



**LABOR-MANAGEMENT RELATION IN SMALL BUSINESS: IN  
THE ABSENCE OF UNION REPRESENTATION IN ADDIS  
ABABA**

**BY**

**JEMAL REDWAN**

**A Thesis Submitted to the College of Business, Economics, and Information  
sciences**

**School of Public and Business Administration**

**AAU in partial fulfillment of the requirements for the degree of**

**Masters of Business Administration**

**ADVISOR: Dr. TILAHUN TEKLU**

**Department of Management**

**JUNE 2011**

**ADDIS ABABA**

**ADDIS ABABA UNIVERSITY**

**College of Management, Information, and Economic Sciences**

**SCHOOL OF PUBLIC AND BUSINESS ADMINISTRATION**

**MBA Program**

**LABOR-MANAGEMENT RELATION IN SMALL BUSINESS: IN  
THE ABSENCE OF UNION REPRESENTATION IN ADDIS  
ABABA**

**By**

**Jemal Redwan**

***APPROVED BY:***

**Dr. TILAHUN TEKLU**

***Research Advisor***

**Dr. TUFAIL AHMED**

***Examiner***

---

***Signature***

---

***Signature***

**JUNE 2011**

**ADDIS ABABA**

# DECLARATION

---

I, JEMAL REDWAN, declare that this work entitled “**Labor-Management Relation in Small Businesses: In the absence of Union Representation**” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor Dr. Tilahun Teklu.

The study has not been submitted and presented for any degree in this University or any other university. It is offered for the partial fulfillment of the degree of MA in Business Administration [MBA]

***Declared by:***

Name: Jemal Redwan

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

***Confirmed by: Research Advisor***

Name: Tilahun Teklu

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

# **ACKNOWLEDGEMENTS**

This paper would not have been completed without the Almighty Allah and next to him many peoples who contributes to the successful completion of the thesis.

First, I would like to express my special gratitude to my advisor Dr. Tilahun Teklu, for his unreserved support and advice from the start to end of the study.

I would like to thank also those willing Small Business owners and employers for giving us the necessary information relating to their work environment in investigating the nature of labor-management relations in their businesses.

I would like to express my special gratitude also to my colleagues Mohammed Kasie and Berhan Teame for their support in providing the necessary materials to carry out my study.

Finally I would like to thank my close relative Ato Munir Mohammed and his wife W/ro Hikma Nesro for their invaluable support to carry out the whole study of this program including this research work.

## **ACRONYMS**

*ADR: Alternative Dispute Resolution*

*DM: Decision Making*

*HR: Human Resource*

*ILO: International labor Relations*

*SB: Small Business*

*SMEs: Small and Medium Scale Enterprises*

<b>Table of Contents</b>	<b>Page</b>
Acknowledgments.....	I
List of Tables .....	II
List of Figures .....	III
Abstract .....	VI
<b>CHAPTER ONE.....</b>	<b>1</b>
1.1 INTRODUCTION.....	1
1.2. Problem Statement .....	3
1.3. Objectives of the Study .....	4
1.4. Significance of the study .....	5
1.5. The Scope of the study.....	5
1.6. Limitation of the Study .....	5
Definition of Terms .....	5
<b>CHAPTER TWO.....</b>	<b>6</b>
<b>LITERATURE REVIEW .....</b>	<b>6</b>
<b>2. LABOR-MANAGEMENT RELATION .....</b>	<b>6</b>
2.1. The Dimensions of the Employment Relationship in Organizations.....	7
2.2. Managing Employee Relations .....	8
2.2.1. National and International Unions.....	8
2.2.2. Local Unions.....	9

- 2.3. Reasons for Employee Unionization..... 9
- 2.4. Why Employers Resist Unions ..... 9
- 2.4. Managing with Trade Unions..... 9
  - 2.4.1. Labor Unions and Small Business..... 10
  - 2.4.2. Union Organization Efforts and the Small Business Owner ..... 11
  - 2.4.3. Utilizing Labor unions for Business Success ..... 11
  - 2.4.4. Collective Bargaining ..... 11
- 2.5. Managing Without Trade Unions..... 13
  - 2.5.1. Alternative Dispute resolution (ADR)..... 14
- 2.6. GRIEVANCE MANAGEMENT..... 16
  - 2.6.1. Grievance Procedures ..... 17
  - 2.6.2. Steps in a Grievance Procedure ..... 17
  - 2.6.3. Non-Union Grievance Systems..... 18
- 2.7. Employee voice ..... 19
  - 2.7.1. The Forms of Employee Voice ..... 20
- 2.8. Communications..... 21
  - 2.8.1. Advantages Employee Communications ..... 21
- 2.9. Workplace Cooperation..... 23
  - 2.9.1. Benefits of Workplace Cooperation..... 23
- 2.10. Retention..... 23
  - 2.10.1. Retention and Customer Satisfaction..... 24

2.10.2. Retention and the Cost of Turnover .....	24
2.10.3. Retention and the Importance of Intellectual Capital .....	24
Summary of the Literature.....	24
CHAPTER THREE.....	27
RESEARCH METHODOLOGY .....	27
3.1. DATA SOURCES.....	27
3.2. SAMPLING TECHNIQUES .....	27
3.3. METHOD OF DATA COLLECTION .....	28
3.4. METHOD OF DATA ANALYSIS.....	28
CHAPTER FOUR.....	29
RESULTS AND DISCUSSIONS .....	29
GENERAL RESPONDENTS PROFILE.....	29
CHAPTER FIVE.....	53
SUMMARY, CONCLUSION AND SUGGESTIONS.....	53
5.1. SUMMARY AND CONCLUSIONS .....	53
5.2. SUGGESTIONS.....	56
FURTHER RESEARCH.....	57

## List of Figures

FIGURE1 EMPLOYMENT RELATIONSHIP IN THE WORK PLACE .....	7
FIGURE2. GRIEVANCEPROCEDURES.....	18

## ***Abstract***

*This research work is designed to critically evaluate the nature of labor-management relations in Small Businesses in the absence of union representation. 22 sample small businesses are selected randomly for study and totally 44 questionnaires are distributed both to the management and employees. In this research with the objective of evaluating the nature of small businesses labor-management relations when managing conflicts the following questions are raised: the causes of labor-management conflict in small businesses, How the employees respond to a givable events when facing labor-management conflict, Effectiveness, grievance procedure, and outcomes of the labor-management grievance process. To gather information for the study the researcher uses Questionnaires of closed ended type to have the information with the little difficulty. The respondents are from Bakery, Cafe and Restaurants, Textile/Garment, Retail Trade, Furniture and Metal works, Secretarial Services, and from Construction Materials. The data collected were analyzed using SPSS software.*

*On the basis of the data obtained from the respondents, the study identified: Employees of small business are not willing to work with their current worker and work. Because, they want to open their own business and learn and upgrade themselves; the major cause for labor-management in small businesses is the lower wages and benefit they receive; most employees in these businesses prefer to express their case formally; “open door” policy as the major alternative Dispute Resolution technique to solve conflicts; there is open communication and cooperation between the management and employees but, their major source of conflict is employee voice problem identified and their relationship need to be investigated further.*

# CHAPTER ONE

## 1.1 INTRODUCTION

Small Business sector occupies a strategic place in any economic structure. These industries also play a key role in the industrialization of countries like the large firms, are part of the economic sector that can contribute to the economy. They also offer a method of ensuring a more equitable distribution of national income through creating employment opportunities and reducing unemployment in the country, and facilitate an effective mobilization of resources, capital and skill. According CSA report, there were 43,338 small scale manufacturing establishments in Ethiopian fiscal year (E.F.Y) 2000 (2007/08).

In the Ethiopian context small business industries are those enterprises with a paid-up capital of above birr 20,000 and not more than birr 500,000 and excluding high-tech consultancy firms and other high-tech establishments. Here using the capital requirement for classifying businesses faces difficulties this time that as stated by official from Central Statistics Agency there is a tendency to classify businesses only on the basis of the number of employees they have and this is done from the continuous changes of capital of businesses without changing their workforce. This argument also supported by Wilkinson (1999) states size may be a factor, it alone is not sufficient to explain patterns of employment relations. A variety of influences, both internal and external (e.g. ownership characteristics, sector characteristics, technology, economic indicators) explain behavior. The other classification criteria for small businesses are businesses with having/employing not more than 10(employees). In this study the researcher is limited on small business enterprises and labor-management relationships using samples from Addis Ababa.

Studies of employee relations have traditionally been located in large organizations. It is only recently that research has started to focus on small-to medium sized enterprises. Labor-Management relation is concerned with generally managing the employment relationship and developing a positive psychological contact. A psychological contract represents the mutual beliefs, perceptions, and informal obligations between an employer and an employee. It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment which, for the most part, only identifies mutual duties and responsibilities in a generalized form. In particular they deal with

terms and conditions of employment, issues arising from employment, providing employees with a voice and communicating with employees. Changes that enhance employee involvement in decision making in the workplace are particularly relevant here in that they have the potential to change both the level and nature of conflict between employees and management and how employees approach resolution of disputes. Dispute resolution procedures in the nonunion workplace are characterized by a high degree of variation in both incidence and structure, with many procedures suffering from due-process deficiencies that may discourage employees from filing grievances (Feuille and Delaney 1992). Estimates suggest that only around one-half of all nonunion workplaces have some type of formal dispute resolution procedure covering employees. Among those workplaces with nonunion dispute resolution procedures, one of the most common and important due-process deficiencies is the lack of a non-managerial decision maker. Under many nonunion procedures, employee complaints are reviewed and decided by higher-level managers (Feuille and Chachere 1995). From an employee perspective, these managerial decision makers are likely to be seen as relatively favorably disposed to the positions taken by their fellow managers. This all about stating the larger organizations in dealing with grievance management in the absence of union representation and the main emphasis of this study is on small business labor-management relations in the absence of union representation.

When there is union relationships in organizations that is based on mutual gains can improve both the working lives of individuals and organizational outcomes, particularly firm performance or in other words unionized firms, grievance provisions are negotiated in collective bargaining agreements have been the classical means through which conflict is managed and justice is afforded to employees.

With this study the researcher investigated what is the nature of relationship workers and management in small businesses looking like in the absence of labor unions and in addition specifically; what are the specific causes of conflict in small businesses, what alternative dispute mechanisms are employed to handle labor-management conflict, what about the small businesses' experience in the process and effectiveness of grievance process are the main research questions addressed in the research. In addition, the researcher used purposive sampling technique to enrich the data required for the study using closed ended questionnaires to address samples respondents efficiently.

## ***1.2. Problem Statement***

According to Wilkinson, (1999) there is a strong tendency to focus on large organizations rather than what have been known as Small and Medium scale enterprises. Now a day's research specifically on small business enterprises is being undertaken to an increasing extent, much work appears to ignore the existence of this sector and to assume findings concerning large scale organizations have universal applicability. The growing significance small business sector is not receiving much attention it deserves. It is known that many of the industries operating in Ethiopia are small scale enterprises and working on it have greater significance. According to Central Statistics Agency report there were 43,338 small scale manufacturing establishments in (2007/08).

It is with start that the researcher is motivated in studying labor-management relations and conflict management in the absence of unions in small business enterprises by giving emphasis. This research aimed at answering the following specific questions;

1. What are the causes of labor-management conflict in small businesses? To answer this question the researcher used questionnaires for data gathering. Because this time the main emphasis given is to find out background information about a phenomenon (causes for conflict). Here questionnaires allow me to have the required data from the respondents with little difficulties and this kind of information is accessed mainly from the employees of these businesses.
2. How the employees respond when facing labor-management conflict in small businesses? Again to respond for the above question, employees experience is required and the data is from the sample employees on how they initiated to respond for a problem facing in the work place. Here any one of the three actions, i.e. Formal Action, Informal Action, and No Action. Additions to the information gathered from employees, what the Ethiopian Labor Proclamation says including when and how an employee is engaged a grievance procedure will be addressed.
3. How the labor-management grievance procedure effectiveness is evaluated is also the major concern of this study. Because it has to be treated mainly from the labor proclamation of Ethiopia, No. 377/2003, in other words for example under article 141/1 of the Ethiopian labor proclamation When a dispute in respect of matters specified under

Article 142 is reported to the Ministry by either of the disputing parties, it shall assign a conciliator to bring about a settlement of the case. And on sub article 2) The Ministry may assign conciliators at the National and when necessary at the Wereda level. In addition the researcher used respondents experience with the effectiveness of managing grievances in the work place is another issue to be investigated to its conformity and employees voice (Participation, Involvement Upward problem solving) is heard or not. Because employees participation in decision making should be addressed and in the closer interaction between the two parties. Employers would benefit from a reduced turnover, as well as developing awareness to solve problems more quickly, and gaining a more specific question to address the issues. Finally, the effectiveness of grievance process evaluated by the speed, the length of time it takes until settlement and satisfaction that the employees perception of how much they treated well.

4. What are the outcomes of the labor-management grievance process? Dealing with the implications of the event over the short to medium term for employees to remain with their employers. Here the employees might win their case and as a result the management's poor treatment, lowering promotions and increasing employees' voluntary turnover might be there in the absence of a labor union.

### ***1.3. Objectives of the Study***

The main objective of the study is to evaluate critically employee- management relations and managing grievances in small businesses. The study has also the following specific objectives;

1. To assess the nature of labor-management relationships in small businesses
2. To identify the cause of labor-management conflict in small businesses
3. To assess the presence of formal procedure to manage labor-management relations
4. To assess employee responses to a labor-management conflict
5. To investigate grievance procedures followed by small businesses
6. To assess the effectiveness of labor-management grievance procedures and suggest possible solutions for observed difficulties at the end.

#### ***1.4. Significance of the study***

The study has the following importance for the researcher and the consumers using it:

- Creates sense of self confidence and belongingness to the research
- Motivate researchers for further investigation by using it as secondary source of data.
- Help the businesses aware that having positive communication in building better environment for the workforce

#### ***1.5. The Scope of the study***

The scope of the study limited on the data that is collected from small businesses in Addis Ababa. To assess the labor-management relations in small businesses in the absence of labor unions and they manage grievances.

#### ***1.6. Limitation of the Study***

When working the on the research the researcher has the following limitations: lack of cooperation of the respondents and their willingness to participate in the study especially those producing leather products, lack of sufficient time to conduct the research, one of the other limitation of the this study is if those small businesses not willing to participate in the study are included, the effect on the result of the study is not known.

#### **Definition of Terms**

Conciliation is an alternative dispute resolution (ADR) process whereby the parties to a dispute (including future interest disputes) agree to utilize the services of a conciliator, who then meets with the parties separately in an attempt to resolve their differences. They do this by lowering tensions, improving communications, interpreting issues, providing technical assistance, exploring potential solutions and bringing about a negotiated settlement.

Grievance procedures are the procedures by which worker's grievance are dealt with or resolved. They also serve as a system of communication between workers and managers, inform managers of potential trouble, provide an outlet for complaints, and avoid slow downs, absenteeism, strikes and dama

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2. LABOR-MANAGEMENT RELATION**

The employment relationship is a mutual, voluntary arrangement between two parties. The employer which may be a corporation, some other form of entity or an individual voluntarily agrees to pay the employee in exchange for the employee's work. The employee who is always an individual voluntarily agrees to work for the employer in exchange for pay. The relationship is voluntary in the sense that the law will not force anyone to work for a particular employer.<sup>i</sup>

On the other hand the concept of industrial relations according to (Cooper et al, 2010)<sup>ii</sup> is also a function of work practices (the organization of work) and employment practices (the management of people), and thus may be linked to organizational performance (company and worker outcomes). One of the important thing according to the above writers is if there is union relationships in organizations that is based on mutual gains can improve both the working lives of individuals and organizational outcomes, particularly firm performance or in other words unionized firms, grievance provisions are negotiated in collective bargaining agreements have been the classical means through which conflict is managed and justice is afforded to employees. But in the absence of labor unions for example in America, there has been a significant expansion of dispute resolution systems which vary in scope and complexity with differing procedures and protections available. Non union systems have adopted a range of alternative dispute resolution techniques including 'open-door' system, early mutual assessment, 'review of panels', mediation and arbitration.

According to Armstrong, (2010), employee relations are concerned with generally managing the employment relationship and developing a positive psychological contract. In particular they deal with terms and conditions of employment, issues arising from employment, providing employees with a voice and communicating with employees.

## 2.1. The Dimensions of the Employment Relationship in Organizations

The dimensions of the employment relationship as described by Kessler and Undy (1996) are shown in Figure 2.1 below.

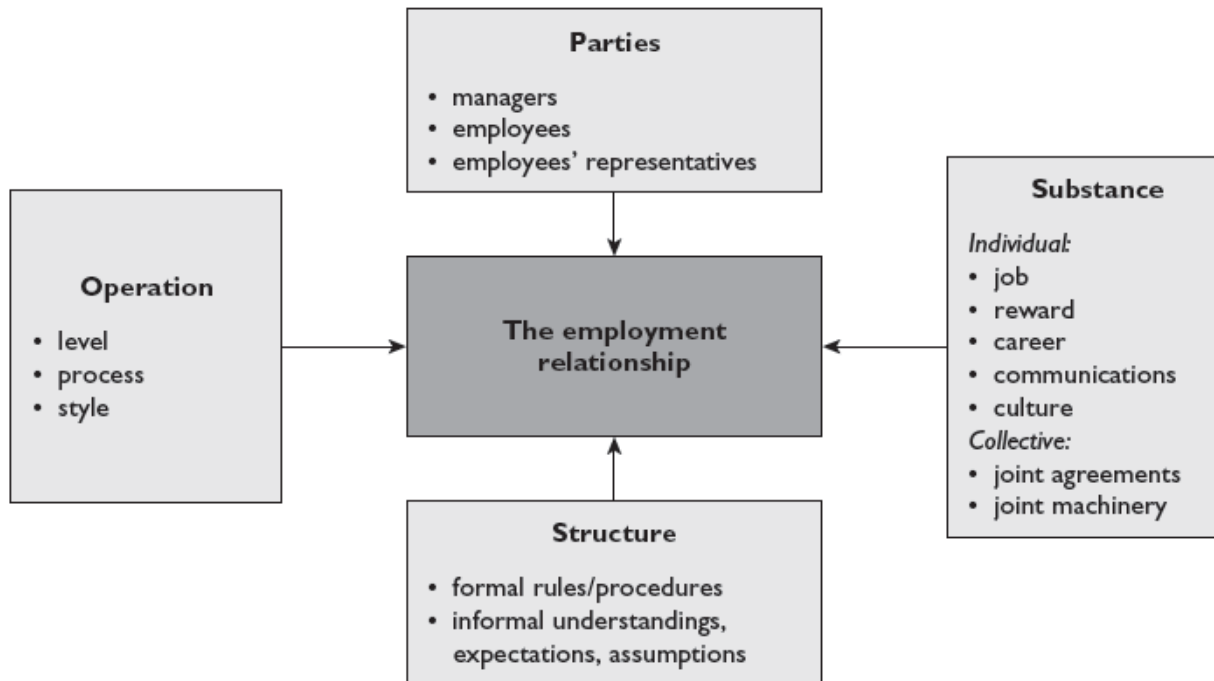


Figure 2.1. Employment relationship in the work place

In this relationship the employer's obligations include the duty to pay salary or wages, provide a safe workplace, to act in good faith towards the employee and not to act in such a way as to undermine the trust and confidence of the employment relationship. The employee has corresponding obligations, which include obedience, competence, honesty and loyalty. The labor proclamation of Ethiopia in its introduction states the need for the proclamation in the following manner "it has been found necessary to guarantee the right of workers and employers to form their respective associations and to engage, through their lawful elected representatives, in collective bargaining, as well as to lay down the procedure for the expeditious settlement of Labor disputes, which arise between workers and employers.."

According to Thompson and Harley (2007), 'In the employment relationship there will always be (actual and potential) conflict, but simultaneously there will be shared interests.'

## **2.2. Managing Employee Relations**

Managing Employee Relations provides managers in compliance with legislation, managing diversity, handling work and personal issues and fostering open communications. It will also depend on whether or not trade unions are recognized.

### **PSYCHOLOGICAL CONTACT**

A **psychological contract** represents the mutual beliefs, perceptions, and informal obligations between an employer and an employee. It sets the dynamics for the relationship and defines the detailed practicality of the work to be done. It is distinguishable from the formal written contract of employment which, for the most part, only identifies mutual duties and responsibilities in a generalized form.

If employment relations managed effectively, the relationship will foster mutual trust between the parties, matching the objectives and commitments of the organization to those of their employees. But a negative psychological contract can result in employees becoming disenchanted, reduced motivation and resentful of authoritarianism within the organization. This will result in an increasingly inefficient workforce whose objectives no longer correspond to the organization they work for.

### **BREACH OF THE PSYCHOLOGICAL CONTRACT**

Psychological contract breach may occur if employees perceive that their firm, or its agents, have failed to deliver on what they perceive was promised, or vice versa. Employees or employers who perceive a breach are likely to respond negatively. Responses may occur in the form of reduced loyalty, commitment, and organizational citizenship behaviors. Perceptions that once psychological contract has been breached may arise shortly after the employee joins the company or even after years of satisfactory service.

#### **2.2.1. National and International Unions**

National and international unions are not governed by a federation even if they are affiliated with it. They collect dues and have their own boards, specialized publications, and separate constitutions and bylaws.

### **2.2.2. Local Unions**

Local unions may be centered on a particular employer organization or a particular geographic location. The membership of local unions elects officers who are subject to removal if they do not perform satisfactorily. For this reason, local union officers tend to be concerned with how they are perceived by the union members. They often react to situations as politicians do because their positions depend on obtaining votes.

A **business agent** is a full-time union official who operates the union office and assists union members. The agent runs the local headquarters, helps negotiate contracts with management, and becomes involved in attempts to unionize employees in other organizations.

A **union steward** is an employee who is elected to serve as the first-line representative of unionized workers. Stewards address grievances with supervisors and generally represent employees at the worksite.

### **2.3. Reasons for Employee Unionization**

The primary determinant of whether employees want to unionize is management. Reasonably competitive compensation, a good working environment, effective management and supervision, and fair and responsive treatment of workers all act as antidotes to unionization efforts (Mathis and Jackson, 2011)

### **2.4. Why Employers Resist Unions**

There are varieties of reasons that make managers not to operate with unionized environment because doing so constrains what managers can and cannot do in a number of areas. Union workers receive higher wages and benefits than do nonunion workers. In turn, unions sometimes can be associated with higher productivity, although management must find labor-saving ways of doing work to offset the higher labor costs. Some employers pursue a strategy of good relations with unions, while others choose an aggressive, adversarial approach.

### **2.4. Managing with Trade Unions**

Part 8, chapter 1 of the Ethiopian Labor Proclamation stipulates the right of both workers and employers to form organizations of their own and to participate in them. A union which is independent has a distinctive name, an address in Ethiopia and which has adopted a constitution

which meets these requirements, is allowed to make application for registration. For The Labor proclamation sets out a list of topics to be included into any constitution of a union or an employers' organization, such as name and emblem, address, purpose of the organization, qualification of the leadership, contribution of the members, financial and property administration, meetings and election procedures, disciplinary measures and regulations for dissolving the organization (labor proclamation no. 377/2003 Art. 114, 2). Unions and employer's organizations are obliged to register; otherwise they may not perform activities set forth in the (labor proclamation no. 377/2003 Article 118 (4)), and do not have legal personality. In this case unions can be recognized with full negotiating and representational rights or they can only have representational rights, in other words the right to represent employees over grievances, disciplinary matters and redundancy. In Ethiopia the constitution recognizes the right to freedom of association, the right to form and join a trade union and the right to participate in trade union activities.

#### **2.4.1. Labor Unions and Small Business**

Labor unions are commonly associated with big business and giant industries, but many small business owners find that unions are not limited to the government sector or to corporate behemoths and labor unions are not as powerful or as plentiful as they were a few generations ago. But they remain a vital component of the country's business landscape example in America, and many small businesses rely on union employees for their operations. Indeed, all small business owners who employ workers should have a basic familiarity with the fundamentals of laws, since they offer protections to union and nonunion employees alike.

The likelihood that a small business will employ a unionized work force is predicated on a wide range of factors, including industry, geographic location, traditional strength of union presence, and the nature of the work involved.

#### **2.4.2. Union Organization Efforts and the Small Business Owner**

Most business owners have not greeted unions with open arms because of concerns about their impact on bottom-line profitability and operational control. This viewpoint remains prevalent today, which has led consultants to make a number of recommendations to small- and mid-sized business owners hoping to ward off union organizers. Employers need to make preparations

now—before there are any signs of union activity—and teach their managers how to immediately and lawfully respond to union organizing efforts.

### **2.4.3. Utilizing Labor unions for Business Success**

Many businesses and industries try to avoid unions, convinced that their presence too often results in unwelcome sacrifices in the realms of profitability and control. But analysts point out that thousands and thousands of businesses that feature a unionized work force are tremendously successful. According to Armstrong managements in the private sector have tended to seize the initiative. They may be content to live with trade unions but they give industrial relations lower priority. They may feel that it is easier to continue to operate with a union because it provides a useful, well-established channel for communication and for the handling of grievance, discipline and safety issues. In the absence of a union, management needs to develop alternatives, which can be costly and difficult to operate effectively.

### **2.4.4. Collective Bargaining**

Managing with unions, as described earlier, involves collective bargaining – the establishment by negotiation and discussion of agreements on matters of mutual concern to employers and unions, covering the employment relationship and terms and conditions of employment. Collective bargaining is a joint regulating process, dealing with the regulation of management in its relationships with work people as well as the regulation of conditions of employment.

The labor proclamation no. 377/2003 of Ethiopia under Article 14(1a) clearly states that it is unlawful for the employer that to impede the worker in any manner in the exercise of his rights or take any measure against him because he exercises his right.

#### **2.4.4.1. Collective Bargaining and Agreements in the Ethiopian Context**

The Ethiopian Labor Proclamation states that one of its central objectives is to promote collective bargaining as a means of maintaining industrial peace and of working in the spirit of harmony and cooperation towards the all-round development of the country. On Chapter 2 of the Labor Proclamation Article 124 defines “collective agreement” and “collective bargaining”. The first is “... an agreement concluded in writing between one or more representatives of trade unions and one or more employers or agents or representatives of employers organizations”, whereas the latter is defined as “negotiation made between employers and workers organizations

or their representatives concerning conditions of work or collective agreements or the renewal and modifications of the collective agreement". Article 125 (1) grants the right to collective bargaining to trade unions on the one hand and to employers or employers' organizations on the other hand.

#### **2.4.4.2. Strikes and Lockouts**

"Strike" means the slow-down of work by any number of workers in reducing their normal output on their normal rate of work or the temporary cessation of work by any number of workers acting in concert in order to persuade their employer to accept certain labor conditions in connection with a labor dispute or to influence the outcome of the dispute.

A lockout is the opposite, being the temporary shutdown of a business by an employer to compel employees to accept certain conditions. Under the Ethiopian labor law, Proclamation no.377/2003 Article 157 sections 1 and 2 says workers have the right to strike and to lock-out to protect their interest in the manner prescribed in this Proclamation but the following Conditions to be fulfilled. Before initiating a strike or lock-out partially or wholly the following steps shall be taken:

- 1) Unless otherwise provided in this Proclamation, the party initiating a strike or lock-out shall give advance notice to the other concerned party indicating its reasons for taking the said action;
- 2) Both parties should make all efforts to solve and settle their labor dispute through conciliation;
- 3) The strike to be taken by the workers should be supported by a majority of the workers concerned in a meeting in which at least 2/3rd of the members of the trade union were present.
- 4) Measures should be taken to ensure the observance, by employers and workers, of safety regulations and accident prevention procedures in the undertaking.

### **TYPES OF STRIKES**

#### **FIVE TYPES OF STRIKES CAN OCCUR:**

- ↳ Economic strikes: happen when the parties fail to reach agreement during collective bargaining.

- ↳ Unfair labor practices strikes: occur when union members leave their jobs over what they feel are illegal employer actions, such as refusal to bargain.
- ↳ Wildcat strikes: occur during the life of the collective bargaining agreement without approval of union leadership and violate a no-strike clause in a labor contract. Strikers can be discharged or disciplined.
- ↳ Jurisdictional strikes: exist when members of one union walk out to force the employer to assign work to them instead of to members of another union.
- ↳ Sympathy strikes: take place when one union chooses to express support for another union involved in a dispute, even though the first union has no disagreement with the employer.

## **2.5. Managing Without Trade Unions**

As stated by Armstrong managements can manage perfectly well without trade unions. It may make no obvious differences to many employees, but some will not do so well. Millward et al (1992) established the characteristics of union-free employee relations from the third Workshop Industrial Relations Survey:

- Employee relations were generally seen by managers as better in the non-union sector than in the union sector.
- Strikes were almost unheard of.
- Labor turnover was high but absenteeism was no worse.
- Pay levels were generally set unilaterally by management.
- The dispersion of pay was higher, it was more market related and there was more performance-related pay. There was also a greater incidence of low pay.
- In general, no alternative methods of employee representation existed as a substitute for trade union representation.
- Employee relations were generally conducted with a much higher degree of informality than in the union sector. In a quarter of non-union workplaces there were no grievance procedures, and about a fifth had no formal disciplinary procedures.
- Managers generally felt unconstrained in the way in which they organized work.
- There was more flexibility in the use of labor than in the union sector, and this included the greater use of freelance and temporary workers.

- Employees in the non-union sector are two-and-a-half times more likely to be dismissed than those in unionized firms, and the incidence of compulsory redundancies is higher.

### **2.5.1. Alternative Dispute resolution (ADR)**

ADR is the process, outside of the usual system, by which parties may attempt to solve their dispute by using creative settlement techniques. Disputes between management and employees over different work issues are normal and inevitable, but how the parties resolve their disputes can become important. Dispute resolution within the nonunion workplace in the United States varies greatly from employer to employer. There are many small companies with no designated dispute resolution mechanisms (Rowe)

The term "alternative dispute resolution" or "ADR" is often used to describe a wide variety of dispute resolution mechanisms that are short of, or alternative to, full-scale court processes. The term can refer to everything from facilitated settlement negotiations in which disputants are encouraged to negotiate directly with each other prior to some other legal process, to arbitration systems or mini-trials that look and feel very much like a courtroom process. Processes designed to manage community tension or facilitate community development issues can also be included within the rubric of ADR. ADR systems may be generally categorized as negotiation, conciliation/mediation, or arbitration systems.

#### **2.5.1.1 Conciliation**

Is the process in which the third party attempts to keep labor and management negotiators talking so that they can reach a voluntary settlement but makes no proposals for solutions or they do not make recommendations on what that agreement should be. In the Ethiopian context the requirement of conciliation means that, the dispute is either brought before a conciliator assigned by the Ministry (Article 142 (3)), or before an arbitrator or conciliator agreed upon by the parties (Article 143).

#### **2.5.1.2. Arbitration**

Arbitration is the process of settling disputes by getting a third party, the arbitrator, to review and discuss the negotiating stances of the disagreeing parties and make a recommendation on the terms of settlement which is binding on both parties, who therefore lose control over the settlement of their differences. According to Armstrong, (2010), Arbitration is the means of last

resort for reaching a settlement, where disputes cannot be resolved in any other way. Procedure agreements may provide for either side unilaterally to invoke arbitration, in which case the decision of the arbitrator is not binding on both parties. The process of arbitration in its fullest sense, however, only takes place at the request of both parties, who agree in advance to accept the arbitrator's findings. In the Ethiopian context if conciliation is not reached within 30 days, either party may submit the matter to the Labor Relation Board which shall give its decision within 30 days. The arbitrator is impartial, and the role is taken by the Labor Relations Board. If, in the second case, the conciliation or arbitration fails, either party may move the procedure further by taking the case to the Board or to the appropriate court. The Proclamation does not provide a time limit for reaching an agreement in these cases. Nor is there a time limit for submitting the matter to the Board, apart from the general provisions under section 162 concerning periods of limitation for lodging claims (one year from the date on which the claim becomes enforceable, three months from the date of dismissal for reinstatement claims, and six months for wages and emoluments claims).

#### **2.5.1.3. Mediation**

Mediation is a form of arbitration which is stronger than conciliation Armstrong, (2010). In mediation the third party assists the negotiators in their discussions and also suggests settlement proposals. It is a cheap and informal alternative to an employment tribunal and offers a quick resolution to problems, with privacy and confidentiality.

#### **2.5.1.4. Peer Review Panels**

Some employers allow their employees to appeal disciplinary actions to an internal committee of employees. This panel reviews the actions and makes recommendations or decisions. Peer review panels use fellow employees and a few managers to resolve employment disputes. Panel members are specially trained volunteers who sign confidentiality agreements, after which the company empowers them to hear appeals.

These panels have several advantages including fewer lawsuits, provision of due process, lower costs, and management and employee development. Also, peer review panels can serve as the last stage of a formal complaint process for nonunion employees, and their use may identify means that resolve the disputes without court action. Peer review decisions can be made binding to avoid court lawsuits as well (Mathis and Jackson, 2010)

### **2.5.1.5. Ombudsperson**

Some organizations ensure process fairness through ombudsperson, individuals outside the normal chain of command who act as independent problem solvers for both management and employees. At a number of large and medium-sized firms, ombudsperson has effectively addressed complaints about unfair treatment, employee/supervisor conflicts, and other workplace behavior issues. Ombudspersons address employees' complaints and operate with a high degree of confidentiality. Any follow-up to resolve problems is often handled informally, except when situations include unusual or significant illegal actions.

### **2.5.1.6. "Open door" policy**

"Open door" policy that encourages employees to communicate their concerns to management so small problems can be solved before they get big or A policy in which anyone with a complaint can talk with a manager, an Human Resource representative, or an executive. It is a policy of settling grievances that identifies various levels of management above the immediate supervisor for employee contact.

## **2.6. *GRIEVANCE MANAGEMENT***

Unions know that employee dissatisfaction is a potential source of trouble for employers, whether it is expressed or not. Hidden dissatisfaction grows and creates reactions that may be completely out of proportion to the original concerns.

Therefore, it is important that dissatisfaction be given an outlet. A complaint which is merely an indication of employee dissatisfaction is one outlet. If an employee is represented by a union, and the employee says, "I should have received the job transfer because I have more seniority, which is what the union contract states," and she submits it in writing, then that complaint becomes a grievance. A grievance is a complaint formally stated in writing. Management should be concerned with both complaints and grievances, because both indicate potential problems within the workforce. Without a grievance procedure, management may be unable to respond to employee concerns because managers are unaware of them. Therefore, a formal grievance procedure provides a valuable communication tool for organizations, whether a union is present or not.

## **2.6.1. Grievance Procedures**

Grievance procedures are formal channels of communication designed to resolve grievances as soon as possible after problems arise. First-line supervisors are usually closest to a problem. However, these supervisors are concerned with many other matters besides one employee's grievance, and may even be the subject of an employee's grievance. To receive the appropriate attention, grievances go through a specific process for resolution.

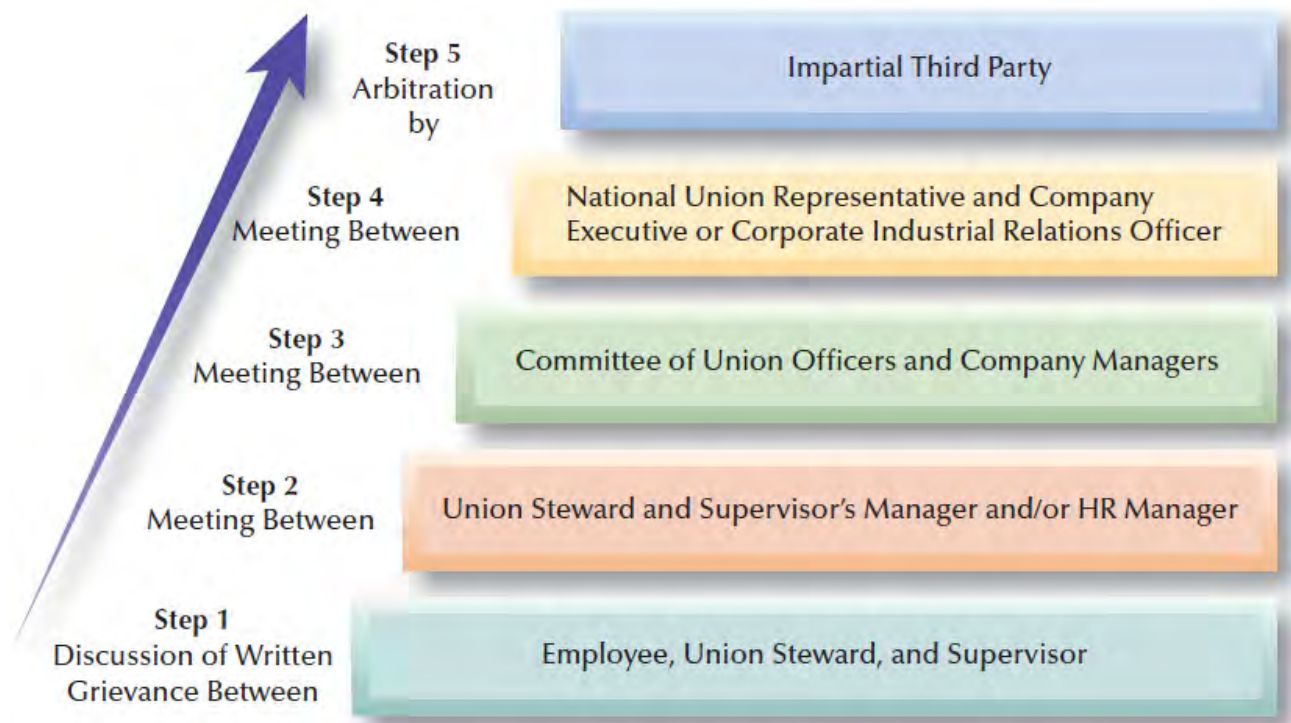
### **2.6.1.1. Union Representation in Grievance Procedures**

A unionized employee generally has a right to union representation if the employee is being questioned by management and if discipline may result. Whereas employers are not required to allow nonunion workers to have coworkers present in grievance procedure meetings. However, employers may voluntarily allow such presence.

## **2.6.2. Steps in a Grievance Procedure**

Grievance procedures can vary in the steps included. Figure 2.2.shows a typical grievance procedure, which consists of the following steps:

1. The employee discusses the grievance with the union steward (the representative of the union on the job) and the supervisor.
2. The union steward discusses the grievance with the supervisor's manager and/or the HR manager.
3. A committee of union officers discusses the grievance with appropriate company managers.
4. The representative of the national union discusses the grievance with designated company executives or the corporate industrial relations officer.
5. If the grievance is not solved at this stage, it goes to arbitration. An impartial third party may ultimately dispose of the grievance.



*Figure 2.2. Grievance Procedures*

Grievance arbitration is a means by which a third party settles disputes arising from different interpretations of a labor contract.

### **2.6.3. Non-Union Grievance Systems**

According to Thompson and Harley (2007), 'In the employment relationship there will always be (actual and potential) conflict, but simultaneously there will be shared interests.' Formalized non-union grievance systems take many forms. However, they usually fall into five categories (Balfour, 1984): (1) "open door" policy, (2) ombudsperson, (3) hearing officer, (4) peer decision committee, and (5) outside arbitration. Within each of these categories may be several types. For example, an open door system can be quite structured, or formalized, as well as the more common loosely defined system. In addition, committees are not only "peer" committees, but often consist of various combinations of both non management and management employees, or, quite often, all management employees (Ewing, 1989; McCabe, 1988; Westin & Feliu, 1988). It is the "committee" or "panel" category that has the largest variety of system types. Depending on one's definition of a grievance system, or corporate due process, the number of systems in place varies considerably. Ewing (1989:4) describes corporate due process as "... effective mechanisms and procedures for ensuring equity and justice among employees." Keeping this

definition in mind, approximately fifty percent of all medium- and large-sized organizations have formalized non-union grievance systems (Delaney, Lewin & Ichniowski, 1989; Ewing, 1989; McCabe, 1988; Peterson & Lewin, 1990; Westin & Feliu, 1988).

Several characteristics of non-union complaint systems are hypothesized to lead to equity or fairness outcomes. These include the availability of expert resources to aid employees in processing their grievances (Westin & Feliu, 1988); the level of input employees have into the process (McCabe, 1988; Sheppard et al, 1992; Westin & Feliu, 1988); the impartiality, or degree of independence from management, of the adjudicator (Aram & Salipante, 1981; Ewing, 1989; Rowe & Baker, 1984; Westin & Feliu, 1988); the timeliness and speed of the process (Aram & Salipante, 1981; Ewing, 1989; Sheppard et al, 1992; Westin & Feliu, 1988); the consistency with which grievances are resolved (Aram & Salipante, 1981; Balfour, 1984; Ewing, 1989; McCabe, 1988; Rowe & Baker, 1984; Stratton, 1988; Westin & Feliu, 1988); the degree of top and line management support the process has (Ewing, 1989; Westin & Feliu, 1988); the extent to which the process fits the organizational culture (McCabe, 1988; Westin & Feliu, 1988); and the nature of the outcome, or the decision of the adjudicator (Ewing, 1989; Westin & Feliu, 1988). In reviewing the research, two empirical studies that deal directly with some of these characteristics were located. Boroff (1991) examined the relationships between certain system characteristics and an effectiveness rating of the system. Specifically related to the present study, Boroff examined impartiality of the grievance system and system effectiveness and found a significant positive relationship. In her study, employees' responses indicated that impartiality or "decision making independence" impacted their perceptions of effectiveness, with higher levels of impartiality resulting in higher ratings of effectiveness. Boroff also found a significant relationship between grievance outcomes and effectiveness, i.e., favorable outcomes (to the employee) resulted in increased effectiveness ratings.

The second study (Peterson, 1992) examined survey data from employees in an organization with a non-union grievance system. Peterson found that grievants were more likely than non-grievants to feel that the presence of an (employee) representative would increase fairness.

## **2.7. *Employee voice***

According to Armstrong employee voice is the say employees have in matters of concern to them in their organization. Employee voice is the term increasingly used to cover a whole variety of processes and structures which enable, and sometimes empower employees, directly

and indirectly, to contribute to decision making in the firm.’ Employee voice can be seen as ‘the ability of employees to influence the actions of the employer’ (Millward et al, 1992). The concept covers the provision of opportunities for employees to register discontent, express complaints or grievances, and modify the power of management. It sometimes brings collective and individual techniques into one framework. Direct employee voice involves contacts between management and employees without the involvement of trade unions. Union voice is expressed through representatives and can be power-based (Armstrong, pp306, 2010)

### **2.7.1. The Forms of Employee Voice**

Employee voice takes the following forms:

- **Participation**, which is about employees playing a greater part in the decision-making process by being given the opportunity to influence management decisions and to contribute to the improvement of organizational performance. As Williams and Adam-Smith (2006) explain, the term ‘participation’ refers to arrangements that give workers some influence over organizational and workplace decisions.
- **Involvement**, which is the process through which managers allow employees to discuss with them issues that affect them. Williams and Adam-Smith (2006) suggest that this term is most usefully applied to management initiatives that are designed to further the flow of communication at work as a means of enhancing the organizational commitment of employees.

According to Marchington et al employee voice categorized as representative participation and upward problem solving.

#### **Representative participation**

Representative participation can take the following forms:

- **Joint consultation**: a formal mechanism which provides the means for management to consult employee representatives on matters of mutual interest.
- **Partnership schemes**: these emphasize mutual gains and tackling issues in a spirit of cooperation rather than through traditional, adversarial relationships.
- **European Works Councils**: these may be set up across European sites as required by EU legislation.

- Collective representation: the role of trade unions or other forms of staff association in collective bargaining and representing the interests of individual employees and groups of employees. This includes the operation of grievance procedures.

### **Upward problem solving**

Upward problem solving takes the following forms:

- Upward communication which is any means through which employees can make representations to management about their concerns through their representatives, through established channels (consultative committees, grievance procedures, 'speak-up' programs and so on) or informally.
- Attitude surveys: seeking the opinions of staff through questionnaires.
- Suggestion schemes are the encouragement of employees to make suggestions, often accompanied by rewards for accepted ideas.
- Project teams: getting groups of employees together with line managers to develop new ideas, processes, services or products, or to solve problems. (Quality circles and improvement groups come into this category, although the former have often failed to survive as a specific method of involvement.)

## **2.8. Communications**

Communication is concerned with the exchange of information and ideas within an organization, while consultation goes beyond this, and involves managers actively seeking and then taking account of the views of employees before making a decision. In one direction they enable organizations to inform employees about matters that will interest them. In the other, they provide for upward communication by giving employees a voice, as described above.

### **2.8.1. Advantages Employee Communications**

Good communications are important for three reasons. First, they are a vital part of any change management program. If any change is proposed in terms and conditions of employment, HR processes such as contingent pay, working methods, technologies, products and services, or the organization structure (including mergers and acquisitions), employees need to know what is proposed and how it will affect them.

According to **(Shay and McConnon, 2008)** It is better to attend to your relationship, review it when everything is going well rather than wait for the crisis moment before you. To prevent misunderstandings it is mandatory to take time to Review the relationship, Agree what is going well and what is not, and Discuss what matters most.

Shay and McConnon, M, (2008) Advises the following to prevent conflicts

- a. Make quality time. Making quality time for regular discussions can be the best way to clear up misunderstandings. With today's hectic lifestyle it is probably best to set aside some time, which is convenient for both of you, and keep to it. Use the skills to check with each other, giving both of you talking and of listening time.
- b. Difficult people. A lot of conflict arises simply because of the assumptions we make about others and the interpretations we put on the things said. Such conflicts could be resolved by a few minutes of skilful and honest discussion. Forgiveness is a decision and you may wish to ponder on the question 'Who gains most if you forgive?'
- c. Talk sooner rather than later. Avoid storing up resentment. As soon as you sense discomfort in the relationship, share your concern, even if the cause remains uncertain. Managers, who are good at prevention, see trouble coming and do something about it early. One can stop trouble brewing by recognizing the early.
- d. Stay current. Stay with the present and what you can change now. The past is the playing field of win-lose ... the present is the field of understanding and collaboration. The here and now can be changed. Beware of wasting time fighting over what can never be changed.
- e. Think solutions. Offer a plan for improving things rather than merely complaining or venting your anger. Instead of smouldering because your partner comes home at different times each night and expects supper ready, voice your frustration. Explain that a call just before he leaves the office would solve this problem from your perspective and ask if this would work for him.
- f. Avoid the pitfalls. Beware of personalizing the problem. If you want help with the washing up, it is unlikely that 'You never help with the washing up' will make him spring into action.

## **2.9. Workplace Cooperation**

According to International Labor organization the concept of workplace cooperation refers to workers and managers resolving of common concern through consultation and discussion. The main characteristics of workplace cooperation or labor-management cooperation are;

- ↳ It is a voluntary process in which workers and management choose to work together.
- ↳ It may be supported by legal framework.
- ↳ It involves open communication.
- ↳ It is a proactive process which allows enterprise workers and managers to change situations and events by taking the initiative, rather than reacting to them.
- ↳ It aims at establishing a common approach that is acceptable both by workers and management in a particular enterprise to issues that concern both parties.

### **2.9.1. Benefits of Workplace Cooperation**

- ↳ Increased efficiency
- ↳ Better enterprise industrial relation
- ↳ An improved working environment
- ↳ Increased job satisfaction and effectiveness
- ↳ More effective decision making (International Labor Organization)

## **2.10. Retention**

According to Harvard Business School Book called Retention is the converse of turnover (turnover being the sum of voluntary and involuntary separations between an employee and his or her company). In the same book stated as the retention of good employees matters for three important bottom-line reasons: 1) the growing importance of intellectual capital; 2) a causal link between employee tenure and customer satisfaction; and 3) the high cost of employee turnover.

### **2.10.1. Retention and Customer Satisfaction**

Everyone understands that customer satisfaction is one of the most—if not *the* most—important factors in business survival and growth. This is another reason that retention is so critical. Simply stated, Employees who are satisfied with their work and their company are more likely to create satisfied customers.

### **2.10.2. Retention and the Cost of Turnover**

The high price of turnover is the third major reason that retention matters. Employee turnover involves three types of costs, each of which saps bottom-line results:

- Direct expenses, including the out-of-pocket cost of recruiting, interviewing, and training replacements. (In a tight labor market, replacements may require a higher salary than the people who are defecting—not to mention the potential cost of signing bonuses.)
- Indirect costs, such as the effect on workload, morale, and customer satisfaction. Will other employees consider quitting? Will customers follow the employee who left?
- Opportunity costs, including lost knowledge and the work that doesn't get done while managers and other employees focus on filling the slot and bringing the replacement up to speed.

### **2.10.3. Retention and the Importance of Intellectual Capital**

In the current “Knowledge Era,” intellectual capital is what defines a company’s competitive edge. Intellectual capital is the unique knowledge and skills that a company’s work force possesses. Today’s successful businesses win with innovative new ideas and top-notch products and services—all of which originate in the knowledge and skills of employees.

## **Summary of the Literature**

Employment relationship is a mutual, voluntary, arrangement between the employer and employee. In this relationship, the employer’s obligation includes the duty to pay salary or wages, provide a safe workplace, to act in good faith towards the employee and etc. The employee has also corresponding obligations, which include obedience, competence, honesty, and loyalty. When managing employee relations provides managers with legislation, managing diversity, handling work and personal issues and fostering open communication. It is also about managing employment and developing a psychological contact.

A psychological contact means the mutual beliefs, perceptions, and informal obligation between the employee and employer and breach of psychological contact results in a reduced motivation, loyalty, commitment, and resentful of authoritarianism within an organization.

Coming to employment relations in small businesses, known by the following conditions; According to Wilkinson small firms are dictatorially run their businesses with employees suffering poor working conditions, in adequate safety conditions, and having little involvement in running the business.

In the presence of contract breach made by employers, employees of these businesses respond to it by reduced employer trust, reduced job satisfaction, retention effort made by the employers will also be in question.

When managing labor-management conflicts small businesses use the following formalized non-union grievance systems. These are “open door” policy, ombuds person, hearing officer, peer decision committee, mediation and outside arbitration.

The concept of employee voice on employment relations covers the provision of opportunities for employees to influence the actions of the employer. Coming to small businesses case it is in the absence of union representation in which direct voice involving contacts between the labor and management takes place. Employees voice is expressed in terms of participation, in which employees are playing a greater part in the decision making process by being given the opportunity to influence management decisions. The second one is involvement, in which managers allow employees to discuss with them issues that affect them. The third form of employee voice mechanism is upward problem solving, in which employees can make representations to management about their concerns through their representatives, through established channels (consultative committees, grievance procedures, ‘speak-up’ programs and so on) or informally.

Communication is also one of the major elements of employment relations that deals with the exchange of information and ideas within an organization and also involves managers actively seeking and then taking account of the views of employees before making a decision. Good communication is vital part of any change management program and to prevent misunderstandings it is mandatory to take time to review the relationship, agree what is going

well and what is not, and discuss what matters most. To facilitate communication and prevent conflicts the following are advised: making quality time for regular discussions can be the best way to clear up misunderstandings; difficult people, a lot of conflict arises simply because of the assumptions we make about others and the interpretations we put on the things said; talk sooner rather than later. Avoid storing up resentment. As soon as you sense discomfort in the relationship, share your concern, even if the cause remains uncertain. Managers, who are good at prevention, see trouble coming and do something about it early.

When looking at work place cooperation, deals with cooperation of workers and management in resolving of common concern through consultation and discussion. And it is characterized by: involvement of open communication, supported by legal framework, a proactive process allows enterprise to workers and managers to change situations and events by taking the initiative, rather than reaching to them. Work place cooperation has the following benefits: increased efficiency, improved working environment, increased job satisfaction and effectiveness.

When dealing with retention, it is the effort made by the organization to keep the employees working with the current business and reduce turnover that may come from voluntary and involuntary separation between an employee and his/her own company. There are three important reasons for retention of employee: the growing importance of intellectual capital; a causal link between employee tenure and customer satisfaction; and the high cost of employee turnover.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. DATA SOURCES**

The data that will be employed includes detailed information on the employment relationship of small businesses using both primary and secondary sources. The primary source of data is collected from sample respondents relating to the real causes of conflict, the kind of alternative dispute resolution mechanisms in solving problems arising from the interrelationships between management and employees, and also their experience about the effectiveness of the grievance procedure are studied to come up with the data required. When we come to the secondary sources of data, the sources of data are referring literatures found on the topic and labor proclamation of Ethiopia no.377/2003 also used as a secondary source of data in the study.

#### **3.2. SAMPLING TECHNIQUES**

Choosing an appropriate sample size is crucial to having a study that will provide statistically significant results. For the study 22 sample small businesses are identified using three approaches neighborhood, lead persons and businesses willingness to participate are used as way to address sample small businesses. From more than 100 small businesses approached, 22 of the sample small businesses are willingness for study. From those willing 22 small businesses I randomly distributed questionnaires to one (1) employee in each business and to employers from each business. Totally 44 questionnaires are distributed to the 22 small business that are willing to participate in the study. One of the problems that the researcher faced when selecting samples from the population is resulting from the absence of a sample frame.

This sample is taken with the purpose of doing research with the constrained budget and time. Next to this, the researcher also used stratified sampling technique in which it help me to use different strata (the type of industries that small businesses engaged in like; garment, Bakery, Café and Restaurants, wood and metal works, Secretarial Service and retail trade). In here again, the total sample small businesses that the researcher planned to collect data from is subdivided in to strata and until the sample size is reached purposive sampling technique is employed. Because this sampling technique helps me to address small business that satisfy the criteria that is used as a selection for small businesses (those businesses employing not more than 10 people

in their establishment) intended result through using this sampling technique searching for them and distribution of questionnaire follows.

### **3.3. METHOD OF DATA COLLECTION**

The data collection technique that the researcher employed is closed ended questionnaires. These questionnaires employed for collecting information from both employees and employers. Due to their highly structured format, questionnaires are used where the aim is to generate quantitative data from a large sample to test research questions and/or hypotheses (Tharenou, Donohue and Cooper, 2007). The questions relating to the presence of employees/employers willingness to work with each other, the presence of the labor-management conflict, communication and retention efforts of small businesses, the labor-management relations atmosphere, alternative dispute resolution mechanisms employed, cooperation of the two when dealing with labor-management conflicts, and other necessary information are all collected by using structured questionnaires. Finally what I want to add is the data collected is not made simply by distribution of questionnaires only rather the researcher devoted his time and other resources by reading and clarifying the questions to them followed by recording respondents' feedback through taking notes and at the collecting the questionnaires from the respondents.

### **3.4. METHOD OF DATA ANALYSIS**

The task of the researcher in this step is to analyze the data collected from sample small business respondents. Through the closed ended questionnaires used owners/managers views/intention is recorded through reading the questionnaires followed by clarifying and taking notes of their feedback. The researcher employed to describe the data first to have figures using tabulation and assigning percentages by using SPSS next task is analyzing the information gathered. This is done in combination with the findings and the literature review.

One of the important things that given much emphasis by the researcher when analyzing the information gathered is through the following procedures; first the questionnaire data made available that is collected from both the owners/managers and employees. Next the questionnaire that is gathered from the owners/managers and employees described on the appropriate manner by computing percentages. Finally, the analysis made by including the views of the two parties and the available literature.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

This chapter discusses and presents the nature of labor-management relations in small businesses in the absence of union representation. The survey is conducted in 22 sample small businesses to answer the main questions; the causes of labor-management conflict, how the employees respond when facing labor-management conflict, How the labor-management grievance procedure effectiveness is evaluated at the end the effectiveness of grievance management in terms of satisfaction measured through speed and involvement. The information is gathered using closed ended questionnaires. This data collection tool is selected by the researcher to be effective and gather the intended information on the available time.

#### GENERAL RESPONDENTS PROFILE

*Table4.1 The type of Small businesses participated in research*

	Frequency	Percent
Bakery, Cafe and Restaurants	8	18.2
Textile/Garment	4	9.1
Retail Trade	16	36.4
Furniture and Metal works	10	22.7
Others	6	13.6
Total	44	100.0

**Table4. 2 Age groups of the Respondents**

	Frequency	Percent
Below 18	1	2.3
Between 18-35	33	75.0
Between 35-65	9	20.5
Above 65	1	2.3
Total	44	100.0

**Table4. 3 Gender of the Respondents**

	Frequency	Percent
Male	35	79.5
Female	9	20.5
Total	44	100.0

**Table 4. 4 Cross-tabulation of the type of business with Gender of the Respondents**

<i>The type of business</i>	<i>Gender of the Respondents</i>		Total	Percent
	Male	Female		
Bakery, Cafe and Restaurants	4	4	8	18.2
Textile/Garment	4	0	4	9.1
Retail Trade	15	1	16	36.4
Furniture and Metal works	9	1	10	22.7
Others	3	3	6	13.6
Total	35	9	44	100
Percent	79.5	20.5	100	

**Table 4.5 Educational Status of Respondents**

	Frequency	Percent
Illiterate	2	4.5
1-8 grades Complete	19	43.2
9-12 Complete	16	36.4
Diploma and above	7	15.9
Total	44	100.0

**Table 4.6 The Position of Respondents in the Business**

	Frequency	Percent
As owner in the Business	22	50.0
As Employee in the Business	22	50.0
Total	44	100.0

**Table 4.7 Age of the Business**

	Frequency	Percent
0-5 Years	15	34.1
6-10 years	21	47.7
Above 10 Years	8	18.2
Total	44	100.0

***Descriptions***

This information is collected from 21 sample small businesses from different industries that fulfill the criteria, i.e. having not more than 10 employees and not using high-tech equipment for their day to day operation using closed ended questionnaires. Tables above shows the type of businesses in which the data collected from, age groups, educational status, the respondents' position in the business, gender, age of the business from the establishment.

Around 22.7 % of the respondents from the table above are from furniture and woodwork; 18.2 % of the respondents from Bakery, café and restaurant; 9.1%, 36.4%, and 13.6% of respondents from textile and garment; retail trade; and industries categorized as others like, construction materials, secretarial services respectively. Here those engaged in leather products are in not included resulting from the inability to address them by not willing and not ready to give me the necessary information.

The table above tells us that the age groups included in the research showing 75% of them were younger (between the age groups of 18-35 years). These age groups are mainly from the employees of sample business comparable to employers. 20.5% of the respondents is from the category of between 35-65 years and 2.3% of them is the above 65 and below 18 years each. This indicates majority of the respondents are on the maximum production age and can contribute much to the business and for them.

When looking at the educational status of respondents, the greater majority is falling under the category of grades 1-8, covering 43.2% of the respondents. 36.4% of the respondents are from grades 9-12. 15.9% of the respondents having diploma and above and still 4.5% them are illiterate. This tell us that educational status of most small business owners and employees looking not good (i.e. ranging from 1 to 12 grades). Employees in small enterprises generally have lower human capital than those in large enterprises. Thus, greater proportions of employees in small establishments have completed less than high school or have a high school degree where, in contrast, and amongst large establishments, a greater proportion of employees have completed University education.

Coming to gender distribution of both respondents about 79.5% of them are male and only 20.5% of them are females. From the data collected those engaged in this business replied that fear of challenges makes females not to enter and run these businesses especially on businesses like retail trade; furniture and metal works; textile and garment (“Weaving”) treated as men’s work and this thinking still have greater influence on females involvement.

Table 4.6 above shows that employers and employees position in these businesses or the experiences with the business as employee and employers covering 50% each of the respondents. This is done one sample respondent is taken randomly to study the research. This percent of the respondents from both as owner and employee investing and working on the experience they have before as employees in other small businesses having the same nature.

When looking at the owners experience of sample businesses from table 4.7 above shows that about 47.7% of the respondents engaged and start to work with the business on the range 6 to 10

years. 34.1% of the businesses started to work in the business 0 to 5 years and only 18.2% of the business started to operate in the business before 10 years.

From the information above what we can easily understand that those businesses are young and experiences not more than 15 years as replied by sample respondents.

**Table4.8. Cross-Tabulation of type of business with willingness to live and work**

The type of business	Willingness to live and work together		Total	Percent
	Yes	No		
Bakery, Cafe and Restaurants	4	4	8	18.2
Textile/Garment	1	3	4	9.1
Retail Trade	7	9	16	36.4
Furniture and Metal works	4	6	10	22.7
Others (Secretarial Services, construction materials....)	1	5	6	13.6
Total	17	27	44	100
Percent	38.6	61.4	100	

From the table above, 61.4% of the respondents replied as not willing to work with the current employer for most employees and as the same time for a few of respondents not want to work with their current employees and business. Here the majority of the respondents working as employees in these businesses are only in need to accumulate experiences, capital and knowledge to open and operate in their own shop. Still significant portion from these respondents replied that they are working in this business just to help their living with no interest on it. Their intention is to learn and engage in other business. But for employers case not all, a few of them replied, they hate the position and the type of business they are engaged in that comes from the income generated from it. Their base also for the textile case the greater majority of income that is generated from making and selling goes to traders of the traditional clothes. Some of these employers replied the even they have plans to withdraw from and start new businesses. According to Wilkinson, (1999) bleak house scenario that small firms are

dictatorially run with employees suffering poor working conditions, and including inadequate safety conditions who have little involvement in the running of the business. When an employee perceives that his/her employer has failed to fulfill one or more promised obligation, he/she likely to reciprocate in a number of ways. Research work indicates contract breach is related to lower employer trust, job satisfaction, and organizational commitment, intentions to remain, in role and extra-role performance (Coyle-Shapiro, Jacqueline, 2002).

**Table4.9. Cross-tabulation of the Presence of Labor-Management Conflicts and its Causes**

The Causes of Labor-Management Conflicts in Small Businesses	The Presence of labor-management Conflicts in Small Businesses		Total	Percent
	Yes	No		
Management Style	6	0	6	13.6
Participation in Decision Making	3	0	3	6.8
Employee Voice Mechanisms	11	0	11	25
Others (E.g. lower wages and benefits received, Customer treatment problems)	21	1	24	54.4
Total	41	1	44	100
Percent	97.7	2.3	100	

Out of the total 44 respondents approached 43 (97.7%) of the respondents agree with the presence of labor-management conflict in small businesses showing the majority of respondents working in small businesses believe that there is conflict in their businesses by the labor and management and most suggesting it is not on a broader basis. From the table above we can understand that the cause for labor-management conflicts in small businesses goes to the problem of lower wages, and other benefits having chosen by 54.5% of the respondents. In addition to the problems of wages and benefits, small number of conflicts arise in these businesses are from inability to meet customer order and customer treatment problems from the employees. Wages and employer-provided benefits show important differences both in the level

of compensation provided and the composition of that compensation between small and large establishments. The former case is about the causes for conflicts from the employees' side and the latter is from the management/employers.

These reasons clearly show us that, specifically in furniture and metal works industry type business orders are coming from customers next the assignment is to be answered by both employer and employee. This is not still the reason but, the greater share of the income generated from that order goes to the owner makes the employees not to continue working with their employer and to plan to join other businesses. 25% of the respondents agree with the reason for conflict in their business is absence of employee voice mechanisms. Employee voice also employers participation in decision making 6.8% of the respondents replied. According to (Dundon and Rollinson, 2004), employee voice an important and significant area in labor-management relations. It can be described as methods that provide for employees to have a say in matters that affect them. Employee of these businesses, especially Retail Trade and Restaurants, the ability to run their businesses with unskilled workers make employers not to be democrats. Because if low skill workers left their business they can easily hire and train newer ones with little effort and pay them lower wages comparable to those leaving the business. According to the above writers employee voice can have different meanings and interpretations. First, voice can be taken to mean the facility to articulate an individual dissatisfaction, for example where the employee seeks to resolve an issue. Second meaning given to the expression is the existence of collective representation as a counter balance to management's power if there is union representation in the business. The third that directly addresses Small Businesses case employee voice is described as the capability to harness employees ideas and creativity. What I am observing in small businesses, the majority of employers replied that their ideas are encouraged if it supports the interest of customers and employees. Another are of Employee voice mechanism is participation which plays greater part in the decision making process by improvement of organizational performance (Armstrong, 2010) and through this mechanism that employees involvement allows them to discuss with the management on issues that affect them.

**Table 4.10 Existence of formal procedures and alternative dispute resolution mechanisms**

The Presence formal procedures to handle labor-management conflicts	Alternative dispute resolution technique used		Total	Percent
	Conciliation	Open Discussion		
Yes	14	28	42	95.5
No	0	2	2	4.5
Total	14	30	44	100
Percent	31.8	68.2	100	

From table above about 95.5% of the respondents believe the presence of a mechanism/procedure to handle labor-management conflicts. Only 4.5% of the respondents disagree with the presence of formal procedures or mechanisms to handle labor-management conflict. This tells us that there is a direct relation between the presence labor-management conflict and the presence of procedures to handle the problem. In the absence of a formal and or informal procedure for resolving conflicts in any business working with employees, the businesses environment without doubt in chaos. This might also indicate most of SB owners understand the consequence of not having formal procedures and think of possible ways to handle labor-management conflict in their businesses if occurs. One of the important aspects to consider according to Wilkinson (1999) is the utilization depends on the positive and negative nature of HR. Positive HR characterized by; harmonious relationships, good HR, little bureaucracy, and family style and the Negative HR characterized by; hidden conflict, bleak house, more instability, and authoritarianism.

The above table again shows the type of ADR techniques used by the SBs for resolving conflicts that may arise between the labor and management. 68.1% of the respondents replied that “open door policy” the best tool they used to resolve conflicts. Because open door policy increases communication with employees reduces the time it takes to manage conflicts in other dispute

resolution techniques and allows employees and employers to talk and solve their problems. According to Mathis and Jackson, (2011) "Open door" policy that encourages employees to communicate their concerns to management so small problems can be solved before they get big.

31.8% of the respondents replied that the business uses Conciliation to solve labor-management conflict. It is known that this type of dispute resolution technique the process Mathis and Jackson, (2011) the third party attempts to keep labor and management negotiators talking so that they can reach a voluntary settlement but makes no proposals for solutions or they do not make recommendations on what that agreement should be. These businesses experience with conciliation is those engaged in retail trade specifically to employees who are working not for monthly wages but for profit sharing deal with the share of profits most of the time not between themselves but the third party (respected individual help them to reach in to an agreement). Majority of the small businesses other than retail trade prefer to solve their disagreements using "open door" policy. Survey research shows that the majorities of non-union firms provide less in the way of formal policies, have fewer methods for resolving disciplinary issues and staff grievances (Dundon and Grugulis, 1999).

***Table4.11 Actions taken by respondents to potential labor-management conflicts***

	Frequency	Percent
Formal Action	35	79.5
Informal Action	6	13.6
No Action	3	6.8
Total	44	100.0

As can be seen from the above table, most of the respondents 79.5% of them replied that when facing a givable/conflicting event they prefer to express their case to their employers and come in to formal grievance procedures to handle conflicts arising between the two parties. 13.6% of the respondents replied that they prefer to express their feelings informally and informal actions

are expressed by theft, absenteeism, and work delays might be. The remaining 6.8% of the respondents replied that they prefer not express their emotions and this is done not to engage in a conflicting event, be apart from the actions that the organization is benefited from it. From the above information we can conclude that there is strong tendency for employees to express their emotions and discomfort to the employers freely and can reach in to a solution. Those choosing No Action is based on the fear of the employers not to put additional pressures on them.

***Table4.12 Employers/Employees belief of workers participation in decision making***

	Frequency	Percent
Yes	42	95.5
No	2	4.5
Total	44	100.0

Based on the table above, we can see that there is strong belief of employers on workers participation in decision making (DM). About 95.5% of the respondents believed on employees participation on businesses decision making this is because, these respondents all know the positive contributions that is generated by these employees is significant effect on organizations performance. Only 4.5% of the respondents did not believe on employees’ participation on the organization’s decision making processes. From the information above we can generalize that there is a strong tendency by SBs to participate employees on DM. The remaining respondents’ response indicates that employees working as new to the business, employed on family businesses accepts counseling not on the position to participate.

**Table4.13 Small Business' support to labor-management relations**

	Frequency	Percent
Strongly Agree	23	52.3
Agree	17	38.6
Neutral	4	9.1
Total	44	100.0

The table above is a description of the small businesses' support to the labor-management relation. About 52.3% of the respondents strongly agree with the presence of support to the relationships of employees and management resulting from the presence greater freedom in small businesses comparable to the larger ones. 38.6% of the respondents choose Agree with the presence of businesses support to the labor-management relations in the business. 9.1% of the respondents replied the *Neutral* feelings to its presence. From the information above we can conclude that there is positive organizational climate created by the businesses their valuable employees.

**Table4.14 Trust and respect between labor and management in the Small Business**

	Frequency	Percent
Strongly Agree	26	59.1
Agree	13	29.5
Neutral	4	9.1
Strongly Disagree	1	2.3
Total	44	100.0

The above table describes the presence of trust and respect between the management and labor in small businesses. Still the above information tells us that 59.1% of the respondents “*Strongly Agree*” with the high trust and respect between the two parties. 29.5% of the respondents “*Agree*” with the presence of respect and trust between the labor and management.

According to Wilkinson, (1999) high trust relations were as little in large firms but many of those firms paying below the new minimum wage can be found in this sector. The small firm facilitates open communication and that the “family atmosphere” of the small firm builds high trust. From the information above we can conclude that as a result of family style atmosphere there is high trust and respect between labor and management in small businesses occupying 88.6%.

**Table4.15 The Businesses effort for the retention of its key employees**

	Frequency	Percent
Strongly Agree	18	40.9
Agree	18	40.9
Neutral	8	18.2
Total	44	100.0

The above table tell us that the Businesses effort in retention of the key employees who are sources of competitiveness. Based on the information above 40.9% of the respondents “*Strongly Agree*” with the presence of the businesses greater effort in keeping its employees satisfied and live with him. Still 40.9% of the respondents in these businesses also “*Agree*” with the presence of retention efforts made by these small businesses and the remaining 18.2% only have “*Neutral*” feelings relating to its presence.

From the information above what we can conclude that employees in these businesses are receiving much attention from the management and the SB’s it is better to keep satisfied run their businesses in a better way and employees who are satisfied with their work and their company are more likely to create satisfied customers (Harvard Business School, 2002)

**Table4.16 Suitability of Business's labor-management relations in Small Businesses**

	Frequency	Percent
Strongly Agree	26	59.1
Agree	16	36.4
Neutral	2	4.5
Total	44	100.0

The suitability of the labor-management in small businesses is direct match with the businesses labor-management atmosphere. Here also from the table above the 59.1% businesses' environment better for keeping employees satisfied supported and replied "*Strongly Agree*" of the respondents. 36.4% of the respondents also Agree with the labor management's environmental suitability and it is directly supports the presence of support and trust between the management and employees. In the final analysis from the information above we can conclude that Small Businesses are facilitating suitable environment for their employees and accounts 95.5% of the respondents.

**Table4.17 Provided Training to Employees of Small Businesses**

	Frequency	Percent
Strongly Agree	22	50
Agree	11	25.0
Neutral	4	9.1
Strongly Disagree	7	15.9
Total	44	100.0

Based on the table above there is more training efforts are made by sample small businesses but informally given i.e. on the job training. This is the only training type that is given by most small businesses accounting 50% of the respondents “Strongly Agree” is given to them after they are engaged in the work. Wilkinson, (1999) states that training is very limited in many small business cases and employees are simply asked to watch another employee for a while and then do the job at similar skills levels and times as their more experienced colleagues. About 25% of the respondents choose “Agree” with the training given to them by their employer. This also shows that there is greater support for the presence training and given to them after joining the organization. The remaining of the respondents replied, they have prior experience in that business and their recruitment criterion is basing the experience and personal skills they have and not receiving trainings before. Employee training amongst smaller enterprises shows remarkable differences in comparison to larger enterprises. Thus, Small enterprises appear to provide general workplace training, whereas large ones specialize in providing firm-specific training.

**Table 4.18 Awareness of employees the potential changes to their duties**

	Frequency	Percent
Strongly Agree	27	61.4
Agree	10	22.7
Neutral	5	11.4
Disagree	1	2.3
Strongly Disagree	1	2.3
Total	44	100.0

Based on table above, 61.4% of the respondents replied “Strongly Agree” with the small businesses’ position in making aware of employees about the potential changes in their duties on time. 22.7% of the respondents choose “Agree” and indicates that the presence of making aware

employees on time and only 11.4% of the respondents choose “Neutral” and not decided. From the information above the small businesses are positive and keep employees aware the potential changes in their job duties whenever required. This also supports the positive relationship existed between the management and employees as addressed above. If any change is proposed in terms and conditions of employment, HR processes such as contingent pay, working methods, technologies, products and services, or the organization structure (including mergers and acquisitions), employees need to know what is proposed and how it will affect them Mathis and Jackson (2011)

**Table4.19 Open Communication between the Management and Employees**

	Frequency	Percent
Strongly Agree	29	65.9
Agree	11	25.0
Neutral	4	9.1
Total	44	100.0

Table above tells us that the presence of openness and communication between management in the organization. 65.9% of the respondents replied “Strongly Agree” that there is open communication between the management and labor. 25% of the respondents chose “Agree” and still there is support to open communication environment and only 9.1% of the respondents choose “Neutral”. From the information above we can conclude the labor-management atmosphere is good. According to Wilkinson, (1999) Most people prefer to work in a small group where communication presents fewer problems: the employee in a small firm can more easily see the relation between what he is doing and the objectives and performance of the firm as a whole. Where management is more direct and flexible, working rules can be varied to suit the individual. Each employee is also likely to have a more varied role with a chance to participate in several kinds of work. According the same writer SMEs can provide the opportunity for easier communication flows, face-to-face involvement and increasing flexibility in managing human resources.

**Table4.20 Fairness in resolving labor management conflicts Small Businesses**

	Frequency	Percent
Strongly Agree	24	54.5
Agree	13	29.5
Neutral	6	13.6
Strongly Disagree	1	2.3
Total	44	100.0

Table above tells us that 54.5% of the respondents choose “Strongly Agree” with the fairness associated with resolving labor-management conflicts in SB’s. 29.5% of the respondents chose “Agree” and still from the information we have, we can conclude that the management of SB’s are fair in handling labor-management conflicts and 84% of the respondents supported.

**Table4.21 Respondents’ responses to the cooperation of labor and management when resolving conflicts**

	Frequency	Percent
Strongly Agree	27	61.4
Agree	13	29.5
Disagree	4	9.1
Total	44	100.0

Based on the information presented the table above 61.4% of the respondents choose “Strongly Agree” and supports the presence of cooperation of labor and management in resolving labor-management relations. Grievance management effectiveness is evaluated in terms of the speed it

takes to resolve conflicts and the participation that employees have on organizations major decision making efforts. 29.5% of the respondents chose “Agree” with the presence of cooperation between the two parties. 9.1% of the respondents choose “Disagree” with the presence of labor-management cooperation when managing conflicts that may arise between the two parties. According ILO a proactive process which allows enterprise workers and managers to change situations and events by taking the initiative, rather than reacting to them and it aims at establishing a common approach that is acceptable both by workers and management in a particular enterprise to issues that concern both parties.

**Table 4.22 Efficiency of Grievance management process**

	Frequency	Percent
Strongly Agree	29	65.9
Agree	13	29.5
Neutral	2	4.5
Total	44	100.0

Based on the table above about 65.9% of the respondents chose “Strongly Agree” and there a strong belief on the SB’s management and employees as the grievance management process as an efficient way to resolve labor-management conflicts. 29.5% of the respondents also choose “Agree” and the organization’s conflicts are managed using grievance management processes and they suggest it’s the efficient way to resolve labor-management conflicts. As stated by both the management and employees whatever conflicting event occur in small businesses it gets solved immediately. Their responses are fast and this is my basis to conclude the grievance management process as the efficient way to resolve labor-management conflicts in SB’s getting support from 95.4% of the respondents.

# Hypotheses Testing with Independent Sample T-test

No	Independent Variables	t	Sig.(2-tailed)	df	Accepted/ Rejected
1)	H <sub>0</sub> :there is significance difference between owners and employees on willingness to stay and work	-2.917	0.006	42	H <sub>0</sub> Accepted
	H <sub>1</sub> :there is significance difference between owners and employees on willingness to stay and work				
2)	H <sub>0</sub> :there is significance difference between owners and employees on the presence of conflict	-1.449	0.155	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on the presence of conflict				
3)	H <sub>0</sub> :there is significance difference between owners and employees on causes of labor-management conflict	1.296	0.202	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on causes of labor-management conflict				
4)	H <sub>0</sub> :there is significance difference between owners and employees on formal procedure for conflict management	0.000	1.000	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on formal procedure for conflict management				
5)	H <sub>0</sub> :there is significance difference between owners and employees on <b>ADR</b> techniques used	1.290	0.204	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on <b>ADR</b> techniques used				
6)	H <sub>0</sub> :there is significance difference between owners and employees on actions taken by employees to a drivable event	0.511	0.612	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on actions taken by employees to a drivable event				
7)	H <sub>0</sub> :there is significance difference between owners and employees on belief of workers participation	0.000	1.000	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on of				

	workers participation				
8)	H <sub>0</sub> :there is significance difference between owners and employees on organizational support to labor-management relation	-1.626	0.111	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on organizational support to labor-management relation				
9)	H <sub>0</sub> :there is significance difference between owners and employees on presence of trust and respect	-2.029	0.049	42	H <sub>0</sub> Accepted
	H <sub>1</sub> :there is significance difference between owners and employees on presence of trust and respect				
10)	H <sub>0</sub> :there is significance difference between owners and employees on retention efforts	-1.225	0.227	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on retention efforts				
11)	H <sub>0</sub> :there is significance difference between owners and employees on suitability of the business environment	-1.562	0.126	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on suitability of the business environment				
12)	H <sub>0</sub> :there is significance difference between owners and employees on the provided training	-0.444	0.659	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on the provided training				
13)	H <sub>0</sub> :there is significance difference between owners and employees on awareness of potential change in duties by the management	0.158	0.875	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on awareness of potential change in duties by the management				
14)	H <sub>0</sub> :there is significance difference between owners and employees on openness of communication between employees and owners	-2.683	0.010	42	H <sub>0</sub> Accepted
	H <sub>1</sub> :there is significance difference between owners and employees on openness of communication between employees and owners				
15)	H <sub>0</sub> :there is significance difference between owners and employees on fairness when resolving labor-management conflicts	-1.195	0.239	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on				

	fairness when resolving labor-management conflicts				
16)	H <sub>0</sub> :there is significance difference between owners and employees on cooperation of the two when resolving labor-management conflicts	-1.898	0.065	42	H <sub>0</sub> Accepted
	H <sub>1</sub> :there is significance difference between owners and employees on cooperation of the two when resolving labor-management conflicts				
17)	H <sub>0</sub> :there is significance difference between owners and employees on grievance management as an effective and efficient way to conflicts	-1.312	0.197	42	H <sub>0</sub> Rejected
	H <sub>1</sub> :there is significance difference between owners and employees on grievance management as an effective and efficient way to conflicts				

\*H<sub>0</sub>: Indicating that the Null Hypothesis

\*\*H<sub>1</sub>: Indicating the Alternative Hypothesis

***The table above described on the following manner:***

- ↘ Independent sample T-Test: willingness to stay and work with the current business showing there is statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-2.917$ ,  $df=42$ ,  $p<0.1$  (0.006)
  - ↘ Independent sample T-Test: the presence of labor-management conflict showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.449$ ,  $df=42$ ,  $p>0.1$ (0.155)
  - ↘ Independent sample T-Test: the cause for labor-management conflict in small businesses showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=1.296$ ,  $df=42$ ,  $p>0.10$ (0.202)
  - ↘ Independent sample T-Test: formal procedure to manage labor-management conflict that is showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=0.000$ ,  $df=42$ ,  $p>0.1$ (1.000)
  - ↘ Independent sample T-Test: the ADR Technique used showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=1.290$ ,  $df=42$ ,  $p>0.1$  (0.204)
  - ↘ Independent sample T-Test: actions taken by employees to potential conflicts arising between the two parties showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=0.511$ ,  $df=42$ ,  $p>0.10$  (0.612)
  - ↘ Independent sample T-Test: employers belief of workers participation on major decision making showing there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=0.000$ ,  $df=42$ ,  $p>0.1$  (1.000)
  - ↘ Independent sample T-Test: organization support to labor-management relation showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.626$ ,  $df=42$ ,  $p>0.1$ (0.111)
  - ↘ Independent sample T-Test: trust and respect between labor and management showing that there is statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-2.029$ ,  $df=42$ ,  $p<0.1$ (0.049)
-

↘ Independent sample T-Test: the businesses support for retention of key employees showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.225$ ,  $df=42, p>0.1(0.227)$

↘ Independent sample T-Test: the suitability of business's labor-management relation showing *that there is no statistically significant difference* at ( $\alpha=0.1$ ) level of significance,  $t=-1.562$ ,  $df=42, p>0.1(0.126)$

↘ Independent sample T-Test: provided formal training to employees showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-0.444$ ,  $df=42, p>0.1(0.659)$

↘ Independent sample T-Test: awareness of employees on potential changes in duties showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=0.158$ ,  $df=42, p>0.1(0.875)$

↘ Independent sample T-Test: the presence of open communication showing that there is statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-2.683$ ,  $df=42, p<0.1(0.010)$

↘ Independent sample T-Test: showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.195$ ,  $df=42, p>0.1(0.239)$

↘ Independent sample T-Test: showing that there is statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.898$ ,  $df=42, p<0.1(0.065)$

↘ Independent sample T-Test: efficiency of grievance management process showing that there is no statistically significant difference at ( $\alpha=0.1$ ) level of significance,  $t=-1.312$ ,  $df=42, p>0.1(0.197)$

Using **LEVENE's** significant testing, for the presence of labor-management conflict, organization support to labor relations, the retention effort made, suitability, training given, awareness of potential job changes, fairness in resolving conflicts, using grievance management as an effective mechanism to handle conflicts in small businesses from the t-test is not statistically significant. Because as we can see with confidence interval of .9 ( $p=.155, .111, .227, .126, .659, .875, .239, \text{ and } .197$  respectively). So that we can conclude that there is no difference between labor and management on the above variables. It is with confidence interval of 0.9

---

Coming to the variables willingness to live and work together, the presence of trust and respect between the two parties, openness of communication, and cooperation between them when managing labor and management conflicts in small businesses with (*df*) 42 and confidence interval 0.9 the t-test is statistically significant so, based on the means, we can say that the two the labor and have the same ( $p$  =.06, .049, .01, and .065 respectively showing  $p$  value of the two are the same.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND SUGGESTIONS**

In the preceding chapters we discuss the research problem and its approach of labor-management relations in the literature part of this paper. This information is collected from 21 small businesses 22 managers/owners and 22 employees and totally 44 sample respondents are participated that are engaged

---

in textile and garment, bakery, café and restaurants, secretarial services, furniture and metal works, retail trade and others. Now summary of findings, conclusions and recommendations of the study are presented hereunder.

## **5.1. SUMMARY AND CONCLUSIONS**

**On the basis of the findings the following conclusions were forwarded.**

In this study except mentioned above industries, those engaged in leather products are not included due to the respondents' willingness problem.

The majority of the respondents operating in small businesses are young and their ages are ranging from 18-35 years. This indicates majority of the respondents are on the maximum production age and can contribute much to the business and for them.

From the data collected from sample small businesses educational status of most employers and employees not enough to run their businesses effectively and majority of the respondents falling from grades 1-12 only.

- The gender distributions of respondents show that the greater majority of small businesses workers and owners are males. This is resulted by fear of challenges makes females not to enter and run these businesses especially on businesses like retail trade; furniture and metal works; textile and garment (Weaving) treated as men's work and this thinking still have greater influence on females involvement.
  - The majority of the small businesses experiences with the business between 6-10 years followed by experiences having 0-5 years only. Insignificant portion of the sample respondents have experiences above 10 years and covers 18.2% of the respondents. This indicates not only human resources of small businesses are young, but also their age of operation is also young.
  - Coming to the employees/employers are not willingness to work together and keep on doing the current also supported by 61.4% of the respondents. In this the main reasons attached to it is the need to upgrade/learn, change the current career resulting from the income that the current business is generating, and they want to open their business and run, the poor working conditions, inadequate safety conditions who have little involvement in the running of the business. But this sample of the respondents includes mainly employees and the remaining employers. The remaining 38.6% of the respondents want to continue to work with the current employees and
-

current job. From the above information and the cross-tabulation we can conclude that employees of these businesses are not willing to stay and work with the owner except those engaged in Bakery, Café and restaurant.

- The presence of labor-management conflict in small businesses supported by the greater majority of the respondents. That is mainly associated with the lower wage and other benefits received by the employees from the employees' side and customer mistreatment and delay of customer orders from the management. The other significance causes for the labor-management conflict in these businesses is Employee voice that can be looked from Participation and management style respectively. The above information tells us that employees' voice has significant position in the labor-management relations. Because it deals with that allows employees to have a say in matters that affect them.
  - Small businesses have a formal mechanism that allows them to resolve their disagreements, from the information above we can understand that SB's are all aware of the need for having formal procedures to handle labor-management conflicts and supported by majority of the respondents.
  - Small businesses prefer to solve their disagreements mainly through "Open Door" policy which is better in encouraging employees' to communicate their concerns to management so small problems can be solved before getting big and followed by conciliation in which the third party attempts to keep labor-management negotiations talking and can reach at an agreement.
  - Majority of the respondents from the SB's prefer to follow formal actions when facing labor-management conflict facing them. The remaining respondents want to respond for the labor-management relations conflict act informally and no to express their feelings by fear of the unknown.
  - There is a strong belief in small businesses on employees participation of major decision making is one of the strength of management. This strong belief is not converted in to action as I understood from the causes for labor-management conflict as participation in decision making/employee voice problems.
-

- The small businesses support to the labor-management relations is good. Because it has greater advantages to employers of small businesses for the creation of conducive environment for their employees, as a result employees prefer to stay with them.
- The family atmosphere of small businesses comparable to larger organizations creates high trust and respect between them.
- Employees are satisfied by the retention efforts made by the SB's. From the data collected still significant respondents are agree with the presence of retention efforts by the SBs Here what we can conclude that employees in these businesses are receiving much attention by their management and facilitating a suitable environment for them.
- The training given to the employees of small businesses is that an on job training mainly from their employer. Because these businesses are most of the time operating with only one employee and those having more than one employees give trainings in both ways, by the employer and experienced employee joining that business before them. The remaining standing against the presence of training for employees in their businesses and recruited in that business as a result of the skill and knowledge they have.
- The communication environment in small businesses is better as per the respondents' responses there is open communication between the management and employees. This communication environment also allows the management of small businesses to communicate and share their problems openly. Because these business types known for the direct and flexible management and the working rules also be varied to suit the individuals interest.
- As a result of open communication between the management the employees' complaints are resolved fairly and their cases are seen by the labor-management cooperation. Its effectiveness is evaluated on its speed or the time it takes complaints handled/to get solved and keeping the employees satisfied by looking and resolving their cases fairly.

## **5.2. SUGGESTIONS**

On the basis of the findings and conclusions reached, the following recommendations were forwarded in order to improve the small businesses labor-management relations and performance.

---

- ✓ In order to improve the small businesses performance the owners/managers of these businesses should carry out the responsibility of upgrading the skills of employees. Research done in small businesses show that employees of these businesses want to learn more change their career.
- ✓ The small business owners/managers should use the strongest belief they have on workers participation on businesses decision making to be profitable enough that is because most of the employees in small businesses not to work with stay with their employers.
- ✓ From industries employees working on textile/garment; retail trade; furniture and woodworks; other than Bakery, café & Restaurant are not willing to work in the current business and want to change their career. So that small businesses should increase the employee wages and benefits. In addition by using the good communication climate can also work on customer treatment problems and try to minimize and prevent conflicts from appearing.
- ✓ Still there is gap in small businesses trust and respect between the management and labor. Because their source of conflict is employees voice problems associated to discussion on benefit sharing.
- ✓ The small businesses communication environment good from the study that we have investigated. Here having positive communication environment for small businesses means allows the opportunity to answer employees question as a result positive psychological contact is maintained.

### **FURTHER RESEARCH**

From this research I the researcher come with conflicting ideas in small businesses in that with the presence of employee voice problem participation and involvement problems we can't say that there is an open communication and cooperation between owners and managers in small businesses when handling conflicts so that it needs to be researched further.

---



# APPENDICES

---

## *APPENDIX I*

---

---

*ADDIS ABABA UNIVERSITY*  
*COLLEGE OF MANAGEMENT ECONOMICS AND INFORMATION SCIENCES*  
*SCHOOL OF PUBLIC AND BUSINESS ADMINISTRATION*  
*DEPARTMENT OF MANAGEMENT*

---

**Questionnaires filled both Management and Employees of Small Business**

Dear Respondent

This questionnaire is prepared to critically look at the Labor-Management relations in small businesses and to study only for the academic purpose. This research is conducted as part of the partial fulfillment of masters Arts in Business Administration; it will also be available input for further investigation of same phenomenon. You are therefore kindly requested to express your opinions, feelings and experience as openly as possible and as a result it will not be difficult for us to get the true picture of your business's nature of relationship. The information that you are going to provide here is highly important and confidential. Please put a mark (X) on the box once, twice or more depending on the type of questions and write your reasons, comments, and feelings on the space provided.

Thanks in Advance

---

## **General Profile**

### **1. In what type of business are you working?**

- 1) Bakery, Cafe and Restaurants
- 2) Textile/Garment
- 3) Leather Products
- 4) Retail Trade
- 5) Furniture and Metal works
- 6) Others\_\_\_\_\_

### **2. Gender:**

- 1) Male
- 2) Female

### **3. Age:**

- 1) Below 18
- 2) Between 18-35
- 3) Between 35-65
- 4) Above 65

### **4. Qualification:**

- 1) Illiterate
  - 2) 1-8 grades complete
  - 3) 9-12 grades complete
  - 4) Diploma
-

## Questionnaires

1. Are you willing to work with your employer/employees Used for the two Parties

Yes  No

2. Do you think there is conflict between labor and management in your business?

Yes  No

3. What are the causes of labor-management conflict in your business?

Management Style

Participation in decision making

Employee voice mechanisms

Others.....

4. Is there a mechanism to handle labor-management conflicts in your business?

Yes  No

5. Which alternative dispute resolution mechanisms your business is using in managing labor-management relation?

Conciliation

Arbitration

"Open door" policy

If other specify please.....

6. How do you respond to labor-management conflict in your business?

Formal Action

Informal Action

No Action

7. Do you believe employees participation in decision making? *Why is next asked*

Yes  No

---

The following questions describe the business's labor-management relation and management of grievances. Please put "X" in the space at the front of the questions under number you think express the position of your business?

Assume 1=Strongly Agree 2 =Agree 3 =Neutral 4=Disagree 5=Strongly Disagree

S/N	Questions	1	2	3	4	5
8.	Is there organizational support for labor-management relations?					
9.	Do you think there are trust and or respect between labor and management in your business?					
10.	The businesses effort for the retention of its key employees					
11.	Do you think your business's labor-management relation atmosphere good?					
12.	Do you think provided training relating to your job?					
13.	Do you think management keeps employees aware of potential changes to employees' working conditions?					
14.	Do you think there is open communication between employees and management in your business?					
15.	How do you rate sense of fairness associated with labor-management grievance management in your business?					

<b>The Grievance Process</b>						
16.	Do you think labor and management work cooperatively during the grievance process?					
17.	Do you think the grievance process is an efficient way to resolve conflicts?					

Independent Variables		Levene's Test for Equality of Variances		T-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	90% Confidence Interval of the Difference	
		Lower	Upper	Lower	Upper	Lower	Upper	Lower	Lower	Upper
Willingness of Employees/Employers to live and work together	Equal variances assumed	2.045	.160	-2.917	42	.006	-.591	.203	-.932	-.250
	Equal variances not assumed			-2.917	40.817	.006	-.591	.203	-.932	-.250
The Presence of labor-management Conflicts in Your Business	Equal variances assumed	10.370	.002	-1.449	42	.155	-.091	.063	-.196	.015
	Equal variances not assumed			-1.449	21.000	.162	-.091	.063	-.199	.017
The Causes of Labor-Management Conflicts	Equal variances assumed	.493	.487	1.296	42	.202	.409	.316	-.122	.940
	Equal variances not assumed			1.296	40.810	.202	.409	.316	-.122	.940
The Presence mechanisms/formal procedures to handle labor-management conflicts	Equal variances assumed	.000	1.000	.000	42	1.000	.000	.064	-.108	.108
	Equal variances not assumed			.000	42.000	1.000	.000	.064	-.108	.108
Alternative dispute resolution technique used	Equal variances assumed	6.095	.018	1.290	42	.204	.364	.282	-.111	.838
	Equal variances not assumed			1.290	40.972	.204	.364	.282	-.111	.838
Actions taken by respondents to potential labor-management conflicts	Equal variances assumed	1.057	.310	.511	42	.612	.091	.178	-.208	.390
	Equal variances not assumed			.511	40.404	.612	.091	.178	-.209	.391
Employers belief of workers participation in decision making	Equal variances assumed	.000	1.000	.000	42	1.000	.000	.064	-.108	.108
	Equal variances not assumed			.000	42.000	1.000	.000	.064	-.108	.108

Organizational support to labor-management relations	Equal variances assumed	4.991	.031	-1.626	42	.111	-.318	.196	-.647	.011
	Equal variances not assumed			-1.626	36.245	.113	-.318	.196	-.648	.012
Trust and respect between labor and management in the business	Equal variances assumed	3.268	.078	-2.029	42	.049	-.500	.246	-.914	-.086
	Equal variances not assumed			-2.029	33.141	.051	-.500	.246	-.917	-.083

The Businesses effort for the retention of its key employees	Equal variances assumed	.233	.632	-1.225	42	.227	-.273	.223	-.647	.102
	Equal variances not assumed			-1.225	41.958	.228	-.273	.223	-.647	.102
The suitability of business's labor-management relations	Equal variances assumed	.844	.364	-1.562	42	.126	-.273	.175	-.566	.021
	Equal variances not assumed			-1.562	41.937	.126	-.273	.175	-.566	.021
Provided training for employee	Equal variances assumed	4.331	.044	-.444	42	.659	-.182	.410	-.871	.507
	Equal variances not assumed			-.444	37.267	.660	-.182	.410	-.873	.509
The management keep employees the potential change in their duties	Equal variances assumed	.000	1.000	.158	42	.875	.045	.288	-.440	.530
	Equal variances not assumed			.158	41.599	.875	.045	.288	-.440	.531
the openness of communication between the management/employer and labor	Equal variances assumed	17.627	.000	-2.683	42	.010	-.500	.186	-.813	-.187
	Equal variances not assumed			-2.683	31.099	.012	-.500	.186	-.816	-.184
The fairness in resolving labor management conflicts in the business	Equal variances assumed	2.303	.137	-1.195	42	.239	-.318	.266	-.766	.130
	Equal variances not assumed			-1.195	35.696	.240	-.318	.266	-.768	.132

The cooperation of labor and management when resolving conflicts	Equal variances assumed	2.017	.163	-1.898	42	.065	-.500	.263	-.943	-.057
	Equal variances not assumed			-1.898	37.928	.065	-.500	.263	-.944	-.056
Grievance management process as an efficient way to resolve labor management conflict	Equal variances assumed	2.082	.156	-1.312	42	.197	-.227	.173	-.519	.064
	Equal variances not assumed			-1.312	41.720	.197	-.227	.173	-.519	.064

#### Group Statistics

	The type of experience	N	Mean	Std. Deviation	Std. Error Mean
Willingness of Employees/Employers to live and work together	As owner in the Business	22	.64	.727	.155
	As Employee in the Business	22	1.23	.612	.130
The Presence of labor-management Conflicts in Your Business	As owner in the Business	22	.00	.000	.000
	As Employee in the Business	22	.09	.294	.063
The Causes of Labor-Management Conflicts	As owner in the Business	22	3.36	.953	.203
	As Employee in the Business	22	2.95	1.133	.242
The Presence mechanisms/formal procedures to handle labor-management conflicts	As owner in the Business	22	.05	.213	.045
	As Employee in the Business	22	.05	.213	.045
Alternative dispute resolution technique used	As owner in the Business	22	2.55	.858	.183
	As Employee in the Business	22	2.18	1.006	.215

Actions taken by respondents to potential labor-management conflicts	As owner in the Business	22	1.32	.646	.138
	As Employee in the Business	22	1.23	.528	.113
Employers belief of workers participation in decision making	As owner in the Business	22	.05	.213	.045
	As Employee in the Business	22	.05	.213	.045
Organizational support to labor-management relations	As owner in the Business	22	1.41	.503	.107
	As Employee in the Business	22	1.73	.767	.164
Trust and respect between labor and management in the business	As owner in the Business	22	1.32	.568	.121
	As Employee in the Business	22	1.82	1.006	.215
The Businesses effort for the retention of its key employees	As owner in the Business	22	1.64	.727	.155
	As Employee in the Business	22	1.91	.750	.160
The suitability of business's labor-management relations	As owner in the Business	22	1.32	.568	.121
	As Employee in the Business	22	1.59	.590	.126
Provided training for employee	As owner in the Business	22	1.95	1.090	.232
	As Employee in the Business	22	2.14	1.583	.337
The management keep employees the potential change in their duties	As owner in the Business	22	1.64	1.002	.214
	As Employee in the Business	22	1.59	.908	.194
the openness of communication between the management/employer and labor	As owner in the Business	22	1.18	.395	.084
	As Employee in the Business	22	1.68	.780	.166
The fairness in resolving labor management conflicts in the business	As owner in the Business	22	1.50	.673	.143
	As Employee in the Business	22	1.82	1.053	.224
The cooperation of labor and management when resolving	As owner in the Business	22	1.32	.716	.153

conflicts					
	As Employee in the Business	22	1.82	1.006	.215
Grievance management process as an efficient way to resolve labor management conflict	As owner in the Business	22	1.27	.550	.117
	As Employee in the Business	22	1.50	.598	.127

## **REFERENCES:**

1. Ackers P., M. Marchington, A. Wilkinson A. and T. Dundon (2005), '*Partnership and Voice, with or without trade unions: Changing UK management approaches to organisational participation*', in M. Stuart and M. Martinez Lucio, (eds) *Partnership and Modernisation in Employment Relations*, London: Routledge.
  2. Colvin, A.J.S. (2003a). *The Dual Transformation of Workplace Dispute Resolution*. *Industrial Relations*, 42, pp.712–735.
  3. Coyle-Shapiro, Jacqueline A-M. (2002). A psychological contact perspectives on organizational citizenship behavior [online]. London. <http://eprints.lse.ac.uk/archive/00000831>
  4. Dundon, T. and Grugulis, I. (1999). "Looking out of the black-hole" *Non-union relations in an SME*, *Employee Relations*, Vol. 21 No. 3, pp. 251-266.MCB University Press. Quoted from: Cully, M., O'Reilly, Millward, N. and Forth, J. (1998), *The 1998 Workplace Employee Relations Survey: First Findings*, ESRC/ACAS/PSI, HMSO, Department of Trade and Industry, London.
  5. Dundon, T., and Rollinson, D. (2004) **Employment Relations in Non-Union Firms**, New York: Taylor & Francis Group.
  6. Fleischer, C. H. (2009) **Human Resource for Small Business**: An Essential Guide for Managers, Human Resources Professionals, and Small Business Owners, 2nd Ed, Illinois: Sourcebooks Inc.
  7. Heron, R., Vandenabeele, C. (1999) **Workplace Cooperation**: A Practical Guide, Bangkok Thailand: ILO Regional Office for Asia and the Pacific.
-

8. **Hiring and Keeping the Best People**, Boston: Harvard Business School Publishing Corporation, 2002,
  9. *Employment Relations in Micro and Small Firms*. European Foundation for the Improvement of Living and Working Conditions, 2001 [www.eurofound.eu.int](http://www.eurofound.eu.int)
  10. Mathis, R. L. and Jackson, J. H. (2011). **Human Resource Management**. 13th ed. USA: South-Western Cengage Learning.
  11. Pyman, A., Holland, P., Teicher, J., and Cooper B. K. (2010) *Industrial Relations Climate, Employee Voice and Managerial Attitudes to Unions: An Australian Study*, London: Blackwell Publishing Ltd/ School of Economics.
  12. Shay, and McConnon, M.(2008) *Conflict Management in the Workplace*, How To Books Ltd.
  13. Tharenou, P., Donohue, R., and Cooper, B. (2007) **Management Research Methods**, New York: Cambridge University Press.
  14. Wagar, T. H. and Rondeau, K. V. *Retaining Employees in Small and Medium-Sized Firms: Examining the Link with Human Resource Management*. no date <http://www.huizenga.nova.edu/jame/retainingemployees.htm>
  15. Wilkinson, A. (1999) *Employment Relations in SMEs, Employee Relations*, MCB University Press, Vol. 21 No. 3, pp. 206-217.
  16. Report On Small Scale Manufacturing Industries Survey: Addis Ababa: The Federal Democratic Republic Of Ethiopia Central Statistical Agency, APRIL, 2010
  17. <http://www.ilofip.org/GPGs/Grievance%20Procedures.pdf>
  18. <http://en.wikipedia.org/wiki/Conciliation>
-

19. Proclamation No. 377/2003, Labor Proclamation of Ethiopia
20. Wikipedia Encyclopedia [http://en.wikipedia.org/wiki/Psychological\\_contract](http://en.wikipedia.org/wiki/Psychological_contract)
21. <http://www.enotes.com/small-business-encyclopedia/labor-unions-small-business>
22. <http://www.thecanadianencyclopedia.com/PrinterFriendly.cfm?Params=A1ARTA0007754>
23. <http://quizlet.com/dictionary/alternative-dispute-resolution/>
24. Rowe, M. Dispute Resolution In The Nonunion Environment: An Evolution Toward Integrated Systems For Conflict Management? <Http://Web.Mit.Edu/Ombud/Publications/Reso.Pdf>
25. Blancero, D. Non-Union Grievance Systems and Organizational Justice: The Relationships among System Characteristics and Fairness Perceptions [http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1328&context=cahrswp&sei-redir=1#search="Non-union+grievance+systems:+system"](http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1328&context=cahrswp&sei-redir=1#search=)
26. **Employment relations in micro and small enterprises - literature review, 2001** [www.eurofound.eu.int](http://www.eurofound.eu.int)

---

i Fleischer, C. H. (2009) Human Resource for small business : an essential guide for managers, human resources professionals, and small business owners, 2nd Ed, Sourcebooks, Inc, Naperville, Illinois

ii Pyman, A., Holland, P., Teicher, J., and Cooper B. K.( 2010) Industrial Relations Climate, Employee Voice and Managerial Attitudes to Unions: An Australian Study, Blackwell Publishing Ltd/London School of Economics

---