a typical workers experience acute financial difficulties because of their unstable income and employment insecurity. Whilst reduction in labour costs was the main reason given by the respondents for the introduction and implementation of flexible work arrangements, employees of Shell Petroleum Development Company in Nigeria lamented the loss of loyalty and commitment on the part of non-standard employees. It is, therefore, established that there is a negative relationship

between labour market reforms and employment security in Shell Petroleum Development Company in Nigeria. Secondly, the growing insecurities in employment and wages in Shell Nigeria are linked to the ongoing restructuring in the sector.

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## Appendix 1



# Labour Reforms and their impact on employment security in Shell Petroleum Development Company in Nigeria

Shell employees questionnaire

#### A. Demographic Information

1.	Age
1.	1150

18-27	
28-37	
38-47	
48-57	
58 +	

#### 2. Gender

Male	
Female	

#### 3. Marital Status

Single	
Married	
Divorced	
Widow	
Separated	

4. Income per Month

N18,000 - N50,000	
N51,000 - N100,000	
N101,000 - N150,000	
N151,000 - N200,000	
N201,000 - N300,000	
N301,000 +	

5. Departments

Admin	
Marketing	
Finance	
HRM	
Accounting	
Procurement	
Legal	
Engineering	
Other Specify	

### **B.** Educational Information

1. Educational Level

Primary	
Secondary	
Matriculation	
Tertiary	

# 2. Type of Skill Possessed

### C. Implementation of Labour reforms (flexibility trends)

1	X X 71	1 1			41	$\alpha$
1.	wnen	ana	VOII	101n	the	Company?
	, , 11011	ara	,	JULI	CIIC	Company.

1-5	
6-10	
11- 15	
16- 20	

2. Are you a Permanent, Contract or Temporary Worker?

Permanent	
Contract	
Temporary	

2.1. If on contract, how long is your contract?

Under 1 year	
1-3 years	
4-6 years	
7+ years	

- 2.2. If temporary, what category of atypical worker do you fall into?
  - a. Outsourced/Agency worker
  - b. Contract
  - c. Part-time
  - d. Casual
  - e. Temporary

3.	Briefly	explain	the	current	employment	conditions	under	which	you	work
										•••••

hell Petroleum Development Company.
arket reforms were implemented in the Oil Producing Sector of the eeted you?
behind the implementation of reforms in Shell Petroleum Development
th the reason given to you as an employee at Shell with regards to the orms?

8. As far as you know, were these reforms consulted /negotiated with the labour formations tha represent the work force in Shell Petroleum Development Company?
Yes No Don't know
8.1. If consulted/ negotiated, how was it done?
9. What has been the impact of these reforms on your terms and condition of employment as ar individual worker at Shell Petroleum Development Company?
10. What is your own impression of the use of segmented/contract workers in Shell Petroleum Development Company?

11.	Have your earnings changed to the better /worse since the implementation of the reforms		
Exp	Explain in what way.		
12.	Briefly explain whether you are still able to sustain your livelihood in the post-reform era.		
	What roles do you think the government should play in the Petroleum/Oil and gas sector labour ket reforms?		

#### THANK YOU VERY MUCH FOR YOUR TIME

# Appendix 2



# **Employers Questionnaire**

1.	What are the types of labour market reforms (flexibility trends) did you implemented in the oil producing sector in Nigeria?
	What were the reasons for these reforms (flexibility trends) being implemented in Shell Petroleum Development Company?
3.	Which of these reforms have mostly benefited Shell Petroleum Development Company with regards to cost cutting?

4.	Were these reforms negotia	ated/consulted with employees' representatives?
	Yes	
	No	
	Don't know	
4.1	1. If yes, how were these refo	orms (flexibility trends) negotiated/ consulted with labour formation
•••		
5.	What challenges have you trends?	a encountered as accompany after the implementation of flexibility
• • • •		
• • • •		
•••		
•••		
6.	Briefly explain whether the	e agreement reached with the labour unions were implemented to the
	labour formation satisfaction	on.
• • • •		
• • • •		

7.	What has Shell done to ensure that contractual/ temporary workers are incorporated as part of the core workforce?
8.	Can you elaborate as what is the stance of the company on contractual/temporary workers?
• • •	
9.	What do you think needs to be done to ensure that the company and the labour formations work towards a common goal?
10	. What do you think Shell should do to address the grievances of the labour formations in respect
	of the labour market reforms (flexibility trends) that are ongoing?

## THANK YOU VERY MUCH FOR YOUR TIME!

#### Appendix 3



#### Questions posed to Government officials

- 1. What was the role-played by the Government and its agencies in the introduction and implementation of labour market reforms in Shell Petroleum Development Company in Nigeria?
- 2. Were these reforms conceived by the Government or the organised private sectors?
- 3. What forms of intervention did the government initiated to regulate the various types of labour market reforms implemented by the organised private sector?
- 4. What have the Government done to ensure a labour friendly environment in the Petroleum sector?
- 5. How is Shell Petroleum Development Company compliance with legislations pertaining to labour flexibility implementation?
- 6. What are the dispute resolution mechanisms enacted by government to effectively regulate deal with disputes emanating from non-compliance with regulations?