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Effective strategies for resolving labour disputes in the corporate sector: Lessons from Nigeria and the United States

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Abstract

The relationship between an employer and employee though governed by various laws and regulations can still at some point witness some disagreements and dispute. Labour disputes are not uncommon neither are they peculiar to a particular industry in a country. Usually, trade disputes are hinged on agitation of employees for compensation, good working conditions, job stability and agitation against unlawful termination or dismissal of from service. Over the years, employees have adopted different ways to exhibit their discomfort and grievances in order to convey their message such as strike actions, peaceful protest and so on. There's no doubt that these disputes will drastically reduce the level of productivity and overall beneficial impact of the industries in the economic growth of the country. Hence, there's a need to adopt strategies for resolving these labour disputes. Some industries have applied round table discussions, arbitration, mediation, collective bargaining as well as grievances remedial processes. This work will provide an overview of the causes of disputes in the corporate sector, examine the features of the Nigerian and United States disputes resolution system and also juxtapose the strategies for resolving labour disputes in the two countries. Furthermore, it will provide recommendations to effectively addressing labour issues within the business sector.

Keywords: Industrial relations; Multi-door courthouse; Trade unions; Alternative Dispute Resolution; Legislative Framework.

1. Introduction

Labour disputes refer to conflicts that emerge within the context of labour relations, encompassing disputes between workers' representative organisations, as well as disputes that result from the rights, obligations, or interests of the involved parties during the establishment, implementation, or termination of labour relations. Labour disputes arise in the business sectors of Nigeria and the United States due to conflicts between workers, frequently represented by labour unions, and employers. These conflicts encompass a variety of issues such as compensation, employee benefits, working conditions, job stability, and instances of unjust labour practises. The occurrence of such conflicts can result in significant consequences for the firm and its workforce, exerting influence on employee morale, productivity, and the overall labour relations climate. The aforementioned factors exert a substantial influence on production, employee morale, and the reputation of the organisation. The presence of interpersonal conflicts within a professional setting can significantly impact the overall level of productivity. These consequences can result in a decline in staff morale, an elevation in stress levels, and a decrease in overall job satisfaction. The presence of these variables might exert a

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negative influence on the efficiency and effectiveness of both people and teams, hence compromising the overall organisational performance. The study conducted by Ndulue and Ekechukwu [1]. Labour disputes can potentially lead to a decline in employee morale, disruption of work, decreased productivity, and an increased risk of losing competent staff due to poorly managed conflict. The implementation of effective resolution solutions can play a crucial role in mitigating these interruptions, hence facilitating the seamless functioning of the organisation. Therefore, the use of effective conflict resolution procedures is crucial in maintaining a favourable and harmonious work environment, thereby promoting the overall performance of the organisation and furthering ethical labour practises.

The US and Nigeria both provide insightful lessons on the strategies used to settle trade disputes in the corporate sector. Although each country may have different labour laws and unique situations, there are certain general lessons that apply to both.

2. An overview causes of disputes in the corporate sector

A labour dispute refers to a conflict that emerges between two entities within an organisation, typically between the employer and the employee. The issue typically encompasses divergences pertaining to employee benefits, compensation, terms of employment, and organisational protocols. Labour disputes can arise due to various factors commonly observed in the workplace. These factors encompass concerns regarding job security, the absence of union recognition, disparities in leadership approaches, communication difficulties, wage-related issues, unfavourable working conditions, instances of retrenchment and layoff, inter-union rivalry, violations of rules or codes, as well as malfunctioning or inadequate work equipment and facilities. The issues of compensation and working conditions have consistently emerged as primary catalysts for labour disputes throughout history. Compensation refers to the subjective assessment of the worth of an individual's work contribution. Divergent expectations or assessments of pay between an organisation and its employees can give rise to labour disputes. The prevalence of labour conflicts can often be attributed to employees' discontentment with their working conditions.

3. Features of the Nigerian and United States dispute resolution system

The labour dispute settlement systems in Nigeria and the United States exhibit both commonalities and notable divergences. Both nations acknowledge the significance of efficiently settling labour disputes in order to sustain a harmonious work environment and guarantee the seamless functioning of organisations.

3.1. Arbitration

Arbitration is a frequently employed mechanism in both nations. Arbitration involves the involvement of an impartial third party or a group of impartial individuals, referred to as the arbitral tribunal, who possess the authority to render a ruling that effectively settles the underlying conflict. The Arbitration and Mediation Act of 2023 in Nigeria has strengthened the existing arbitration structure of the country by incorporating provisions for emergency arbitrator proceedings and enforceable interim measures. The National Labour Relations Board in the United States provides an alternate dispute resolution programme aimed at facilitating the resolution of unfair labour practise claims for involved parties.

3.2. Mediation

Mediation is seen as a viable approach for labour dispute resolution in both Nigeria and the United States. Mediation entails the involvement of an impartial third party who facilitates the process of dispute resolution by assisting the conflicting parties in achieving a mutually agreeable outcome. The implementation of the Arbitration and Mediation Act 2023 in Nigeria has resulted in notable modifications to the nation's system for resolving disputes, effectively harmonising it with the principles outlined in the New York Convention[1]. Likewise, throughout the United States, the Department of Labour acknowledges diverse manifestations of Alternative Dispute Resolution (ADR), encompassing the practise of mediation.

3.3. Collective bargaining

Collective bargaining is a formal process wherein designated representatives of employees engage in negotiations with designated representatives of employers to determine and create the terms and circumstances that govern employment agreements. Collective bargaining is the procedural method by which employers and employees participate in talks to define the terms and provisions that govern employment agreements. Collective bargaining is widely recognised as a pivotal process in Nigeria for establishing salaries and other terms and conditions of work [2]. Likewise, within the

United States, the recognition of collective bargaining holds significant importance within the realm of industrial relations.

4. Grievances remedial process

Grievance processes give employees with a formal mechanism to articulate their issues or grievances pertaining to their working circumstances or contractual arrangements. Grievance procedures are frequently employed in both unionised and nonunion businesses throughout the United States. The Trade Disputes Act in Nigeria permits the utilisation of internal settlement processes for the purpose of resolving trade disputes. This provision ensures that grievances are addressed through bilateral agreements between the parties involved in the dispute.

4.1. Labour disputes in the US and the resolutions

Labour disputes in the United States encompass a wide range of conflicts that arise between employers and employees, often with the involvement of labour organisations representing the latter. Conflicts often arise from divergent perspectives on several employment-related matters, encompassing remuneration, perks, working environment, employment stability, and instances of unjust labour practises. In the United States, labour disputes can manifest in diverse sectors and enterprises, encompassing both public and private entities.

Collective bargaining represents an often seen manifestation of labour disputes. Collective bargaining refers to the procedural mechanism through which the terms and circumstances of employment are deliberated and agreed upon between an employer or employer association, acting on behalf of management, and a labour union, acting on behalf of employees. The subjects commonly addressed in these dialogues encompass remuneration, perks, labour conditions, and many facets pertaining to occupational engagement. A potential outcome of failed collective bargaining is the occurrence of a work stoppage, which can manifest in the form of a strike or lockout.

Lockouts and strikes are significant forms of labour disputes. A strike occurs when employees choose to abstain from attending work with the intention of influencing their employer to comply with their requests. On the contrary, a lockout transpires when employers prohibit employees from fulfilling their work obligations as a strategic manoeuvre to acquire a negotiation advantage. Lockouts and strikes can significantly impact both businesses and workers, causing disruptions in work processes and incurring substantial financial costs for all parties involved. Unfair employment practises serve as a significant motivator for labour disputes. Unfair labour practises refer to actions or behaviours demonstrated by labour unions or employers that infringe upon the rights of workers or hinder their capacity to participate in activities protected by the National Labour Relations Act (NLRA). Instances of such actions encompass the obstruction, limitation, or manipulation of employees in their endeavour to exercise their entitlement to form a labour union or participate in collective bargaining.

A range of solutions are utilised to tackle labor-related concerns. The aforementioned strategies include mediation and arbitration. Through the process of direct discussions, the parties concerned are afforded the chance to effectively confront and reconcile their conflicting opinions in a manner that is mutually agreeable. In contrast, mediation entails the engagement of a neutral third party to encourage discussion and negotiation among the interested parties. Arbitration is a structured procedure wherein an unbiased arbitrator objectively assesses the arguments put forth by conflicting parties and ultimately renders a legally enforceable decision to settle the problem under consideration.

Legislative frameworks have been developed in the United States with the objective of regulating worker relations and facilitating the resolution of conflicts. The National Labour Relations Act (NLRA) is a legislative framework that establishes the rights of employees to engage in collective bargaining, as well as the rights to participate in strikes and other coordinated efforts aimed at protecting their interests and promoting mutual support. The National work Relations Board (NLRB) is the governmental entity responsible for enforcing the NLRA and investigating claims related to unfair work practises.

4.2. Selected Labour dispute cases in the US

In the year 1981, a notable occurrence took place in the shape of the Professional Air Traffic Controllers Organisation (PATCO) strike. This labour dispute involved the union's expression of discontent through the pursuit of enhanced compensation and working conditions. President Ronald Reagan declared the strike to be in violation of the law and issued a directive to terminate the employment of any air traffic controller who declined to resume their responsibilities. A significant proportion of the labour force that actively engaged in the strike experienced termination from their respective positions, thereby leading to the later revocation of the union's certification. However, this specific

occurrence led to significant modifications in labour regulations and practises, and it is occasionally seen as a crucial juncture in the labour history of the United States.

The year 1997 witnessed a significant labour dispute between the United Parcel Service (UPS) and Union, which acted as the representative body for UPS employees. This disagreement took the form of a 15-day strike initiated by the Teamsters Union. The strike concluded with the introduction of a revised contractual agreement that encompassed notable enhancements for the labour force, such as the establishment of full-time employment opportunities, salary increments, and adjustments to pension schemes.

The Verizon strike of 2016 witnessed the participation of around 40,000 workers who engaged in industrial action in response to the company's proposed reduction of healthcare benefits and plans to outsource employment opportunities. Following a duration of six weeks, the strike was ultimately resolved through the establishment of a novel contractual agreement that effectively addressed a multitude of requests put up by the workers. Notably, this agreement encompassed a provision for a cumulative increase of 10.9% in wages over a span of four years, alongside the implementation of safeguards aimed at mitigating the adverse effects of outsourcing.

4.3. Labour disputes in Nigeria

In contrast to the prevailing perception held by Nigerians, who attributed the primary reason of ongoing industrial disputes to their European superiors, Nigeria had a persistent occurrence of conflicts in both the commercial and public sectors even following its attainment of independence. This occurrence transpired notwithstanding the fact that Nigerians had assumed leadership roles. An example of such an occurrence is the twelve-day strike initiated by public servants in 1963 in response to the announcement of a salary rise specifically benefiting the minister and members of parliament. The public servants perceived this situation as inequitable, given their income had been stagnant since the colonial period.

In 1976, the Nigerian government made efforts to restrict the expansion and influence of trade unions and groups. In order to accomplish this objective, the appointment of an administrator of trade unions, in conjunction with four more specialists, was undertaken to initiate a comprehensive reform of the operational framework of the preexisting unions. By the year 1978, the project had achieved the formation of forty trade unions and twenty associations. The Nigerian Labour Congress (NLC) was created on February 28, 1978.

In contemporary times, a number of prominent instances of industrial actions have emerged due to concerns around insufficient funding of public universities and the regulated pricing of petroleum. An illustrative instance of this phenomenon can be observed in the industrial action that transpired in 2012 after to the government's decision to eliminate fuel subsidies. The ASUU strike that occurred in 2022 spanned a duration of one year and was utilised by academic staff members of federally controlled universities to articulate their grievances and advocate for improved remuneration, as well as the settlement of their unpaid salary.

This observation implies that employers and employees in Nigeria have consistently adopted proactive measures that have influenced the current state of the Nigerian labour and corporate sector. These conflicts, meanwhile, have undergone multiple instances of resolution before arbitral panels and even the court, utilising various statutory tools such as the Trade Dispute Act and the National Industrial Court Act.

4.4. The National Industrial Court's function in the resolution of labour disputes in Nigeria

The National Industrial Court of Nigeria (NICN) assumes a pivotal position in the resolution of labour disputes throughout the nation. The court possesses the authority to resolve trade disputes, labour practises, and issues pertaining to a range of labour legislation, including the Factories Act, Trade Disputes Act, Trade Unions Act, and Workmen's Compensations Act. Additionally, it assumes jurisdiction over appeals originating from the Industrial Arbitration Panel, as well as all other employment-related issues within the jurisdiction of Nigeria. The National Industrial Court of Nigeria (NICN) possesses sole authority in civil litigation and issues pertaining to or associated with labour, employment, trade unions, industrial relations, and matters arising from the workplace. This encompasses conditions of service, including the health, safety, and welfare of labourers, employees, and workers, as well as any matters incidental or connected to these areas. This implies that all labour, employment, and related cases now under consideration in State High Courts throughout Nigeria must be transferred to the National Industrial Court.

The jurisdiction of the court encompasses a range of matters including labour disputes, trade unions, industrial relations, workplace conditions, strikes and lockouts, as well as the interpretation of agreements. The promotion of harmony within industrial relations is a crucial aspect that guarantees fair and just treatment for all parties involved.

Additionally, it serves to protect the natural environment and improve working conditions, thereby boosting the well-being, safety, and overall welfare of the labour force. During instances of labour unrest, the court possesses the authority to interfere by issuing orders aimed at restraining actions that have the potential to disrupt workplaces.

4.5. The Multi-Door Courthouse

The Lagos Multi-Door Courthouse (LMDC) was established in 2002, marking a significant milestone as the first court-affiliated alternative dispute resolution facility in Africa. The LMDC was derived from a theoretical framework initially proposed by a legal scholar affiliated with Harvard University. However, it also incorporates and acknowledges the significance of indigenous methods of resolving disputes. The LMDC presents an attractive alternative to litigation, since it routinely resolves issues in a more expeditious, cost-effective, and harmonious manner compared to the overcrowded courts in Nigeria. According to Iseh [2], the Lagos Multidoor Courthouse (LMDC) has effectively enhanced the availability of legal remedies in Lagos State, hence mitigating a historical inclination towards resorting to litigation at the national level. Fourteen states in Nigeria, along with the Federal Capital Territory (Abuja), have successfully implemented a model that demonstrates the effectiveness of dispute resolution methods that align with the local culture and practises.

4.6. Common themes in labor dispute resolution in both Nigeria and the United States include:

- The legislative frameworks in both nations exhibit robust provisions for the resolution of labour disputes. In Nigeria, the National Industrial Court holds authority over labour and industrial affairs, but in the United States, labour relations are governed by a multitude of laws and regulations.
- Both nations acknowledge the significance of engaging in negotiation and dialogue as essential means for resolving labour conflicts. In the context of multinational firms operating in Nigeria, negotiation and conversation play crucial roles as fundamental components of conflict resolution methods. Likewise, within the United States, the inclusion of negotiation has significant importance in the processes of addressing grievances and conducting arbitration.
- Third-party intervention, which entails the participation of an impartial mediator or arbitrator, is a prevalent strategy employed in both nations. In the United States, labor-management problems are frequently addressed through the utilisation of mediation, fact-finding, and arbitration methods.
- The implementation of institutional mechanisms for employee voice and dispute resolution is a common tactic employed in both countries. In Nigeria, there are ongoing initiatives aimed at enhancing the governance of the human rights justice system, with a particular focus on addressing labor-related infringements of human rights. In the United States, non-unionized enterprises frequently encounter challenges when making strategic determinations regarding the timing and manner in which they offer formal mechanisms for worker representation and conflict resolution.

4.7. Key Lessons and best practices from Nigeria's approach to labour dispute resolution

- The National Industrial Court of Nigeria holds a crucial function in the resolution of labour disputes inside the country, showcasing its effectiveness in this regard. The legal structure established by this provision facilitates the resolution of labour disputes and guarantees a just and equitable hearing for all involved parties. This highlights the significance of establishing a comprehensive legal framework to address and resolve labour disputes.
- Nigeria has undertaken initiatives aimed at enhancing the governance of its human rights justice system, particularly with regards to instances of labor-related human rights infringements. This underscores the significance of upholding workers' rights and ensuring equitable treatment and respect for all employees.
- The significance of clear communication cannot be overstated in the context of labour conflicts, as it plays a vital role in their resolution. This entails engaging in open discourse during the process of resolving disputes, as well as engaging in proactive communication to mitigate the occurrence of disputes. It is imperative for employers to actively cultivate a workplace environment characterised by openness and open communication.
- Negotiation and dialogue play crucial roles in conflict resolution methods inside multinational organisations in Nigeria. This statement underscores the need of employing negotiation and conversation as effective means for resolving labour issues. It is advisable to promote positive discussion between employers and employees in order to effectively address concerns and identify solutions that are mutually advantageous.

The aforementioned lessons highlight the significance of a robust legislative structure, effective communication, adherence to human rights principles, and the utilisation of negotiation and conversation as means of resolving labour

disputes. These ideas have the potential to be used not only within the context of Nigeria, but also in any nation or institution that aims to efficiently address labour conflicts.

4.8. Key lessons from the United States

The significance of fair employment practises is underscored by the existence of many laws and regulations in the United States that aim to promote such practises, including the Fair Labour Standards Act and the Civil Rights Act. The aforementioned regulations serve to safeguard workers against unjust treatment and discriminatory practises, while also establishing channels through which workers can pursue remedies in the event of rights infringement.

The United States has a longstanding tradition of employing mediation and arbitration as effective mechanisms for the resolution of labour disputes. These methodologies entail the involvement of an impartial mediator who facilitates the process of reaching a mutually agreeable agreement between the conflicting parties. Mediation and arbitration are alternative dispute resolution methods that offer potential advantages over litigation, including expedited resolution and reduced financial burden. Additionally, these processes have the potential to maintain amicable relationships between the involved parties.

The implementation of formal mechanisms for employee voice and dispute resolution is a strategic approach commonly employed in the United States. This practise can facilitate an environment where employees perceive a sense of acknowledgement and appreciation, thereby fostering a more cohesive and cooperative work setting.

The involvement of unions in the United States has been essential in the resolution of labour disputes. Trade unions offer employees the opportunity to collectively express their concerns and negotiate for better working conditions. Additionally, these organisations typically establish structured mechanisms for addressing conflicts and resolving grievances.

The aforementioned lessons highlight the significance of equitable employment practises, the utilisation of mediation and arbitration, the involvement of labour unions, and the merits of providing employees with a platform for resolving labour disputes. These ideas have the potential to be implemented in any nation or institution that aims to proficiently address labour conflicts.

Furthermore, the acknowledgment and protection of employee rights play a crucial role in the resolution of trade disputes inside the United States and Nigeria. This encompasses the preservation of the right to form and join a labour union, engaging in collective bargaining, and safeguarding employees against unethical labour practises. Arbitration and mediation play a crucial role in the resolution of economic disputes in both countries. To facilitate the attainment of resolutions and mitigate prolonged disputes, it is customary to employ neutral third parties who engage in mediation of negotiations and deliver legally enforceable judgements. The Nigerian Industrial Arbitration Panel (IAP) might be likened to the National Labour Relations Board (NLRB) in the United States. These regulatory entities provide platforms for the reporting of unjust labour practises, conducting investigations, and resolving labour conflicts. The efficacy of the conflict settlement process can be enhanced by the formation and reinforcement of analogous institutions, as evidenced by the methods used in both countries.

4.9. Recommendation

Given the various dispute resolution procedures employed in each country, several ideas can be provided for effectively addressing labour issues within the business sector.

- It is recommended that companies offer comprehensive training programmes to managers and supervisors, focusing on equipping them with the necessary skills and knowledge to effectively manage and resolve labour conflicts. This may encompass instruction in negotiating methodologies, conflict resolution approaches, and legal obligations.
- Encourage Open Communication: It is imperative for organisations to foster a culture that promotes open communication, wherein employees are able to freely articulate their concerns without apprehension of reprisal.
- It is advisable for corporations to contemplate the utilisation of mediation or other types of third-party intervention when internal resolution of a disagreement becomes unattainable. This measure can contribute to the establishment of an equitable and unbiased resolution to the conflict.
- It is imperative for companies to have unambiguous policies for effectively managing labour conflicts. It is imperative that these policies be effectively disseminated to all employees, encompassing comprehensive procedures for the proper escalation and resolution of grievances.

5. Conclusion

The National Industrial Court of Nigeria is responsible for overseeing matters pertaining to labour and industrial issues within its jurisdiction. The court stated above occupies a significant role in the resolution of labour disputes within the Nigerian environment. The nation has also observed efforts aimed at improving the governance of the legislative framework of human rights, including in instances involving infringements of labor-related human rights. The results of a research study conducted on conflict resolution mechanisms inside multinational corporations in Nigeria suggest that the incorporation of negotiation and conversation in addressing employment relations is essential for the efficacy of these mechanisms. The utilisation of grievance and arbitration procedures in the United States plays a crucial role in protecting the rights of individual employees, employers, and society as a whole. Mediation, fact-finding, and arbitration are widely utilised strategies for the resolution of labor-management disputes, commonly recognised as typical impasse-resolution processes. Organisations that are not affiliated with a labour union frequently encounter challenges in determining the optimal timing and technique for establishing formal mechanisms through which their employees can express their opinions and resolve concerns. In conclusion, it is apparent that both nations have put significant importance on the utilisation of collective bargaining as a strategy for addressing trade-related matters. The attainment of resolutions pertaining to compensation, benefits, working conditions, and other employment-related matters can be achieved through the process of negotiation and the subsequent formulation of mutually acceptable agreements between employers and trade unions.. Through a collaborative process of knowledge acquisition, countries can develop comprehensive frameworks that effectively address conflicts within their respective business sectors, while fostering harmonious relationships between employers and employees. This can be achieved by drawing insights from the policies and experiences of both the United States and Nigeria, allowing for the creation of tailored structures that cater to the specific requirements of each country. Ensuring the preservation of workers' rights and actively striving to cultivate a workplace atmosphere that adheres to the fundamental values of dignity and respect for all personnel are imperative responsibilities for organisations. This measure might be seen as a proactive strategy to mitigate the incidence of labour conflicts.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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