

THE IMPACT OF CONTRACT STAFFING ON JOB PRODUCTIVITY: A STUDY OF SELECTED ORGANISATIONS IN PORT HARCOURT RIVERS STATE, NIGERIA.

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ABSTRACT: This study examines the impact of contract staffing on job productivity in some selected organisations in Port Harcourt city Rivers State, Nigeria. The study adopted the survey research design with the help of a four point likert scale questionnaire. Data was collected from 399 respondents selected through a multi-stage sampling procedure from Nigeria Agip Oil Company, MTN Nigeria and United Bank for Africa (UBA) in Port Harcourt city. Data collected was analysed descriptively using simple percentage. The study findings revealed that: workers demographics characteristics (gender, age, educational qualification, work experience and number of children) have a far-reaching implication for sustaining contract staffing and work productivity. Also, among other factors, the workers level of income couple with a juicy job offer are some of the rationale for accepting contract employment, finally, organisation's willingness to maximise profit at the expense of the workers job security are some of the major causes of contract staffing. It was therefore recommended that trade unions should take the lead, as a matter of urgency and need, to engage government in formulating policies to ameliorate the pains of workers by ensuring that every worker is entitled to assemble freely and associate with other persons to form or belong to any existing trade union for the protection of their interest.

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INTRODUCTION

The global economic and employment crises have continued to shake the future of workers all over the world, particularly in a developing country like Nigeria. The sudden paradigm shift from permanent employment to contract staffing in public and private sectors has led to poor and unfair pay, compared to that of permanent workers. Despite that, contract employees are denied their rights to organise and benefit from collective bargaining (Girigiri, 2008); their employers do not protect them from exploitation. Contract staffing negated the campaign against unemployment and poverty reduction initiatives by successive governments in Nigeria. Today, the type of vibrant labour force, which we inherited from our founding fathers, has been turned to slave labour, degraded and mismanaged. Before now, for instance, an employee was either permanently employed or unemployed; there were no hangers-on, without the necessary training and development of employees. It is pathetic to mention that the effort to boost employment has not been strongly followed with assurances of decent work, given the increasing level of contract-based employment in the country.

The traditional industrial relations system based on the concept of full-time employment, with the employee working with an organisation until retirement, is steadily and increasingly being challenged or threatened by the use of non-standard work arrangements (NSWA) by employers. Adeboye (2002) observed that the changing nature of work has taken a

new dimension with the adoption of unfair labour arrangements by many organisations globally. The use of contract staff is growing rapidly. It has spread across industries, from manufacturing to services industries, and other occupations, including construction, banking, oil and gas, telecommunications.

Under the employment statistics, a contract staff member is an unemployed person; the employee is supposed to take the temporary job while looking for permanent one. However, in Nigeria some contract employees have remained so for up to 20 years and above. After some time, they get used to their misfortune and they, therefore, live and die as contract employees, under the illusion that they are real employees. The issue becomes even more devastating as most organisations operating in the country bring in expatriates (foreigners) who are purely roadside artisans, not qualified to work in their countries, to take full time employment with all the benefits that accrue to the job, while Nigerians are placed on contract that is renewed, without benefits (Fashoyin, 1984). This phenomenon has continued to elicit concern among stakeholders.

NBS (2009) has rightly noted that the trend running through many of the new approaches to management in today's globalised economy is the development of a more flexible workforce, which has become the employer's new frontier in the management of human resources. However, these changing patterns of work, such as contract employment, part-time employment, outsourcing, occasioned by Structural Adjustment

Programmes (SAP), have created serious concern for workers, industrial sociologists and trade unions alike, especially in Nigeria.

Rather than address the entrenched poverty in the country, many employers are taking advantage of the situation to depress wages and weaken worker organisations as desperate applicants, hungry for scarce work, will take jobs whether they meet labour standards or pay a living wage. Owei (2010) observed that job security, social security, instability, terminal benefits and minimum conditions of work are some of the issues of concern. The new forms of work arrangements have led to the prospects of a "race to the bottom" in labour standards, particularly in the developing nations. Labour standards are often compromised by organisations involved in contract staffing. In Nigeria, the scourge of contract staffing pattern of employment is gaining grounds in an unprecedented proportion, intensity and scale. The increased acceptance of this labour practice in Nigeria labour market has attracted scholars and commentators' attention recently.

Findings from a study conducted by Chukwuemeka and Chukwuemeka (2012) reveal that contract staffing in the Nigerian labour market today is a subject of great discussion, because employers of labour are increasingly filling positions in their organisations that are permanent in nature. In line with the vulnerability of employees in Nigeria is the high level of unemployment and accompanying poverty. This scenario have caused the rights of employees (pension, gratuity, right to join or form a trade union for

the protection of interests) to be neglected. Consequently, worker's representation, democracy, collective bargaining and social partnership, which is a very vital instrument in our modern day industrial system, is relegated to the background. Hence, job has become a matter of "take it or you leave it" (Biggs, 2003; Donkin, 2003; and Allen et al., 2002).

Okafor (2007) added that contract staffing ultimately presents many challenges for the employees and organisations alike. Aungwom (2007) also said that behind this issue of contract staffing in the country is the high level of unemployment. These two issues have bred a dangerous work environment and have given much aid to the prevalence of contract staffing, as many desperate job seekers in the labour force are willing to take any job, no matter how dirty, degrading, undesirable and dissatisfying it is. This could subject contract staffs occupy a precarious positions in the workplace, and they are a new set of 'slaves' and 'underclass' in the modern capitalist economy (Aladekomo, 2004).

Fajana (2006) noted that, in nearly every economic sector, good jobs are falling prey to corporate cost-cutting moves at the expense of working families. Too many jobs are being outsourced, contracted out or reclassified under a barrage of legal definitions designed to ensure pay down, benefits low, and to keep out the labour unions. Luwoye (2001), a former president of PENGASSAN, declared that like workers all over the world, Nigerian workers are trying to hold the line. They are countering contract staffing with strike, protests, activism and

strength, pushing back against the dissatisfaction of their job and organising contract employees into unions to fight for their rights. Contract staffing, however, goes beyond trade union rights because it is enabled by the widespread poverty, joblessness, and the devastated natural resources of the country. It is against this backdrop that this study aims at investigating the impact of contract staffing on job productivity in some selected organisations in Rivers State.

RESEARCH METHODS

Research Design: The survey design was adopted for this study. According to Kothari (2004), surveys are only concerned with conditions or relationships that exist, opinions that are held, processes that are going on, effects that are evident or trends that are developing. They are primarily concerned with the present but, at times, do consider past events and influences as they relate to current conditions. In the context of this study, the researcher sought to determine contract staffing and job productivity in three organisations in Port Harcourt city, Rivers State, Nigeria.

Population of the Study: The population of this study is focused on those workers (employees) classified as contract staff in the selected organisations. Hence, contract staff of the selected organisations in Port Harcourt constituted the respondents that were issued questionnaire. The researcher found 3374 (three thousand three hundred and seventy four) respondents as contract staff in Nigeria Agip Oil Company (NAOC) Port Harcourt, 63 (sixty-three) contract staff in MTN Nigeria Port Harcourt, and 289

(two hundred and eighty nine) respondents who are contract staff in the 26 branches of UBA (United Bank of Africa) Port Harcourt cutting across all departments in their respective organisations.

Sample and Sampling Technique:

The study adopted a multi-stage sampling technique (including stratified and simple random sampling). This is because the distribution of the population is so complex that the researcher needs more than one sampling technique to select the sample. Hence, a total of 399 (three hundred and ninety nine) respondents were finally selected as the study sample.

Research Instrument: The study adopted a structured questionnaire as the main instrument of data collection. The items in the questionnaire for the survey was measured using likert scale comprising 4 (four) sections with 32 items. The sections in the questionnaire covered: Socio-economic characteristics of employees, rationale for accepting contract staffing, causes and problems of contract staffing and level of job dissatisfaction faced by employees on contract. Three hundred and ninety nine (399) copies of the questionnaire were administered on the respondents.

Method of data collection: The main research instrument for this study was a questionnaire. The researcher was personally on ground to administer the questionnaires, and this enhanced a higher return rate. Before distributing the questionnaire, the researcher obtained the respondents' consent first. To ensure reliability and validity of the questionnaire, instructions were

explicitly read and explained, to avoid mistakes by the respondents.

Method of data analysis: Descriptive analysis was used to interpret the data in this study, using tables containing frequency count and percentage.

RESULTS AND DISCUSSIONS

Demographic variables of respondents:

Table 1 indicates that of the 399 respondents, 214 (53.6%) were males while 185 (46.4%) were females. It further shows that 91 (22.8%)

respondents were in the 18-28 age bracket; 121 (30.3%) respondents fell within the 29-38 age range; 125 (32%) respondents were aged between 39 and 49 years, while 62 (15.5%) respondents were above 50 years old. Data in table1 also show that 89 (22.3%) respondents were holders of FSLC/SSCE; 126 (31.5%) had OND/NCE; 97 (24.3%) were HND/bachelor's degree holders; 38 (9.52%) had M.Sc./PhD degrees, while the remaining 49(12.2%) respondents had acquired professional certificates.

Table 1: Respondents demographic characteristics (N=399)

Variables	Frequency	Percentage (%)
Gender:		
Male	214	53.6
Female	185	46.4
Age:		
18-28	91	22.8
29-38	121	30.3
39-49	125	32.3
50 and Above	62	15.5
Educational qualification:		
FLSC/SSCE	89	22.3
OND/NCE	126	31.5
HND/B.Sc.	97	24.3
M.Sc./PhD	38	9.5
Professional certificate	49	12.2
Work experience (in years):		
Below 5	215	53.8
5-10	113	28.3
11-16	40	10.0
17 and above	31	7.76
Number of children:		
0-3	69	17.3
4-6	129	32.3
7 and above	201	50.4

Source: Field survey, 2015

As regards their work experience, 215 (53.8%) and 113 (28.3%) had inadequate years of experience (below ten years), while 17.7 percent had above ten years of work experience. Finally, data in table 4.1 above show that respondents had a large number of children 4 to 6 children (129-32.3%) and 7 children and above (50.4%).

Rationale for contract staffing:

Data in Table 2 presents the rationale for accepting contract staffing among respondents. Information on the rationale for contract staffing was sought from the contract employees

and the organisational managers. As indicated in table 2, of the 399 respondents, 77.7 % said they are not satisfied with their income; 54.1% of respondents have not been employed before; 69.9% of the respondents are the only persons working in their families; 252 (63.1%) had lost their jobs before; they accepted to work on contract while 49.9% are working and at the same time schooling. A significant proportion of the respondents said that the management has never promised to give them permanent tenure in the future.

Table 2: Rationale for accepting contract staffing (N=399)

Item	Responses				Total
	Yes	%	No	%	
Are you satisfied with your income?	89	22.3	310	77.7	399
Have you been employed before?	183	45.9	216	54.1	399
Are you the only person working in your family?	279	69.9	120	30.1	399
Did you lose your job before now?	252	63.1	147	36.9	399
Are you working at the same time schooling?	199	49.9	200	50.1	399
Has management promised to give you a permanent tenure in future?	558	13.9	344	86.1	399

Source: Field survey, 2015

Finally, it can be seen from table 2 above that 281 (70.4%) of the respondents said that they will accept a new job, if offered. From the responses generated, the rationale for contract staffing is due largely to the factors that the respondents revealed in table 2. They include dissatisfaction with level of income, the only employee

in their respective families, loss of a job, and unemployment among other factors. The survey thus indicates that people may accept to work for an organisation on contract because they are the breadwinners of their families; their pay in their present employment is poor, and lack of employment opportunities among other factors.

These are the rationale for accepting contract staffing.

Causes of contract staffing:

Data in Table 3 summarises respondents’ opinion on the causes of contract staffing in selected organisations in Port Harcourt City, Rivers State. The result indicates that contract staffs do not receive same benefits as the tenured staffs do. This

was the answer given by 77.9% of the respondents. A significant proportion 276 (69.1%) and 341 (85.4%) of the respondents opined that organisational willingness to maximise profit and unemployment encourage contract staffing; 294 (73.6%) of the respondents said their hard work in the organisation has not been compensated by the employer.

Table 3: The causes of contract staffing (N=399)

Items	Responses				Total
	Yes	%	No	%	
Do contract staff receive same benefits as the tenured staff?	88	22.0	311	77.9	399
Organisations willingness to maximise profit leads to contract staffing?	276	69.1	123	30.8	399
Unemployment leads to contract staffing?	341	85.4	58	14.5	399
Are you well paid for working hard for the organisation?	105	26.3	294	73.6	399
Are you a member of any workers union?	10	2.5	389	97.4	399
If you get a new job today, will you leave your present job for the new one?	281	70.4	118	29.6	399

Source: Field survey, 2015

Finally, 97.4% of the respondents agreed that management does not allow them to be members of the workers union. Data in table 3 above revealed that workers would quit their jobs if an alternative were found. This was the response by 70.4% of the respondents. The analysis shows that an overwhelming majority of the respondents adjudge benefit disparities between contract and tenured staffs, organisation’s willingness to maximise profits, unemployment, low pay and

restriction on trade union membership are detrimental to the interest of contract employees in AGIP, MTN and UBA in Port Harcourt city. Given this result, it can be concluded, therefore, that organisation’s quest to make more profits is the fuelling factors for contract staffing in many organisations.

DISCUSSION OF RELEVANT FINDINGS

The results as revealed in Table 1 show that respondents were not

sufficiently educated as the number of respondents with HND/B.Sc. and M.Sc/Ph.D was 135 (33.8%), which is low as compared to respondents (215) with lower qualifications (FLSC/SSCE and OND/NCE), comprising 53 percent. This may have contributed to the high percentage of respondents (53.4%) that are junior staff (mainly welders in the case of AGIP Oil Company). The prevalence of respondents with very few years of working experience is an indicator of the existence of contract staffing in the organisations studied.

Generally, results as shown in table 1 above further revealed that there is a high rate of large family size (in terms of number of children) among respondents. Thus, a relationship between the numbers of children one has and the level of income has a far-reaching implication for why respondents had accepted contract jobs, which have compromised industrial workers right, and bring about low work productivity.

Results presented in table 2 reveal the rationale for accepting contract staffing in the organisations studied. The level of income of an individual could be the predisposing factor to engage in contract job. Especially, when the present job offer is juicier than the former, or better still, when there is no disposable income available to the individual, the individual could be pushed to take a decision that could be best described as "a bird in the hand is worth two in the bush". Workers want to stay with employers to meet their daily needs, despite the low level of remuneration. In addition, lack of job and loss of jobs are other rationale for accepting

contract appointment. This is evident from the fact that the unemployment rate is high in Nigeria. Okowa (2005) confirms that mass poverty is indeed a visible phenomenon in Nigeria; the incidence of poverty is about 80 percent. Unemployment is one of the critical factors that generate poverty in Nigeria. In a similar study by Brown and Tiffen (2007), Africa has the highest incidence of poverty anywhere in the world, despite the rich natural resources in the region. Their estimate shows that almost half of the population in the region lives in poverty. This is the major reason for accepting jobs without job security. This had also been found to be the case by Chalmers and Kalb (2001) in their study entitled: "Moving from unemployment to permanent employment".

The findings of this study further show that family pressure, due largely to their being the major source of livelihood, coupled with management willingness to employ people on short term (contract) bases, are the major reasons or rationale for contract staffing. Aungwom (2007) also found that the major reason for contract staffing in the country is the high level of unemployment and poverty. These two issues have bred a dangerous work environment and have given much impetus to contract staffing, as many job seekers in the labour market are willing to accept any job no matter how degrading, and undesirable. This is in agreement with the present study.

Finally, result shown in Table 3 revealed that unemployment situation, and organisation's willingness to maximise profit at the expense of the

workers are the major causes of contract employment. The foregoing results are in agreement with earlier studies. Bubu (2005) posited that today, employers are continuously taking everything out on labour. Over the years, tariffs have risen astronomically and the general cost of production has skyrocketed. The easiest way out for most organisations has been to cut down on permanent employees by resorting to contract staffing. Akpakpan (1999) noted that as far as the national economy is concerned, the modern capitalist slavery called contract staffing is capable of destroying our economy gradually. Its long and predominant usage produces individuals who have over-worked themselves with little earnings and, consequently, little or no savings for retirement, resulting in the emergence of an over-worked population who still depend on the nation for survival or daily needs, thus over bearing the nation's welfare system strength and living at the mercy of the society.

CONCLUDING REMARK AND POLICY IMPLICATIONS

Trade unions should take the lead, as a matter of urgency and need, to engage government in formulating policies to ameliorate the pains of workers by ensuring that every worker is entitled to assemble freely and associate with other persons to form or belong to any existing trade union for the protection of their interest. To achieve this, the challenge before trade unions is to encourage the new government to ensure positive improvements on existing labour legislations. In Nigeria, every employer

of labour should be made to respect the principle of dignity of labour by promoting decent enabling environment for employees.

Disparities in terms of remuneration between contract staff and tenured staff should be discouraged, so that the principle of equal pay for equal work, justice and fair play in benefits may be enhanced. This way the burden and rewards of employment will be shared with equity.

According to the findings of this study, little education is a prominent factor contributing to rapid contract staffing. Government, together with other major stakeholders, should form collective alliance to enact policies that guarantee in-service training or on the job training. This will boost the educational content of workers capacity for work in the organisation. In addition, organisations should arrange training and development programmes for capacity building and "upgrade" of their employees where necessary.

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