

ADDIS ABABA UNIVERSITY

Assessment of Employee Relation Practice

(In Case of National Tobacco Enterprise (Ethiopia) S.C)

BY

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Advisor: Gemechu Waktola (PHD)

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EMBA Program

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DECLARATION

I, Mulugeta Alemu, declare that this work entitled “Assessment of employee relation practice: In Case of National Tobacco Enterprise (Ethiopia) S.C 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 Gemechu Waktola (PHD).

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 [EMBA]

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Table of Contents

	Page
Acknowledgments	I
Abstract	IV
1. CHAPTER ONE – INTRODUCTION	1
1.1. Background	1
1.2. Background Information of the Enterprise	2
1.3. Statement of Problems	4
1.4. Research Questions.....	6
1.5. Research Objectives	6
1.6. Significance of the Study.....	7
1.7. Scope and Limitations of the Study.....	8
1.7.1.Scope of the study.....	8
1.7.2.Limitation of the study.....	8
1.8. Definition of Key Terms	8
2. CHAPTER TWO- LITERATURE REVIEW	9
2.1. Employment	9
2.1.1.Legal framework for employment	10
2.2. Employee Relations	11
2.3. Employee Relations Issues	13
2.3.1.Work place practices.....	13
2.3.2. Safety and health	13
2.3.3.Training.....	14
2.3.4.Living wage	14
2.3.5.Healthy employee relation issue	15
2.3.6.Performance management.....	15
2.3.7.Grievance procedures and internal dispute resolution	16
2.3.8.Engagement	17
2.3.9.Commitment	17
2.3.10. Trust and engagement	18
2.4. Tripartite Cooperation	20
2.5. Bargaining	21
2.5.1.Legal framework of employee relation in Ethiopia	21
2.5.2.Collective bargaining and agreements in the Ethiopian context.....	22
3. CHAPTER THREE - RESEARCH METHODOLOGY	25
3.1. Research Design	25

3.2. Sample of the Study.....	25
3.2.1. Sampling procedure to be applied	25
3.2.1.1. Population size	25
3.2.1.2. Sample size	25
3.3. Sources of Data Collection	26
3.4. Instrument.....	26
3.5. Methods of Data Analysis	26
4. CHAPTER FOUR – DATA PRESENTATION, ANALYSIS AND INTERPRETATION	27
4.1. General Characteristics of Respondents	27
4.2. Employee Relation Practice.....	30
4.3. Tripartite Relation.....	39
4.4. Labor Union.....	41
4.5. Solving Problems	44
5. CHAPTER FIVE - SUMMARY, CONCLUSION AND RECOMMENDATIONS	45
5.1. Summary	45
5.2. Conclusion.....	48
5.3. Recommendation.....	50
References	52

Abstract

This research work is designed to assess employee relation practices of National Tobacco Enterprise (Ethiopia) Share Company. 248 employee and management members are selected using cross sectional sampling methods. In this research with the objective of assessing employee relation practice the following questions are raised: existence policy and procedure to guide the practice, Major employee relation issue that affect employee relation, how conflicts are resolved, how does the tripartite agreement help in resolving conflict. To gather information for the study questionnaires with close and open ended are used. Accordingly, a total of 248 questionnaires were distributed both to the management and employees and interview was conducted with six top management members (Department managers and service heads) and four labor union representatives (Labor union head and other executive committee members) the data collected were analyzed using SPSS software. On the basis of the data obtained from the respondents, the study identified: the enterprise has employee relation polices and procedure and the enterprise has also place importance to employee relation issue, employee relation issues like health and safety, learning & development, fair and just treatment and financial benefit are found to be very important for employees, the enterprise also has good employee relation practice. The study also identified existence of tripartite agreement in the enterprise that manifested by respecting and understanding the concern of each parties and maintaining honesty and openness among both employer and employee and trade union. In light of the findings, the following recommendations were forwarded. The enterprise need to enhance key employees relation issues related to health and safety, financial benefit, trust and confidence, learning and development; NTE need to prepare implementation strategies for effectively putting in to practice those employee relation issue which causes conflict and also for enhancing issue which strength the employee relation practice; the enterprise need to create awareness as to the importance of tripartite relationship and need to build trust of employee and labor union.

CHAPTER ONE

INTRODUCTION

1.1. Background

Governments attempt to influence and regulate industrial relations with laws, economic policy, rules and agreements. Labor-management relations appeared in the 19th century, as increasing industrialization in Europe and North America as the result of large workforces brought together. It developed as a response to significant economic, political and social changes. Initially labor-management relations characterized all interactions between employers and employees. This includes human resource management, employee relations and union-management relations. This interpretation of the term represents its broad scope. Later, however, the meaning of the term narrowed to a restricted area of employee-employer relations. It excludes human resource management, which in the 21st century is a separate field that covers non-union employment relationships as well as the staff practices and policies of employers that is the development of employee relation theories which comprise both types of employee relation the industry and non industry or non union (David Fairris, 1997).

According to Edwards, P.T. (2010) employee relations involves the body of work concerned with maintaining employer employee relation that contribute to satisfactory productivity, motivation, and morale. Essentially, an employee relation is concerned with preventing and resolving problems involving individuals who arise out of work situations Management shall provided information to employees to create better understanding of management's goals and policies to enhance harmonious employee relation. Feedback is a means to healthy employee's relation in correcting poor performance, and to address personal issues that affect them in the workplace.

Employee relations are related to the three solutions to labor problems: personnel/human resource management; trade unionism and collective bargaining and government legislation. Labor-management relations aim to protect the interests of labor and management. It targets the highest level of mutual understanding among all party which takes part in the organization

process. It seeks to prevent conflict and works for harmonious relations, a key factor in the productivity of the staff and to the organization progress. Among worker-management relations' objectives are: increased productivity; enhanced worker efficiency; the establishment and promotion of work place democracy; the elimination or reduction of the number of strikes or lockouts via the provision of reasonable wages, enhanced living and working conditions and certain benefits; the improved economic conditions of workers in the existing state of industrial managements and political government (David Fairris, 1997).

According to Torrington and Hall (1998) employee relationship refers to the relationship between employees and management as a framework of organizational justice consisting of organizational culture and management style as well as rules and procedural sequence for grievances and conflict management indeed, the objective of employee relationship is to achieve harmonious employee relations and minimize conflict practices in employment.

Flint, James (2002) stated that organizations effectiveness is based upon effective employee relations, and these are based upon trust. Trust could be build only based relationship at a time. But this kind of partnership can multiply more rapidly if an organization behaves in accordance with certain shared values, focusing on honesty, respect, empowerment, collaboration, transparent behavior, and open communication. Accordingly, relationship continuum exists, a series of stages in the evolution of how employee and management choose to relate to one another. The relationship continuum, as a model, is both descriptive and prescriptive. It is descriptive in that it identifies the status of the labor-management relationship by showing at which stage the relationship currently stands. It indicates whether it is effective and based upon the positive values we have described, or whether it is characterized by resentment.

1.2. Background Information of the Enterprise

According to the strategic plan document (2012) National Tobacco Enterprise (Ethiopia) Share Company NTE was established as per the Tobacco Regie Act No.30, 2nd year “NegaritGazette”, No.2/1935 as “Imperial Ethiopian Tobacco Monopoly” at a cost of 50,000 ‘Mariatereza’. It

started its work with a single cigarette machine and one branded product, “Nigusu”. The production capacity of this machine was 300 pieces per hour.

In 1981 the Enterprise was re-structured by proclamation No.1971/1981 and has become the “National Tobacco and Match Corporation” with the capital expenditure of 80 million Ethiopian Birr. Later, the Enterprise has again been re-organized as “National Tobacco Enterprise” in accordance with proclamation No. 37/1992. By this proclamation, it has been given an exclusive right to produce, process, manufacture, distribute, import and export tobacco and tobacco products in Ethiopia.

In 1999, the Enterprise has once again been re-organized as a share company pursuant to the Privatization Proclamation Act No.146/1998. With the sales of shares to private investors, the ownership structure of the Company was changed and its Memorandum of Association and Articles of Association were accordingly amended and adopted in accordance with the relevant provisions of the Commercial Code of Ethiopia as of January 2001.

The share capital of the company is Birr 250 million that was fully subscribed and paid up at the time of formation. With share participation of private investors, 78% of the total paid up share capital has been maintained by the Ethiopian Government while the remaining 22% are owned by private foreign shareholders.

Table 1.2 Profit plan and achievement on NTE between years 2009 and 2013

No	Budget Year	Targeted Profit (Birr)		Actual Profit in (Birr)		%
		Before Tax	After Tax	Before Tax	After Tax	
1	2009	157,597,762	110,768,433	165,583,790	115,716,154	104
2	2010	160,183,021	112,128,115	179,444,450	125,820,471	112
3	2011	175,371,152	122,759,807	245,066,522	171,398,484	140
4	2012	252,333,297	176,633,308	281,168,646	195,315,125	111
5	2013	280,000,000	196,000,000	319,500,029	223,650,020	114

Source: National Tobacco Enterprise (Ethiopia) S.C annual reports (2009 – 2013)

As shown in the table 1.2, the share company has successfully attained its profitability targets in the last five consecutive years, where highest profitability (Birr319,500,029, before tax or 223,650,020 after tax) was registered in the year 2013, and the minimum amount (Birr 165,583,790 before tax or 115,716,154 after tax) was obtained in the year 2009.

Currently the company is striving to maximize its profitability and increase the satisfaction of its internal and external stakeholders through expansion of local market share and combating illicit trade, with consistent improvement of its manufacturing process and developing new /expanding existing tobacco leaf cultivation and factory expansion projects.

The realization of agriculture and factory expansion and optimization projects demand motivated, engaged and committed staffs at all levels in the organization hierarchy through implementing harmonious employee relations based on trust and confidence. Harmonious employee relations is spring for employee engagement and commitment which is sign of productivity and motivation, moreover it enable cooperative and flexible bargaining ,smooth communication between employees and management, between superiors and subordinates, between trade union and management, and among workers. In 2013 year alone 94 qualified /experienced employees from different positions left the share company, furthermore 71 disciplinary measures were taken on employees and 45 grievance lodged by employees.

1.3. Statement of the Problem

The great corporate challenge of the age is harnessing the creativity and the productivity power of people. The employment relation thus of strategic significance .The success of any business organization depends to a great extent on the relationship between the employees and employer. Some of the issues of relation are salary pay, proper incentives, learning, carrier development, effective communication, the work environment, disputes, work schedules, grievances, health and safety, work environment, hours of work, social needs, production targets, productivity, profitability, growth, cost reduction, efficiency and effectiveness, involvement, fair and just treatment (Bibhuti B.M., 2010, Stephen Overall et al, 2010).

When employees satisfied with employee relation practices it create trust and confidence and this in-turn pave the way to cooperative and flexible bargaining ,smooth communication ,realistic

work arrangement. Harmonious employee relations contribute to employee engagement and commitment which is sign of productivity and motivation. Trust has a central role in developing effective communication and openness in the relationship between employees and management, between superiors and subordinates, between trade union and management, and among coworkers in the workplace (Thomas et al., 2009, Bibhuti B.M., 2010, Tourish et al., 2004, Morley, Webb and Stephenson, 1988, Flint, James, 2002).

Essentially employee relations are concerned with preventing and resolving problems involving individuals which arise out of or affect work situations. The absence of good employee relation between employee and employer will result in dissatisfaction, that expressed in grievance, change in behavior, absenteeism, slow performance, loss of commitment, high turnover (Morley, Webb, and Stephenson, 1988).

National Tobacco Enterprise (Ethiopia) Share Company is a highly profitable and consistently growing company that works in stable work environment and market. And also it has different benefit packages for its employee and has good working relation with labor union. Though, these factors expected to contribute highly for having effective employee relation. However the preliminary investigation done through interview, grievance and disciplinary records indicates there are employee relation problems in the enterprise. The outcomes of these critical problems are basically expressed by dissatisfaction and turn over (NTE annual report, 2003, NTE survey report, 2013).

Therefore, the purpose of this project study is to assess the employee relation practices at National Tobacco Enterprise (Ethiopia) Share Company and pinpoint the relation aspects or issues and cause those adversely affect productivities, motivations, trust, engagement, Commitment and smooth employer and employee relation. This study enable NTE to identify whether there is relation problems or not, and in case of problematic condition to identify the root cause of the problems that manifest in terms dissatisfaction, high turnover, grievance logged and less productivity. It also helps NTE for preparing strategies for alleviating employee relation issues those adversely affecting smooth employer and employee relation and future direction of employee and employers relation. The conclusion and recommendation part of the study may

show the relative position of NTE employee relation practice and forward alternative for improvement.

1.4. Research Questions

This research intends to address the following questions:

1. What is the level of employees' satisfaction with employee relation practice in relation to issues such as guidance, encouragement and support provided by their manager/supervisor?
2. What are the major employee relations issue in the enterprise and how do they affect employee motivation and productivity?
3. What are the perceptions of the employee and/or management regarding good employee relations practice in the enterprise which constitutes trust, confidence, good communication and realistic working agreements?
4. How are conflicts resolved in NTE on the understanding of productivity bargaining that based on integrative or cooperative bargaining assumptions?
5. What is the contribution of the tripartite agreement towards improving employee relation?
6. What challenges and opportunities do employees and /or management have in the organization to achieve harmonious employee relations and minimize conflict in employment?

1.5. Research Objectives

This study has the general objective of assessing Employee Relation of National Tobacco Enterprise (Ethiopia) Share Company. With the above general objective, the study will have the following specific objectives:

1. To identify the nature and level of various employee relations practices those have effect on motivation of employees and productivity of the Enterprise.
2. To assess the challenges faced and opportunities available /to employees and Employer at work places in order to achieve harmonious employee relations and minimize conflict in employment.
3. To identify possible ways of enhancing healthy relationship between employees and employer that is based on productive negotiating process.
4. To evaluate conflict resolution methods that involve the negotiating process by which each side seeks to persuade the other party as to the importance of their case and its effectiveness.
5. To asses various factors that can affect the employee relation and of the employee and their perception.
6. To discover how much the management and employees understand the contribution of employee relation and what employee expect /perceive it.
7. To assess the gap between expectations and practice to provide practical experience evidence that will inform an improved relation and to initiates the enterprise to reassess its existing practices and put a renewed emphasis on this core human resource practice with a view to maximizing its benefits.

1.6. Significance of the Study

On the basis of the findings of the study, this project draws some conclusions and identifies associated problems with employee relation practice that contribute for high turnover, grievance and disciplinary measure and to lay grounds for the enterprise to take corrective action.

It can also helps the enterprise as a resource material to effectively manage the employee relation practice in order to improve motivation of employees and their productivity; search appropriate strategies for enhancing employee relation practice, focusing on employees' satisfaction, motivation and productivity, trust, confidence, communications procedure, good interpersonal relations, realistic working agreements, effectively use conflict resolution methods, integrative or

cooperative flexibility agreement, tripartite agreement, harmonious employee relations, minimize conflict and improve healthy relationship or social capital and ultimately committed and engaged skilled competent work force. Finally it can also secure as a reference for individual to complete to their study regarding employee relation.

1.7. Scope and Limitations of the Study

1.7.1. Scope of the study

Although the enterprise has four tobacco development farms; namely Hawassa, Billatie, Wolayita and Shawa Robi tobacco farms across the country, the study is only focused on employees of head office of the enterprise at Addis Ababa.

1.7.2. Limitations of the study

The main problem that this finding falls was the lack of enough literature on the issue in Ethiopian context. As a result of this the study forced to depend on foreign literatures & practices.

1.8. Definition of Key Terms

Tripartite agreement is cooperation between employers, employees and government to work in collaboration and through consultation and discussion; resolve employment-related issues of common concern. It helps detect potential labor relations problems at an early stage and through the concerted efforts of employers, employees and government alleviate problems without third body involvement.

CHAPTER TWO

LITERATURE REVIEW

2.1 Employment

Edwards, P.T. (2010) argue that there is difference between employment and work. Based on his argument, employment unlike work, which can be paid or unpaid, performed in a market or outside one; basically employment calls for an economic exchange between two parties and situates people within a market. According to the International Labor Organization (ILO), the employment relationship is usually considered as involving full-time work, under a contract of employment. The legal structures that are built around the employment relationship focus both with ensuring labor markets operate smoothly and with the need to protect employees from unfair practices and in-turn improve productivity. It is believed that, business leaders do not generally regard staff as ‘commodities’ and often invest considerable effort and resources in avoiding that impression. There is different perception among workers regarding employee relationship. Thus, staffs differ widely in their needs and wants from work with some preferring a less involved form of work than might be implied by the term. The governing fact of employment is the intertwined relationship between worker and employer and the interdependency among them.

It is also worth understanding that, employment bring to employee a wide variety of benefits, not only the obvious benefit of earning income, but also the employer’s investment that enables employees to further develop their potential , perhaps through the acquisition of new skills and responsibilities. There is also general understanding concerning the fact that there is an ever-present conflict between the tradeoff for employers to control their employees and releasing innovation and creativity amongst those employees. Imposing control and releasing creativity involve very different approaches. While tight control is costly and reduces the capacity for innovation and creativity, relinquishing control carries with it the danger that incompatible objectives are pursued within different parts of the organization (Edwards, P.T., 2010).

Edwards, P.T. (2010) asserted that although the ‘clash of interests’ is gradually decreased as compared to earlier period and that goals are today at least to some extent shared, it would be improper to assume that such a situation is inherent in the employment. Theory and practice asserted that even though employers and employee have good working relationship, they often want quite different things from employment. An essential tool for managing the deal is the contract of employment and making a contract presumes freedom of choice. Freedom of choice in employment is often limited for a number of reasons. Due to economical and other factors the employee has lower negotiation power as a result employee will take what work is available to them since they have to work in order to live. On taking up a job offer the employee agrees to assign the right to be directed and controlled towards particular ends. In employment it is the employer who possesses ‘residual decision-making rights’ – meaning the employer has final say over the actions or outcomes that were not specified at the outset of the contract. In addition, the ‘work-wages bargain’ theoretically privileges the employer’s interests.

Edwards, P.T. (2010) also bring in to light the idea of “‘psychological contract” that arise due to the peculiar nature that exists between employer and employee. The psychological contract refers to the perceptions of employer and employee about what their mutual obligations are towards each other. Notions of the psychological contract have the additional advantage of bringing to the fore the often neglected. It can be understood that, the employment relationship is changing, and has an individual psychological element that cannot be adequately captured in a written contract. The employment relationship extends beyond the ‘psychological’ and is embedded in wider social structures.

2.1.1 Legal framework for employment

In our country the guiding legal framework of employment relationship for commercial entities is Labor proclamation No. 377/2003. Article No. 4 of this proclamation explain about employment relation. According to the article, employee relation is established between the agreement of employee and employer where by the employee agree to perform work for employer for definite or indefinite period or piece work in return for wages. The proclamation cautions that a contract of employment shall not be concluded for the program of unlawful or immoral activities. Furthermore Article No. 23 of this proclamation state that a contract of

employment shall only be terminated upon initiation by the employer or worker and in accordance with the provisions of the law or a collective agreement or by the agreement of the two parties. The amalgamation or division or transfer of ownership of an undertaking shall not have the effect of terminating a contract of employment.

2.2 Employee Relations

Edwards, P.T. (2010) tried to assess the fact that Employee relations can be understood as set of activities which deals with ensuring employer-employee relationships that aims at bringing satisfactory productivity, motivation, and morale. Basically, an employee relation is concerned with preventing and resolving problems involving individuals who arise out of work situations. In this relationship supervisors are expected to correct poor performance and shape employee misconduct. With this regard progressive discipline and regulatory and other requirements are essential for effecting disciplinary actions and in resolving employee grievances and appeals. It is very important for the management to provide information to employees so as to create better understanding of management's goals and policies. The employee relation practice will be more effective when feedback is forwarded to employee because it assist employees in correcting poor performance, and to address personal issues that affect them in the workplace.

Edwards, P.T. (2010) also state the importance of good work and what is regarded as good work:

Good work is a work that is rewarding for employees, employers and society. Good work provides: secured and interesting jobs; choice, flexibility and control over working hours; autonomy and control over the pace and timing of work and the working environment; a say in the critical decisions that affect their futures; and an appropriate balance between effort and reward. From a business perspective, good work is: productive and efficient; aims to involve and engage employees and to encourage their contribution to organizational success. And from a society perspective, good work is socially aware, ethical, and sustainable. It provides the impetus for wider social gains, including improved quality of family life, social skills and citizenship.

A case study conducted by Michele A. and other writers indicate that the relationship between supervisor-employee are asymmetric in nature and the emotional relationships between employees and his/her immediate supervisor can lead to conflict. In such relationships, the supervisor faces serious conflicts of interest, and better to distance him/her from any employment decisions involving the employee. Failure in part of the supervisor to do so will be cause of conflict and unethical response to ward its employee obligation (Michele A. et al. (2006).

Amy Delpo& Lisa Guerin (2007) asserted that there is positive relationship between having good employee relation and chance of hiring competent employee from the labor market. Employer who has reputation for fairness and good employee relations has an advantage in hiring and recruiting talented personnel. On the other hand, on the absence good word of mouth once and fires or disciplines employees without good reason, employers will face difficulties in recruiting talented new employees from market.

Paul R. Sparro& Cary L.Cooper (2003) pointed out that after the Second World War most large organizations introduce the system of internalized employment relationships based on four broad principles. These principles include : work was organized around principles of scientific management with low-skill entry tasks and internal labor markets to provide skill formation; for practical purposes managers had a job for life subject to minimally acceptable performance and the business survival of the organization; shareholders and employees took the risk with respect to business outcomes; and systematic rules and a personnel bureaucracy provided important criteria for employment relationship decisions

According to CIPD (2012) employee relations continue to be a critical area for HR to manage. Large employers need representative structures in order to be able to communicate effectively with their employees. The public sector show a strong commitment to working in partnership with their trade unions and this was reflected in both formal and informal contacts and committee structures. The general view was that organizations needed to be capable of dealing with employees on both an individual and a representative basis.

2.3 Employee Relations Issues

According to Hewitt (2004) employee relations generally deal with avoiding and resolving issues concerning individuals which might arise out of or influence the work situation. Maintaining healthy employee relations in an organization is a pre-requisite for organizational success. Strong employee relations are required for high productivity and human satisfaction. Strong employee relation depends upon healthy and safe work environment, involvement and commitment of all employees, incentives for employee motivation, and effective communication system in the organization. Healthy employee relations lead to more efficient, motivated and productive employees which further lead to increase in profitability. Good employee relation signifies that employees should feel positive about their identity, their job as well as about being a part the organization. Despite the importance of strong and healthy employee relations, there are circumstances in the life of every organization when employee and management relations are hampered. Employees expect from the management to provide them a safe working environment, fair treatment, proper incentives, participation in decisions, and needs satisfaction. The failure on part of management to meet these expectations is termed as employee grievance. All the above mentioned organizational employee issues influencing employees relation must be carefully tackled. An optimistic approach to strengthen disciplinary culture rooted on shared norms of employees should be adopted.

2.3.1 Work place practices

According to Government of Canadian report (2012) workplace practices are the proclamation, procedures, and rules and practices affecting the way of work gets performed in the organization. They include recruitment and promotion, discipline and grievance, termination, compensation, and practices that affect working conditions, such as employee participation

2.3.2 Safety and health

According to Government of Canadian report (2012) companies are realized the contribution of promoting the highest degree of physical, mental and social well-being of their employees and the protection from risks to health caused by working conditions for harmonious employer

employee relation. Major workplace health issues include stress, smoking, the inability to balance time to work and family, and lack of involvement in workplace schedules and environments. Health and safety concerns of employees can rise over hazardous equipment, processes and substances employed by the company. Employees involvements are paramount important for minimizing hazardous condition and promoting positive health and safety culture , this in turn can help company to attract and retain employees, it also reduce the health care costs associated with disability, medicine and absenteeism, and improve morale. Company Success is dependent on management commitment, employee engagement, adequate resources and a healthy workplace policy that sets the tone and direction.

2.3.3 Training

According to Government of Canadian report (2012) well planed continuous off the job and on the job training is basic for employee's skill up grading, it help employees to succeed in their current job and future responsibilities within the company. Investments in employee training and development can help on building the firm's overall capacity, it enabling to achieve its business goals. Business institution well organized in training and development program can result in greater employee satisfaction, fostering employee loyalty, and generating business benefits. Training could be on the job or off the job or both, the company may or may not paid educational leave, tuition reimbursement, in case of reimbursement employee may obliged to sing contract of after training service for some sort of years. There are many ways to deliver training, including classroom training, e-training via mentoring, coaching, and support for professional.

2.3.4 Living Wage

According Government of Canadian report (2012) employers can demonstrate their social responsibility, while also improving employee relations by paying a wage that matches the cost of living, in other words a living wage. A living wage is the wage employees with families need to earn based on the actual costs of living in their community

2.3.5 Healthy employee relation issue

According to government of Canadian report (2012) company that capable to timely address employee relation issue at satisfactory level will enable to motivate its employees. Employers of motivated employees could outperform their competitors in customer satisfaction, revenue growth and overall profitability. Properly addressing employee relations issues mean many benefits to business. They include:

- Increased employee satisfaction, resulting in lower turnover, improved ability to cope with change, increased productivity, significant savings and knowledge retention
- Better name recognition, improved reputation and larger talent pool, resulting in reduced recruitment costs and more voluntary applications
- Reduced absenteeism, injuries, accidents, disability and compensation costs, healthcare and life insurance costs, temporary employee training costs, property damage costs, fines and insurance premiums
- Increased staff skills and competencies.

2.3.6 Performance management

According to Amy DelPoand & Lisa Guerin (2007) performance management system is well design when it links organizational objectives to job objectives. Basic issue must be examined before designing performance management system are the priorities of organization, each employee contribution to achieve them, results expected by the organization from employees and ways managers communicate throughout the organization about performance expectations and goals. Performance management processes operate on a continuous basis. Therefore, they provide perhaps the best ongoing opportunities for employers to foster employee engagement and commitment. Through performance appraisal it possible for employer to assess employee's aspirations and to take due care in planning career development of the company. Through performance management without inquiring into an employee's personal life, a supervisor can nevertheless explore ways to enhance the compatibility between the worker's commitment to the organization and the employee's other life commitments. A performance evaluation system has benefits that reach beyond the organization relationship with its employees. An effective

evaluation system will help to achieve these ends and more. Indeed, a performance evaluation system provides a solid foundation for all aspects of the employer/employee relationship, helping the organization to:

- Evaluate that employee's strengths and weaknesses.
- Reward good employees, thereby fostering loyalty and providing motivation to those employees to continue to work hard and achieve.
- Keep employee morale high through continuous feedback.
- Stay on top of the needs of the workforce, which increases employee retention productivity, and innovation.
- Reduce legal risk by ensuring that employees feel that they are treated fairly and are not surprised by management decisions.

2.3.7 Grievance procedures and internal dispute resolution

According to non-profit Risk Management Center report (2014) grievance handling procedure is an internal mechanism for resolving disputes without third party involvements. Internal conflict procedures provide an outlet for employees' to express their dissatisfaction at the workplace. The existence of internal conflict handling procedure gives chances of hearing for employees and feedback for the organization on the status of employee relation. Beyond resolving employee complaints internally without additional cost and time the procedure lesson the organization on ranking employee relation issues based on their severity as source of conflict. Employees will feel fairly treated if they have had an opportunity to loge their complaints and participate in the conflict resolving process. Whatever the mechanism, an internal dispute resolution procedure is helpful because it provides an outlet for employees' concerns.

According to Marilyn Pincus (2004) grievance or complaint procedure gives the employee room for hearing its complaints and to be part of the resolving process, and it can be helpful for management by exposing misunderstandings to be addressed before the conflicts spin out of control. The goal of internal dispute resolution is to solve the problems at the lowest level possible, so that workplace disputes don't escalate into legal actions. In any situation, as part of a manager/employee relationship, the potential for a clash of motivations, fears, competencies, and

communication styles is always present. More flexible working relationship between employer and employees requires trust and confidence among employees and between employee and employer.

2.3.8 Engagement

According to R. J. Vance (2006) engagement is the output of employees' satisfaction with employee relation practice of the company; engagement is source employee satisfaction on their work and pride in their employer. Employees place great importance to the fact that the extent to which people are recognized their contribution to company success and employer perception their work as adding values. When employee heartily determined by their engagement, the more likely he or she is to "go the extra mile" and deliver excellent "on-the-job performance." Employees to go extra mile and deliver excellent performance they must stayed in the company. So by implication engaged employees are committed to staying with their current organization. Employers' increasing interest in engagement is reflected in their high level of concern on level of employee satisfaction with employee relation practice and its impact on the company performance. The main concept of the term engagement on the context of human resource management is focuses attention on the psychological contract. Engaged employees show commitment, make a willing contribution, help others, are absent less often and are less inclined to leave. Human capital management provides a framework within which more organizations are likely to rediscover the significance of employee inputs to business effectiveness. It is evident that a wide range of people management and development activities, including job design, training and careers, can contribute to engaging employees. Genuine engagement as per employee relations concept, it is the heart of the high performance model.

2.3.9 Commitment

R. J. Vance (2006) examined that commitment in the context of employee relation is both a willingness to stay in the current company and reluctance to search other job outside the current employer, rather a sense of obligation to stay the company. People usually experience and express positive feelings toward an entity or individual to whom they have made a commitment. Commitment has a rational element: Most people consciously decide to make commitments, then they thoughtfully plan and carry out the actions required to fulfill them.

R. J. Vance (2006) also asserted that dramatic changes in the global economy over the past 25 years request harmonious employee relation for the sake of being competitiveness, that is mutual involvement of employers and employees on the improvement of employee relationship and thus for employee engagement. Although restructuring helps organizations compete, these changes have broken the traditional psychological employment contract and its expectations. Employees have realized that they can no longer count on working for a single employer long enough to retire unless they are attracted by their relation. With less attention to mutual involvement on the employee relation issues those are possible cause conflict, workers have to felt and show less commitment to their employers. Companies have to have broken both formal and traditional psychological employment agreements and struggling to craft effective strategies for reviving employees' commitment and thereby revitalizing their engagement. Employee with high organizational commitment shows three observable patterns of behavior those are, employee exhibiting same patterns of behavior, they attribute these patterns to commitment and then it is possible to say that individual is committed. More recently, these behaviors have been termed "organizational citizenship behaviors".

2.3.10 Trust and engagement

According CIPD report (2012) trust resides within relationships and it comes from seeing and experiencing behaviors which enable us to trust the other party. In organizations, these relationships are often complex. Building employer and employee relation on trust is crucial to positive employee engagement. Trust between middle and senior managers, and between the line and HR, in workplaces with employee or union representatives; trust is imperative between representatives, HR and the management team if you wish to have a constructive relationship which supports the business. Employee need to feel trusted by his manager and colleagues. Trust needs to be nurtured, developed and embedded within all of these relationships. Lynda Gratton, (2000) described trust as "one of the most precious commodities a community or an organization can have". She goes on to say "it lubricates relationships and the exchange of knowledge and is crucial to cooperation". Trust helps to brings together employer and employee, and works together. Trust is both a byproduct and a necessary prerequisite for engagement .This loss of trust is a serious issue for organizations.

According to CIPD report (2012) there are many well documented economic benefits of developing trust within organizations. Employees who trust the organizations, their work demonstrate their trust behaviors such as sharing information and working well in teams. These employees also have higher levels of job satisfaction, are more likely to recommend their employer to others and are less likely to leave the organization. Employees are also less likely to resist change if they trust their employer. Dix and Oxenbridge (2003) “Trust is at the heart of good employee relations and engagement.” MacLeod and Clarke (2009) “Leaders create the climate by their own actions and behaviors, and how they are perceived has a significant impact on trust in the organization as a whole.”

CIPD report (2012) also stated that there is consensus that the key relationship that affects trust throughout the organization is the relation between the line manager and the employee. Trust could be developed if manager demonstrating consistent day to day behaviors in giving feedback, setting goals and demonstrating concern for employee wellbeing and showing trust for employees. Trust is vital for genuine employee voice. Without trust it is difficult to imagine openness, no way employees or their representatives would be open and honest about their views without trust. In a culture of distrust it is highly unlikely to imagine that managers shared information is fully understand by employees. CIPD report (2011) stated that “lack of trust on both sides was the second biggest obstacle to effective partnership working between managers and union representatives.” In high trust relationships, union representatives are involved in the early stages of decision making. Both parties see an opportunity to solve a problem rather than blame the other for the problem or seek to push the problem through a formal and often expanded structure or policy. Sharing information and engaging in open and honest dialogue are the types of behaviors that can lead to a culture of mutual trust in union and management relationships.

Trust and engagement are created when:

- Employees informed of strategic business decisions, share business information regularly and who honestly say when times are tough.
- Employers enable employees to contribute to organizational strategy and influence decisions before they are made.

- Managers develop a supportive work climate, admit mistakes and show how they will be doing things differently in future.
- Supervisor trust their teams to develop and implement solutions such as how they manage their time at work and how products or services can be improved.
- Management developed skills so that key behaviors which build trust are reinforced and embedded throughout the organization.
- Using a variety of methods that is direct and indirect for capturing employee voice and then listening and acting upon the ideas of employees.
- Line manager will be the heart of this approach.
- Employees will be trusted to contribute ideas, be innovative and to solve problems.
- Managers listen to representatives' views and explain their decisions.
- Practicing joint problem solving among groups of union representatives and managers to resolve ongoing or pressing issues which will increase cooperation and trust.
- Reviewing employee forums regularly to ensure they are achieving their objectives, address the right issues and that they are a trusted mechanism for employee voice.

2.4 Tripartite Cooperation

Marsden & David (2012) asserted that tripartite cooperation plays an important role in promoting harmonious labor relations. The involving parties in tripartite cooperation are representatives of employers, employees and the government, they have to work in collaboration and through consultation and discussion; resolve employment-related issues of common concern. Through tripartite cooperation it is possible detect potential labor relations problems at an early stage and through the concerted efforts of employers, employees and the government, resolve such problems at early stage; can facilitate mutual understanding of employers and employees on issues of common concern and reaching consensus through tripartite efforts; can set commonly accepted standards on employment related issues to accommodate the specific needs of individual industries; can forge partnership between employers and employees toward workplace cooperation; and can foster long-term development of the industry which in the end will benefit both the enterprises and the employees.

According to Stein, .S. J. and Book, HE. (2000) tripartite consultation has been used in various countries to provide a broad framework for labor-management approaches, to productivity and cooperation in the workplace and for setting broad guidelines on productivity improvement strategies at the national and enterprise level. At the national level a key requirement for productivity and competitiveness is a stable industrial relations climate. A stable industrial relations climate inspires investor confidence, leads to the creation of well-functioning labor markets, and creates the social capital that allows social sector actors to jointly formulate visions and implement agreed upon strategies and policies. Employees, employers, and society can play central role in the building process of health employee relation. Changing the previous way of conflict resolution could be realized by new tripartite relation. The new way of relation will be successful if and only if all parties sufficiently recognize the legitimate interests of others stakeholders.

2.5 Bargaining

Amy DelPo and Lisa Guerin (2007) examined that all workers have certain rights and often through unions negotiate additional rights. Collective bargaining agreements are detailed contracts between the union and the company, internal grievance procedures are one part of the collective bargaining agreement. The bargaining may typically include about pay, performance, discipline, and other personnel matters. If the workplace already has collective agreement, the union may adopt as an effort to replace this by new agreement that provide better right for employees. Severance pay or other benefits to fired workers are part of the bargaining agreement.

2.5.1 Legal framework of employee relation in Ethiopia

According to Labor proclamation No. 377/2003 Article No. 141 when a dispute rise concerning matters of

- Wage and other benefit.
- Establishments of new condition of work.
- The conclusion, amendment, duration and invalidation of collective agreement.
- The interpretation any provision of this proclamation, collective agreement or work rule.

- Procedure of employment and promotion of worker.
- Mater affecting the worker in general and the existence of undertaking
- Claim related to the reduction of worker are important matters that required interference of the government to resolve the dispute. Accordingly Ministry of Labor and Social Affairs is responsible for the assignment of conciliator who works to bring settlement of the case.

In respect of matters specified under Article 142 is reported to the Ministry of Labor and Social Affairs either on the disputing parties, it shall assign a conciliator to bring about a settlement of the case. The Ministry may assign conciliators at the national & when necessary at the district level (Ethiopian Labor proclamation No. 377/2003).

2.5.2 Collective bargaining and agreements in the Ethiopian context

According to Labor proclamation No. 377/2003 Article No. 124, 128 & 129 collective agreements mean an agreement concluded in writing between one or more representative of trade union and one or more employers, agent or representatives of employer or organization. Collective bargaining also mean a negotiation made between employers and workers or organization or their representative concerning condition of work or collective agreement the renewal and modification of the collective agreement. Matters concerning employment relation and condition of work as well as relation of employers and there with workers organization may be determined by collective agreement. Matters inter alia, be determined by collective agreement are:

- Matters left by the provisions of this proclamation or other laws to be regulated by collective agreement,
- The conditions for protection of occupational safety and health and the manner of improving social services,
- Workers participation, particularly, in mattes regarding promotion, wage, transfer, reduction and discipline,
- Condition of work, the procedure for making work rules and grievance procedures,
- Arrangement of working hours and interval break times,
- Parties covered by the collective agreement and its duration.

Morley, *et.al* (1988) described that, from a social psychological perspective, focus should be given in particular on explaining the role of bargaining and arbitration in the resolution of conflict. Negotiation is a means by which social order is constructed. It is generally agreed that good industrial relations comprise the following elements: Trust; confidence of employees in management and of management in employees; good interpersonal relations between all those involved; realistic working agreements and arrangements and willingness to work together.

Stein, S. J. and Book, HE (2000) asserted that respect and appreciation of employees derived from their co-workers and employers helps to determine the internal work environment. The term work environment encompasses many different aspects such as: physical work environment, management's attitude toward employees, and relationship with colleagues, and working conditions.

Green (1994) examined that productivity bargaining involves a situation where both sides gain something. The assumption is that employees agree to make changes that lead to more efficient and effective working. Improved efficiency will lead to economic growth, which will in turn afford increases in employee income. This changes the nature of negotiation, which in the past involved trade-off that is, one concession against another gain.

Productivity bargaining may involve the following considerations:

- ❖ Flexibility – employees can be moved around as demand dictates as opposed to being routed to one machine or system, which may at times stand idle.
- ❖ Nature of work – elimination of the practices of demarcation, that is, where no one could do the work defined as that of another group.
- ❖ Overtime – overtime can be used to keep staffing levels down, achieves more flexibility on labor hours. However overtime can be costly. By reorganizing hours of work, output can be maintained at lower costs.
- ❖ Productivity agreements can lead to:
 - Increased pay related to increased savings and/or output.
 - Reduced hours of work/longer holidays.
 - Fringe benefits, such as improved sick pay and pension arrangements.

- Increased job satisfaction due to job enlargement or rotation.

Unlike traditional bargaining, productivity bargaining cannot guarantee a fixed increase in standard of living in the face of inflation, because by definition it is based on results to be obtained in the future. Productivity bargaining is based on integrative (or cooperative) bargaining assumptions, whereby each side has a vested interest in the same proposals, both the employer and the employee benefit from the flexibility agreement. Such negotiations necessitate more openness and more information on which to base decisions. Productivity bargaining also presupposes joint control of working practices via joint problem solving procedures with neither side assuming a position of greater power of dictation.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research is a descriptive survey methods in which data is collected once across a population through sampling (cross sectional sampling) methods .

3.2 Sample of the Study

The population of interest is all permanent employees of NTE at head office which is 610. In order to identify sub group within a population & to create a sample; stratified sampling was used.

3.2.1 Sampling procedure to be applied

3.2.1.1. Population size

The total number of the population was 610 permanent employees.

3.2.1.2. Sample size

The desired sample size is 235, which is calculated by sampling

Determining method developed by Robert V. Krejcie and Daryl W Morgan.

- $s = X^2 NP (1 - P) \div d^2 (N - 1) + X^2 P (1 - P)$.
- s = required sample size.
- X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).
- N = the population size.
- P = the population proportion (assumed to be .50 since this would
- Provide the maximum sample size).
- d = the degree of accuracy expressed as a proportion (.05)

From the total population:-

- 30 % (183) Administration and Human Resource Department.
- 51.6%(315) Research and Quality Assurance & Factory Operations Department
- 13.3% (81) Sales and Marketing, Supply & Finance Department
- 5.08% (31) Audit, Legal Service, Public Relation, Farm Management and Development, Organization and Methods Service, MR, Planning and Programming Services, IT Services and Ethics Department.

Therefore from the total population percentage across division and the sample size determined (No 2) the study will use 30% (71) of the sample to Administration and Human Resource Department, 13.3% (31) Sales and Marketing, Supply & Finance Department ; 51.7 % (122) Factory Operations Department & Research and Quality Assurance; 5.08% (12) allocated to the rest of the departments using stratified sample.

3.3. Sources of Data Collection

The data for this research has been obtained from primary and secondary sources. The primary data were gathered through questionnaire and interview and its purpose is to obtain the opinion of employees and managers related to employee relation practice and subjected to analysis. The secondary data was gathered from strategic plan of the enterprise, employee relation practice, communication, collective bargaining, grievance records and documents.

3.4. Instrument

A structured interview and questionnaire was used to gather data for analysis. The questionnaire has been pilot tested on selected individual. Employee relation practitioner was consulted to review the questionnaires. Accordingly the questionnaires were adjusted. Interviews were made mainly with management and Labor union officials to obtain data that could not be obtained through the questionnaires.

3.5. Methods of Data Analysis

Descriptive statistics was used as a major method of data analysis. In this regard, SPSS (Statistical Package for Social Science) statistical tool was used for data analysis.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In order to obtain relevant data for the study, a questionnaire was distributed for NTE's employee and management members. Thus, a total of 248 questionnaires were distributed and 236(95%) were properly filled and returned. And the rest 12(5%) questionnaires were not collected due to various reasons.

Semi structured interviews were also conducted with NTE's six top management members (Department Managers and Service Heads) and four labor union representative.

The data presentation and analysis is primarily based on responses of the employees and management members obtained through questionnaires and semi-structure interviews.

After the presentation of the general characteristics of the respondents, the study deals with presentation, analysis and interpretation of data collected from the questionnaire and interview. The responses for the semi-structured interview also analyzed in the relevant topic under each tables. When it is found appropriate missing values, in which respondents did not provide their response to the subject, is also presented on the table. Moreover, the valid percentage, the percentage based on the actual respondents rather than the total sample size is used for the analysis.

4.1 General Characteristics of the Respondents

Table 4.1 below depicted the general characteristics of the respondents. For the sake of simplicity the general characteristics of respondents which includes employee working unit, academic qualification, position in the enterprise, years of service and age are presented.

Table 4.1 general characteristics of sampled respondents

Description		Frequency	Percent	Valid Percent	Cumulative Percent
Department	Factory operations	122	51.7	51.7	51.7
	Administration and HRD.	71	30.1	30.1	81.8
	Sales and marketing.	13	5.5	5.5	87.3
	Finance	18	7.6	7.6	94.9
	Research and quality Assurance	12	5.1	5.1	100.0
Total		236	100.0	100.0	
Academic Qualification	High school Graduate.	66	28.0	28.0	28.0
	College/Technical school diploma.	106	44.9	44.9	72.9
	BA/BSC Degree.	44	18.6	18.6	91.5
	Master's Degree.	7	3.0	3.0	94.5
	Other (please specify)	13	5.5	5.5	100.0
Total		236	100.0	100.0	
Position in the Enterprise	Senior manager.	4	1.7	1.8	1.8
	Middle level manager.	26	11.0	11.4	13.2
	Supervisor.	4	1.7	1.8	14.9
	General staff /non supervisor.	194	82.2	85.1	100.0
	Total	228	96.6	100.0	
Missing	System	8	3.4		
Total		236	100.0		
Service in Enterprise	0-5	39	16.5	19.6	19.6
	6-10	20	8.5	10.1	29.6
	11-20	12	5.1	6.0	35.7
	20+	128	54.2	64.3	100.0
	Total	199	84.3	100.0	
Missing	System	37	15.7		
Total		236	100.0		
Age	<25	10	4.2	4.2	4.2
	25-30	45	19.1	19.1	23.3
	31-35	18	7.6	7.6	30.9
	36-40	12	5.1	5.1	36.0
	41-45	53	22.5	22.5	58.5
	46-50	47	19.9	19.9	78.4
	50+	51	21.6	21.6	100.0
Total		236	100.0	100.0	

Source: Survey result

Table 4.1 shows that among the sample employees, the majority i.e. 51.7% of them work in Factory Operation while 30.1% works in Administration and HRD and the rest 18.2% works in sales and Marketing, Finance and Research and Quality Assurance Departments. The distribution of the respondents is proportional to number of employee in the functional department. As to the educational level, the total figure shows 28% and 44.9% of the respondents are high school graduate and diploma graduate respectively. While 18.6% and 3%, have academic qualifications of BA/BSc and master degree respectively. The rest of employees categorized as others have academic qualification of below grade 12.

Examination of sample employees job positions indicate, the majority of the respondents 85.1% are general staffs who are not assigned on supervisory positions. Concerning to employees service, a high proportion of respondents 64.3% have been working more than 20 years in the enterprise. Similarly data of the age distribution confirm that a substantial number of employees found in age groups 25-30 (19.1%), in 41-45(22.5%), in 46-50(19.9%) and 50+(21.6%).

4.2 Employee Relation Practice

Table 4.2.1 respondent response concerning, the existence and awareness of policy and procedures.

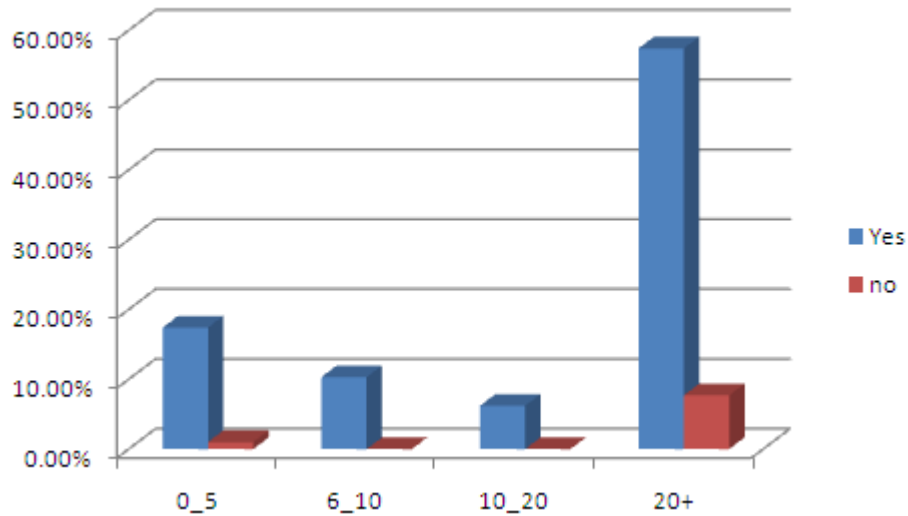
Description	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Is there any employee relation polices and procedure laid out in the Enterprise?	Yes	215	91.1	92.7	92.7
	No	17	7.2	7.3	100.0
	Total	232	98.3	100.0	
Missing	System	4	1.7		
Total		236	100.0		
To what extent you are accustomed to employee relation polices and procedure?	Very much	65	27.5	28.0	28.0
	To some extent	131	55.5	56.5	84.5
	To lesser extent	22	9.3	9.5	94.0
	Not accustomed	14	5.9	6.0	100.0
	Total	232	98.3	100.0	
Missing	System	4	1.7		
Total		236	100.0		
Does the management consider employee relation as one of the strategic concern?	Yes	201	85.2	86.6	86.6
	No	31	13.1	13.4	100.0
	Total	232	98.3	100.0	
Missing	System	4	1.7		
Total		236	100.0		

Source: Survey result

As data on table 4.2.1 shown 92.7% of the respondent confirms the existence of employee relation policy and procedure in the company. Similarly 86.6% of respondents confirm that management of the company considers employee relation as a strategic concern. 628.0% respondents are also accustomed to employee relation policy and procedure to very high extent

and 56.5% of the respondents are accustomed to some extent. In addition to this the interview conducted with top management and labor union gives additional conformance to the existence well developed policy and procedure regarding employee relation, and the management takes the issue as strategic issues.

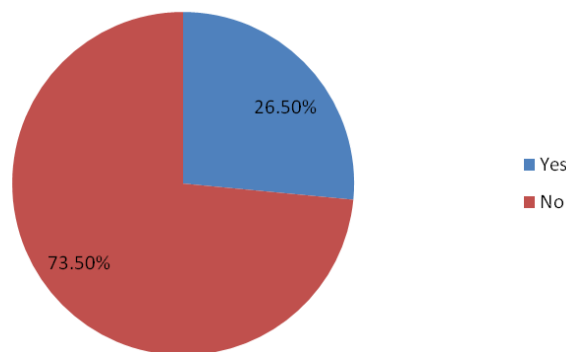
Graph 4.2.1 respondent’s awareness of policy and procedure based on experience



Source: Survey result

As shown in graph 4.2.1 sampled respondents who have been working 20 and above years in the company is more accustomed to employee relation policy and procedure than others.

Pie chart 4.2.1 the existence of employee relation issues which are case of conflict in NTE.



Source: Survey result

Pie chart 4.2.1 reveals that 26.5% of respondents explained that there are employee relation issues that cause conflict. Whereas the majority of the respondents 73.50% stated that there is no employee relation issue which causes conflict.

Table 4.2.2 respondents understanding of frequency major employee relation issues that cause conflict

S.N	Majors employee relation issues	Frequency	Percent
1	Learning & Development	138	58.47%
2	Fair and just treatment	82	34.75%
3	Financial benefits	74	31.36%
4	Health and Safety	68	28.81%
5	Growth and profitability	57	24.15%
6	Career development	48	20.34%
7	Hour of work & schedules	45	19.07%
8	Effective communication	41	17.37%
9	Working environment	41	17.37%
10	Dispute & Grievance	22	9.32%
11	Profitability and cost reduction	20	8.47%
12	Efficiency and effectiveness	13	5.51%
13	Involvement/participation	11	4.66%
14	Production target and productivity	11	4.66%
Total		236	100.00%

Source: Survey result

Table 4.2.2 reveals that employee relation issues such as: learning & development 58.47%, fair and just treatment 34.75%, financial benefit 31.36% and health and safety 28.81% were selected by majority of respondents as cause of conflict. On the other hand, efficiency and effectiveness 5.51%, involvement/participation 4.66% and production target 4.66% were selected by few respondents as cause of conflict.

Table 4.2.3 respondents rank of employee relation issues that cause grievance and complaints based on their severity level.

S.N	Employee relation issues	First Rank			Second Rank			Third Rank		
		Freq	%	Valid Percent	Freq	%	Valid Percent	Freq	%	Valid Percent
1	Financial benefits	17	7.2	13.6	8	3.4	7.1	7	3.0	7.5
2	Learning & Development	9	3.8	7.2	28	11.9	25.0	24	10.2	25.8
3	Effective communication	4	1.7	3.2	22	9.3	19.6	8	3.4	8.6
4	Working environment	3	1.3	2.4	13	5.5	11.6	14	5.9	15.1
5	Dispute & Grievance	9	3.8	7.2	2	.8	1.8	2	.8	2.2
6	Health and Safety	27	11.4	21.6	10	4.2	8.9	20	8.5	21.5
7	Hour of work & schedules	15	6.4	12.0	2	.8	1.8	2	.8	2.2
8	Career development	14	5.9	11.2	5	2.1	4.5	3	1.3	3.2
9	Involvement/participation	1	.4	.8	2	.8	1.8	6	2.5	6.5
10	Fair and just treatment	11	4.7	8.8	13	5.5	11.6	3	1.3	3.2
11	Profitability and cost reduction	2	.8	1.6	5	2.1	4.5	2	.8	2.2
12	Production target and productivity	5	2.1	4.0	2	.8	1.8	2	.8	2.2
	Total	125	53.0	100.0	112	47.5	100.0	93	39.4	100.0
Missing	System	111	47.0		124	52.5		143	60.6	
Total		236	100.0		236	100.0		236	100.0	

Source: Survey result

As stated on the above table respondent's ranked health and safety as first by 11.4% & financial benefit as second by 7.2%. The secondary data from exist interview also confirms that health & safety as well as financial benefit as the driving force for employee turnover. Profitability and cost reduction is ranked last by 0.8%.

Table 4.2.4 responses of sampled respondents on the existence of healthy employee relation in NTE

Reasons for Healthy Employee Relation in NTE	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
There are high trust & confidence	35	15.8	102	45.9	37	16.7	37	16.7	11	5.0	222	100.0
There is cooperativeness	63	27.8	145	63.9	12	5.3	7	3.1	.0	.0	227	100.0
There is smooth communication	64	28.4	137	60.9	12	5.3	7	3.1	5	2.2	225	100.0
There is employee engagement and commitment	92	39.8	111	48.1	25	10.8	3	1.3	.0	.0	231	100.0
There is productivity and motivation	120	50.8	113	47.9	3	1.3	.0	.0	.0	.0	236	100.0
There is good interpersonal relationship between: Employees and fellow colleagues.	91	40.1	111	48.9	12	5.3	11	4.8	2	.9	227	100.0
There is good interpersonal relationship between Employees and supervisors/managers	83	35.8	110	47.4	18	7.8	12	5.2	9	3.9	232	100.0

Source: Survey result

Table 4.2.4 show 61.7% of the respondents are agreed on the existence of high trust and confidence which has contributes for healthy employee relation in NTE. On the other hand, 21.7% of the respondents believed on the contrary, the remaining are indifferent. Similarly, 91.7% of the respondents agreed that the existence of cooperativeness contributes to healthy employee relation in NTE. On the other hand 3.1% of the respondents disagree on the existence cooperativeness in the work place, the remaining are indifferent.

On the same way, 89.3% of the respondents stated their agreement on the existence of smooth communication which has contributes for health employee relation in NTE. On the other hand 5.3% of the respondents believed on the contrary, the remaining are indifferent. Concerning commitment and engagement, 203(87.9%) of the respondents agreed on its existence contributes

to healthy employee relation in NTE. On the other hand 1.3% of the respondents state no commitment and engagement in the work place.

Table 4.2.5 responses of sampled respondents on the existence of bad employee relation practice.

Description	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
There is dissatisfaction in employee relation and Performance issues.	30	12.8	49	20.9	57	24.3	77	32.8	22	9.4	235	100.0
There are frequent conflict	16	7.0	23	10.0	49	21.4	114	49.8	27	11.8	229	100.0
There is frequent Absenteeism among employee	7	3.2	24	10.8	53	23.9	110	49.5	28	12.6	222	100.0
There is low commitment	51	22.1	.0	.0	36	15.6	88	38.1	56	24.2	231	100.0
There is high turnover	11	4.8	46	19.9	74	32.0	53	22.9	47	20.3	231	100.0
There are many disciplinary measures taken upon employee	3	1.3	7	3.0	99	42.9	96	41.6	26	11.3	231	100.0
In-house conflict (personality and relationship issues)	2	.9	10	4.3	73	31.6	109	47.2	37	16.0	231	100.0
There are systematic biases.	12	5.7	15	7.1	53	25.1	94	44.5	37	17.5	211	100.0
Unfair treatment (including allegations of harassment or discrimination)	36	15.6	32	13.9	60	26.0	75	32.5	28	12.1	231	100.0
Discrimination , partiality and purposely suppressing the employee	28	12.7			53	24.1	97	44.1	42	19.1	220	100.0
Alleged unjustified dismissal/redundancy.	2	.9	8	3.6	68	30.4	110	49.1	36	16.1	224	100.0
Misconduct	5	2.2	14	6.3	74	33.2	100	44.8	30	13.5	223	100.0
problem resolution system favoring: Employees	6	2.7	18	8.1	91	40.8	72	32.3	36	16.1	223	100.0
problem resolution system favoring: Employers	14	7.7	40	22.0	49	26.9	55	30.2	24	13.2	182	100.0

Source: Survey result

As shown on table 4.2.5 most of the respondents agreed on the existence of factors contributing to bad employee relationship in relation to performance issues by 33.7%. The second most stated agreement on the existence of top factors which contributes for the existence of bad employee relations is problem resolution system favoring employers by 29.7%. Unfair treatment (including allegations, harassment and discrimination) put on the third rank as source of dissatisfaction and ultimately cause bad employee relation by 29.5%. However, on all factors which has contribution for bad employee relation issues, majority of the respondents either disagreed or indifferent.

Table 4.2.6 rating of sampled respondents on issues related to conflict resolution practice

Description	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
NTE do have good conflict resolution practice	42	18.4	134	58.8	26	11.4	24	10.5	2	.9	228	100.0
There are proper guideline and procedure to solve conflict resolution	37	16.4	133	58.8	51	22.6	5	2.2	0	0	226	100.0
Problem resolved in house: With direct cooperation between employee and employer	58	26.7	121	55.8	22	10.1	13	6.0	3	1.4	217	100.0
Problem resolved in house with the help advocates or union representative	33	17.6	88	46.8	34	18.1	33	17.6			188	100.0
Resolution by Negotiation without mediation and other problem solving methods are properly practiced in the enterprise	53	23.5	90	39.8	49	21.7	31	13.7	3	1.3	226	100.0
Involvements of third parties are common.	12	5.9	49	24.3	56	27.7	66	32.7	19	9.4	202	100.0

Source: Survey result

According to the data on table 4.2.6, 82.5% of respondents agreed that there is direct cooperation between employee and employer on conflict resolution practices. Similarly 77.2% of the respondents agreed on the existence of good conflict resolution practices. 64.4% of respondent also assure that existence of in house problem solving mechanism with the help of advocates or union representative. On top of this, 42.1% of the respondents disagree on the existence of the involvement of third parties in conflict resolution practices.

Table 4.2.7 response of respondent on the extent of effectiveness of employee relation practice

Description	Response	Frequency	Percent	Valid Percent	Cumulative Percent
How do you evaluate the extent of effectiveness of the employee relation practice in NTE?	Excellent	84	35.6	56.0	56.0
	Very good	43	18.2	28.7	84.7
	Good	3	1.3	2.0	86.7
	Low	20	8.5	13.3	100.0
	Total	150	63.6	100.0	
Missing	System	86	36.4		
Total		236	100.0		

Source: Survey result

As show in the above Table 4.2.7 84.7% of the respondents respond that there is Excellent and Very good employee relation practice. Only 13.3% of the respondent responds the existence of low employee relation practices

Table 4.2.8 rating of sampled respondents based on the existence of good faith factors in NTE

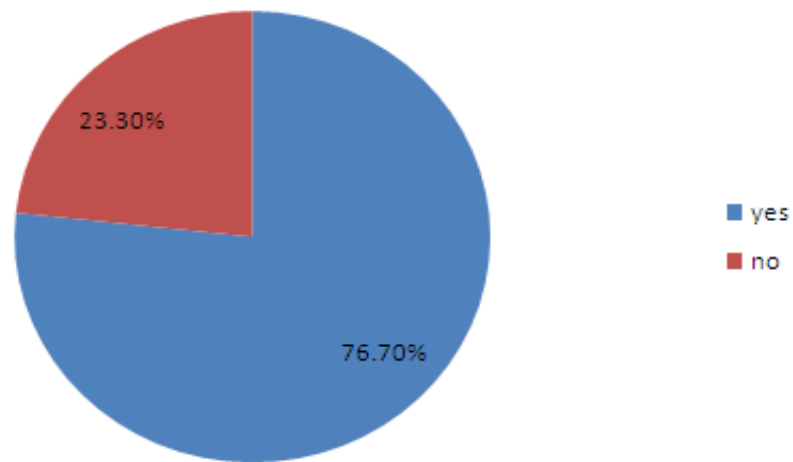
Description	Strongly Agree		Agree		Indifferent		Disagree		Total		
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	%
ER system avoid prejudging the facts of any case	51	23.6	145	67.1	20	9.3			216	91.5	100.0
There are proper guide lines that give all parties the opportunity to be heard including commenting on any proposal that might be detrimental to their interests	21	10.1	113	54.3	64	30.8	10	4.8	208	88.1	100.0
Employees are open and honest about all dealings.	25	12.9	110	56.7	53	27.3	6	3.1	194	82.2	100.0
ER maintains appropriate confidentiality and privacy.	23	12.2	111	59.0	41	21.8	13	6.9	188	79.7	100.0
Managements are open and honest about all dealings	19	9.3	95	46.6	73	35.8	17	8.3	204	86.4	100.0

Source: Survey result

Table 4.2.8 revealed that 90.7% of the respondents assure that employee relation systems avoid prejudging the facts of any case. 71.2% of the respondents assure the existence of appropriate confidentiality and privacy during handling employee relation cases. In addition, about 69.6 % of the respondents confirmed that employees are open and honest about all dealings. On the other hand only 3.1 % of the respondents replied that employees are not open and honest about all dealings. Furthermore, about 44.1% of the respondents have disagreed and indifferent to the factors that managements are open and honest about all dealings

4.3. Tripartite relations

Pie chart 4.3.1 the existence of tripartite relation to solve disputes



Source: Survey result

The data from the above pie chart shows that about 76.7% of the respondents have knowledge about the existence of the tripartite relation to solve disputes.

Table 4.3.1 response of sampled respondents on the contribution of the tripartite agreement

	Strongly Agree		Agree		Indifferent		Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
There is adequate tripartite agreement in NTE	50	24.9	102	50.7	43	21.4	6	3.0	201	100
The tripartite agreement in NET are frequently used to resolve conflict	44	21.9	90	44.8	60	29.9	7	3.5	201	100
The Tripartite agreement helps to reduce conflict in the Enterprise.	41	20.0	90	43.9	69	33.7	5	2.4	205	100
The Tripartite agreement helps the organization to be productive and profitable through saving time and money of both parties.	51	25.4	64	31.8	81	40.3	5	2.5	201	100

Source: Survey result

Table 4.3.1 depicted that about 75.6% of the respondent agreed on the adequacy tripartite agreement in the company. Similarly the respondent agreed on the contribution of the tripartite

agreement in reducing conflict in the enterprise and its applicability frequently to resolve conflict by rating 63.9% and 66.7 % respectively. On the other hand ranging from 21.4% - 40.3 % of the respondents are indifferent on the application of the tripartite agreement in to bring harmonious relation.

Table 4.3.2 sampled respondent’s response on rating bad effect of the tripartite agreement

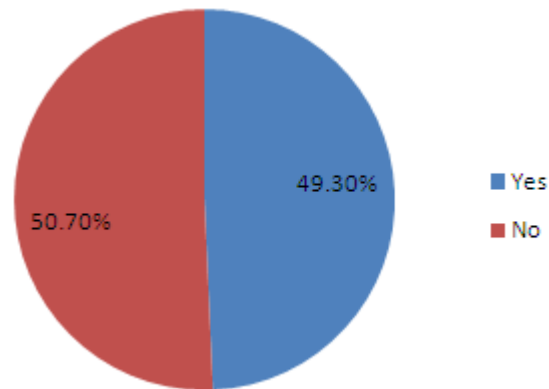
	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The tripartite agreement will restrict employees seeking justices			29	14.5	91	45.5	61	30.5	19	9.5	200	100
The tripartite agreement will restrict employer pursuing righteousness.	3	1.5	28	14.3	86	43.9	60	30.6	19	9.7	196	100
There are no Neutral third parties.	3	1.6	31	16.5	70	37.2	68	36.2	16	8.5	188	100
It impedes employee and employer not to Appeal to the court on time.	6	3.3	9	5.0	55	30.4	91	50.3	20	11.0	181	100
The tripartite agreement supers employees’ right.			23	12.8	58	32.4	77	43.0	21	11.7	179	100

Source: Survey result

As depicted table 4.3.2, the respondents disagree on the bad outcome of the tripartite agreement by evaluating the factors that contributed bad outcome relatively less point; the highest point rank is 18.1% for no neutral third parties. Tripartite agreement will restrict employer pursuing righteousness and tripartite agreement will restrict employees seeking justices are rated by respondents 15.8% and 14.5% respectively. On the other hand 44.7%, 61.3% and 40.3% of respondents’ agreement on the existence of neutral third parties, on the inexistence of obstacles to appeal to the court on time and inability to restrict employer pursuing righteousness respectively.

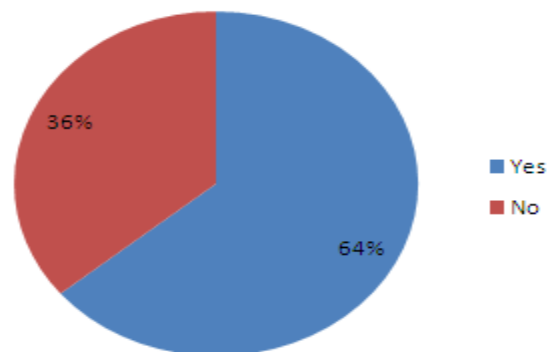
4.4 Labor Union

Pie chart 4.4.1 response of sampled respondents on the existence of labor union



Source: Survey result

Pie chart 4.4.2 State of membership of sampled respondents to labor union



Source: Survey result

As shown on the above pie charts the respondents responses are almost similar. For instance, about 50.7 % of the respondents confirmed that they have knowledge about the existence of labor union in the enterprise. On the other hand, 64% of the respondent confirmed that they are a member of the labor union.

Table 4.4.1 sampled respondents rating factors that influence to be member of trade union

	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
I become a member of trade union because the trade union will enhance my financial benefit through negotiating with the employer	64	57.2	42	37.5	6	4.5	3	.7	-	-	110	100
The labor union will protect me from abuse and will also ensure my job security	56	49.6	52	46	3	2.7			1	.9	113	100
It keeps me from stressful and time consuming tedious situation	43	38.7	56	50.5	6	2.6	6	5.5	-	-	111	100
I can also get some financial benefit from the labor union investment	50	44.6	51	45.5	7	5.2	4	3.5	-	-	112	100

Source: Survey result

As depicted on table 4.4.1, the majority of the respondent agreed on the stated reasons for their membership to trade union by mentioning that the trade union will protect them from abuse and will also ensure their job security (95.6%) , the union will enhance their financial benefit through negotiating with the employer(94.7%), to earn some financial benefit from the labor union investment (90.1%), & to be safe from stressful and time consuming tedious situation (89.2%) .

Table 4.4.2 of sampled respondents rating factors not to be member of trade union

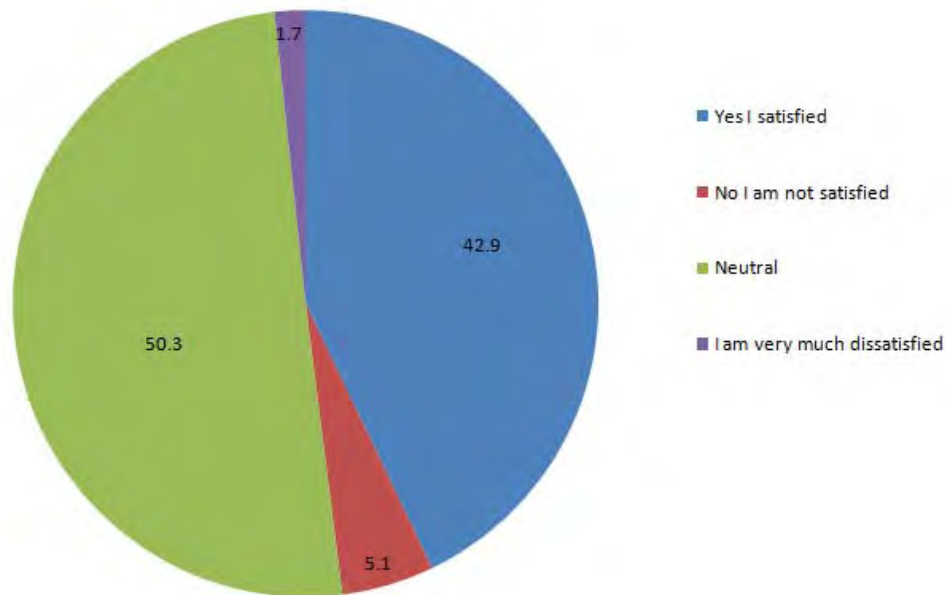
	Strongly Agree		Agree		Indifferent		Disagree		Strongly Disagree		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The employer will ensure my benefit and job security for the sake of being competitive and productive	19	19.8	30	31.9	16	16.7	20	21.3	11	11.5	96	100
The employer has clearly policy and procedure regarding our employment relationship thus the labor union will not add any value	12	12.4	39	40.2	10	10.3	16	16.5	20	20.6	97	100

Source: Survey result

Table 4.4.2 revealed that 51.7% of the respondents agreed that the main reason for them not to be a member of the labor union is due to their believe that the employer will ensure their benefit and job security for the sake of being competitive and productive. While 32.8% of the respondents expressed their disagreement to this reasons for their membership status. Similarly 52.6% of the respondent said that due to the factor that the employer has clear policy and procedure regarding their employment relationship the labor union will not add any value. On the other hand 37.1% of the respondents expressed their disagreement on the dependability of the employer for their right.

4.5 Solving Problems

Pie chart 4.5.1 the level of satisfaction of sampled respondents in the process and outcomes of the most recent problem solving



Source: Survey result

Pie chart 4.5.1 revealed that 50.3% of the respondents are neutral about the mechanism and outcomes the most recent employment relationship problems are solved. In contrast, 42.9% respondents are satisfied with the process and outcomes of the most recent employment relationship problem solving mechanisms and outcome.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary

The major purpose of this study was to assess employee relation practices of National Tobacco Enterprise (Ethiopia) Share Company. For the relevant data gathering a total of 248 questionnaires were distributed and 236(95%) were properly filled and returned. Semi structured interviews were conducted with NTE's six top management members (Department managers and service Heads) and with four labor union representative (Labor union Head and other executive committee members).Moreover, documents relevant to the topic were reviewed. The data obtained were analyzed using descriptive statistics, the following major findings were found in the study.

1. The existence of employee policy and procedure

- The existence of employee relation polices and procedure is confirmed by the majority of respondents.
- The majority of respondents asserted that NTE management consider employee relation as a strategic concern.
- Most of the respondents are familiar with NTE employee relation policies and procedures
- Respondents with long service year and higher educational qualification know more about NTE's employee relation practice and procedure.

2. Employee relation issues which are causes of conflict

- The majority 73.5% of the respondents acknowledge that, there are no employee relation issues which are causes of conflict. But it doesn't justify the fact that there are no employee relation issues in NTE rather the employee relation issues didn't cause conflict.

- While 26.5% of the respondents asserted that there are employee relation issues which are causes of conflict.
- The majority of respondents who served more 20+ years have confirmed that there are employee relation issues.
- 61.8% of the respondents with 0-5 year's service claim that there are employee relation issues that cause conflict.
- Among the employee relation issues learning & development, fair and just treatment and financial benefit are the most sever issue that result in conflict. While employee relation issues related to production target and productivity and Involvement/participation and efficiency and effectiveness are rated as lowest in severity.
- Employee relation issues related to financial benefits and health and safety were ranked as first by the majority of the respondents while involvement/participation and profitability and cost reduction was ranked as first by fewer respondents.

3. Factors expressing good or bad employee relationship

- Among the factor expressing good employee relation the majority (85%) of the respondents agree that there is productivity and motivation, smooth communication, employee engagement and commitment, cooperativeness and good interpersonal relationship smooth communication in NTE respectively.
- Despite of other factors that express good employee relation are rated high by more than 85% of the respondents, only 61.7% of the respondents expressed the existence of high trust and confidence.
- Thought the majority of the respondents are indifferent or disagree with existence of factory causing bad employee relation , some respondents point out that there are to lower extent discrimination, partiality and purposely suppressing by employee; unfair treatment (including allegations of harassment) in employee relation and Performance issues.

4. Conflict resolution practice and good faith in NTE

- More than 70% of the respondents hinted that NTE have good conflict resolution practice with proper guideline and procedure.
- The majority of the respondents (70%) experienced that NTE has the practice of resolving conflict in house with direct cooperation between employee and management as well as with the help union representative.
- The majorities of the respondents agree that NTE's employee relation give all parties the opportunity to be heard including commenting on any proposal that might be detrimental to their interests and also maintains appropriate confidentiality and privacy. Furthermore, managements are open and honest about all dealings.

5. Tripartite relationship and labor membership

- The majorities (76.7%) of the respondents asserted the existence of tripartite relationship in NTE.
- About 50% of the respondents only agree with the idea that there is adequate tripartite agreement in NTE, the tripartite agreement in NTE are frequently used to resolve conflict and the agreement also reduce conflict in the Enterprise.
- The majorities of the respondent are indifferent or disagree with the claim that agreement will restrict both employee and employee to seeking justice and purse their right.
- The majority of the respondents are a member of labor union and more than 80% of them become a member of the union on the belief to enhance their financial benefit through negotiating with the employer, to have protection from abuse and to ensure job security.
- Almost half of respondents are indifferent or disagree with the claim that employer will ensure their benefit and job security for the sake of being competitive and productive and the labor union will not add value to their employment relation with the enterprise.

6. The effectiveness of employee relation practice in NTE

- The majority of the respondents evaluate the extent of effectiveness of the employee relation practice as excellent and very good.
- The respondents have varied answer regarding their satisfaction with most recent resolving employee relation problems; almost half of the respondents are neutral while only 42.9 respondents state their satisfaction.

5.2. Conclusions

1. Effective employee relation calls for developing and putting in to practice employee relation policy and procedure. Accordingly, NTE has employee relation policies and procedure. In addition, the enterprise has also place importance to employee relation issue and to some extent the enterprise creates awareness among employees.
2. Employee relation issues concerning individuals might arise out of the work situation. Understating employee relation issue that might cause conflict play pivotal role in developing workable employee relation practice. Employee relation issues like health and safety, learning & development, fair and just treatment and financial benefit are considered very important for employees.
3. Employees place less importance to employee relation issue such as production target & productivity and involvement/participation that have great contribution for the success of the enterprise. Employee relation is the outcome of contract of employment and it has two parts; the rights and obligations of both parties. Placing less importance to either of them could be potential cases of conflict.
4. Addressing more issues that augment good employee relation will benefit NTE a lot. With this regard, NTE has good employee relation practice and its manifestation includes motivation, employee engagement & commitment, cooperativeness and smooth communication.
5. When employees satisfy with employee relation practices it creates trust and confidence. This in-turn paves the way to cooperative & flexible bargaining, smooth communication and realistic work arrangement. Trust has a central role in developing effective communication

and openness in the relationship between employees and management. However, the level of trust among employee and management & employee in NTE was not satisfactory.

6. Engagement results in employees satisfaction with their work and pride in their employer. Commitment is both a willingness to persist in the organization and often owing to a sense of obligation to stay in the organization. Engaged employees show commitment, make willingness to contribute and help others. Almost all respondents are agreed on the importance of commitment and engagement and its contribution for improving harmonious employee relation.
7. There is good faith in NTE that can be expressed by respecting and understanding the concern of each parties and maintaining honesty and openness among the employees and management. Good faith shows the existence of trust, confidence and harmonious employee relation.
8. Though most of employees understand the existence of tripartite relationship, they didn't fully grasp its essence and are reluctant to articulate their concern on the relationship. Through tripartite cooperation, representatives of the enterprise, employees and the government can work in collaboration and through consultation to resolve employment-related issues of common concern. It helps to detect and solve potential labor relation problems at an early stage. The data explicitly showed that NTE is at the proper way of handling grievance.
9. Most of the employees in NTE are pro labor union and to some extent they lack trust on the enterprise regarding their financial benefit as well as job security. It is obvious that employee become more dependent on the labor union when they lack trust on the company. From the response of the respondents it was understood that the level of employee confidence on the organization was at the growing stage.
10. The relationship continuum, as a model, is descriptive. It is descriptive mean that it identifies the status of the labor-management relationship by showing at which stage the relationship currently stands. It indicates whether it is effective and based upon the positive values it has described or it is characterized by hatred. The relationship continuum NTE is positive but there are some limitation in the employee relation practice of NTE which is expressed by low trust, less concern on profitability, involvement, productivity effectiveness and efficiency and cost reduction on the part of employee.

5.3. Recommendation

On the basis of the findings obtained and the conclusion drawn, the following recommendations were suggested.

1. Understanding employee relation issues help employee to exercise their rights and obligation. As a result NTE need to properly induct its employee with employee relation issues, employee relation policy and procedure. NTE also need to communicate its employee whenever there is improvement in employee benefit and other employer relation issues.
2. NTE need to understand the extent and effect of existing employee relation issues such as health and safety, financial benefit, trust and confidence, learning and development and the likes which adversely affect the harmonious employee relation and need to take sound measure to improve the prevailing situation.
3. NTE need to continuously understating and comprehend employee relation issue that might cause conflict and appropriate action need to be taken in advance to nurture the exiting practice and to enhance it, so as to reduce employee grievance and to enhance employee motivation and productivity.
4. NTE need to systematically shape the attitude of its employee to accept and practice employee relation issue such as production target and productivity, involvement/participation, efficiency and effectiveness, which will enhance healthy employee relation practice and lead the enterprise to better future.
5. NTE need to develop employee engagement and commitment through enhancing health and safety, financial benefit, trust and confidence, learning and development.
6. NTE need to create awareness regarding tripartite relationship so as to minimize employees' suspicion and ambiguity regarding tripartite. And to make use of its positive contribution for enhancing employee relation practices.
7. Trust and confidence play pivotal roles in effective employee relation. Thus, NTE has to exert maximum effort for enhancing employee trust and confidence about their employment relationship with the enterprise.

8. NTE need to prepare implementation strategies for effectively putting in to practice those issues addressed in the recommendation for reducing issues which causes conflict and also for enhancing issue which strength the employee relation practice.

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Appendix

Addis Ababa University
College of Business and Economics
Department of Management

Interview prepared for management members and labor union leaders

Dear respondents, the information you provide is valuable for the study. Please be confident that the information you provide here is used only for academic purpose and will strictly be kept confidential

1. Is there any effective Employee Relation policy in NTE? If so what objectives do it serves as stated in the policy manual.
2. How do you see the contribution of Employee Relation practice of the Enterprise in advancement of productivity and effectiveness?
3. Do you think that the Employee Relation practice of the Enterprise serving its intended purpose?
4. How can HR Administration and development department handle and use it? How was the support of line managers and work units other than HR Administration and development department?
5. Is there a need to be improved in the ER practice? What efforts have been made to improve the system?
6. What are the major problems that you particularly and the Enterprise as whole facing with respect to Employee Relation practice?
7. How was the currently active collective agreement bargaining process? Was it time taking or short? Was it smooth or full of challenge? Were their issues submitted to the competent labor dispute settlement tribunal?
8. What are the current & future challenges that NTE might face with respect to employee relation
9. What feasible approaches do you suggest to resolve employee relation challenge and problems?
10. Do you think that the tripartite relation contributed for improving employee relation?
11. Do you believe that the collective agreement application is fair and trust worthy?
12. Finally is there anything that you want to comment the employee relation practice of the Enterprise?

Thank for your cooperation and time.

Addis Ababa University
College of Business and Economics
Department of Management

This questionnaire is prepared to Management members and Employees of National Tobacco Enterprise /Ethiopia/ s.co (NTE). The purpose of this questionnaire is to collect information that helps to assess the effectiveness of Employee Relation practice in NTE. The information you provide will be valuable for the successful completion of the study and hence I sincerely request you to provide me reliable and honest information to the best of your knowledge so that the findings from the study would meet the intended purpose.

I certainly assure you of that the response you provide is strictly confidential and used only for academic purpose/ I would like to extend my heartfelt thanks in advance for being a volunteer to dedicate your valuable time and effort in filling this questionnaire.

For the question that requires selection or ranking please tick (✓) at your pertinent answer inside the square. You can make more than one choice when you find the answers appropriate.

In parts where written responses are required, please provide your written response briefly in the blank space provided. If you have additional idea, please use the back side.

SECTION 1: Biographical Information

1. In what department you are working:

1.1	Factory operations	
1.2	Agriculture Management Administration & Dev't.	
1.3	Administration and HRD.	
1.4	Sales and marketing.	
1.5	Finance	
1.6	Research and quality Assurance	
	Other (please specify)	

2. what is your academic qualification :

2.1	High school Graduate.	
2.2	College/Technical school diploma.	
2.3	BA/BSC Degree.	
2.4	Master's Degree.	
2.5	PHD	
2.6	Other (please specify)	

3. What is your position in the Enterprise?

3.1	Senior manager.	
3.2	Middle level manager.	
3.3	Supervisor.	
3.4	General staff /non supervisor.	

4. How long have you been employed at NTE?

4.1 0 to 5 years.

4.2 6 to 10 years.

4.3. 11to 20 years

4.4More than 20 years

5. Age: Below 25 25-30 31-35 36-40 41-45 46-50 Above 50

Part II Employee relation Practices

1. Is there any employee relation polices and procedure laid out in the Enterprise?

a. Yes b. No

2. Is your answer to question no. 1 is “yes” do the management consider employee relation as one of the strategic concern?

a. Yes b. No

3. If your answer to question no 1 is “yes” to what extent you are accustomed to employee relation polices and procedure.

a) Very much b) To some extent c) To lesser extent

d) Not accustomed

4. Are there employee relation issues which are case of conflict in National Tobacco Enterprise?

a. Yes b. No

5. Among the majors employee relation issues stated below which of them create employee grievance and complaints?

a.) Financial benefits b.) Learning & Development

c.) Effective communication d.) Working environment

e.) Dispute & Grievance f) Health and Safety

g.) Hour of work &schedules h.) Efficiency and effectiveness

i.) Growth and profitability j.) Career development

- k.) Involvement/participation l.) Fair and just treatment
- m.) Profitability and cost reduction
- n.) Production target and productivity
- o.) Others (please specify) _____

6. Would you rank employee relation issues stated in question No.5 that causes grievance and complaints based on their severity level?

- 1st . _____ 5th . _____
- 2nd . _____ 6th . _____
- 3rd . _____ 7th . _____
- 4th . _____ 8th . _____

7. would you rate the extent of factors expressing good employee relationship?

Items	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
There are high trust & confidence					
There is cooperativeness					
There is smooth communication					
There is employee engagement and commitment					
There is productivity and motivation					
There is good interpersonal relationship between:					
Employees and fellow colleagues.					
Employees and supervisors/managers					
Other reasons(please state here)					

8. Would you rate the extent of factors expressing bad employee relationship?

Items	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
There is dissatisfaction in employee relation and Performance issues.					
There are frequent conflict					
There is frequent Absenteeism among employee					
There is low commitment					
There is high turnover					
There are many disciplinary measures taken upon employee					
In-house conflict (personality and relationship issues)					
There are systematic biases.					
Unfair treatment (including allegations of harassment or discrimination)					
Alleged unjustified dismissal/redundancy					
misconduct					
problem resolution system favoring: Employees.					
Employers					
Other reasons(please state here)					

9. Would you please rate the issue related to conflict resolution practice in the Enterprise?

Items	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
NTE do have good conflict resolution practice					
There are proper guideline and procedure to solve conflict resolution					
Problem resolved in house: With direct cooperation between employee and employer. with the help advocates or union representative					
Resolution by Negotiation without mediation and other problem solving methods are properly practiced in the enterprise					
Involvements of third parties are common.					
Other reasons(please state here)					

10. How do you evaluate the extent of effectiveness of the employee relation practice in NTE?

- a) Excellent b) Very good
c) Good d) Low

11. How would you rate the Good faith in the Enterprise?

	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
ER system avoid prejudging the facts of any case					
There are proper guide lines that give all parties the opportunity to be heard including commenting on any proposal that might be detrimental to their interests.					
ER maintains appropriate confidentiality and privacy.					
Employees are open and honest about all dealings.					
Managements are open and honest about all dealings.					
Other reasons(please state here)					

Part III. Tripartite relationship and labor membership

1. Is there Tripartite agreement (an agreement signed between employer, employee and government to solve dispute with negotiation rather than going to third party)in NTE?

a. Yes b.) No

2. How do you rate the tripartite agreement in NTE?

Factors	Strongly agree	Agree	Medium	Disagree	Strongly Disagree
There is adequate tripartite agreement in NTE					
The tripartite agreement in NET are frequently used to resolve conflict					
The Tripartite agreement helps to reduce conflict in the Enterprise.					
The Tripartite agreement helps the organization to be productive and profitable through saving time and money of both parties.					

3. How do you rate the following issue related to the tripartite agreement in NTE

Factors	Strongly Disagree	Disagree	Medium	Agree	Strongly agree
The tripartite agreement will restrict employees seeking justices.					
The tripartite agreement will restrict employer pursuing righteousness.					
There are no Neutral third parties.					
It impedes employee and employer not to Appeal to the court on time.					
The tripartite agreement supers employees' right.					

4. Do you have adequate information about the existence of labor union in the enterprise?

a) Yes, I have b) No, I haven't

5. Are you a member of trade (labor union)?

a) Yes

b) No

6. If your answer to question No.5 is “Yes” to what extent do the following reasons affect you decision for becoming member :

Factors	Strongly agree	Agree	Medium	Disagree	Strongly Disagree
I become a member of trade union because the trade union will enhance my financial benefit through negotiating with the employer					
The labor union will protect me from abuse and will also ensure my job security					
It keeps me from stressful and time consuming tedious situation.					
I can also get some financial benefit from the labor union investment					
Other reasons(please state here)					

7. If your answer to question No.5 is “No” to what extent do the following reasons affect you decision for becoming member

Factors	Strongly agree	Agree	Medium	Disagree	Strongly Disagree
The employer will ensure my benefit and job security for the sake of being competitive and productive					
The employer has clearly policy and procedure regarding our employment relationship thus the labor union will not add any value.					
Other reasons(please state here)					

8. Do you satisfied with the process and outcomes of the most recent employment relationship problem do you had and resolved in your Enterprise?

a) Yes I satisfied b) No I am not satisfied c) neutral d) I am very much dissatisfied

Part IV. Explain your observation

1. What do you think is the major employee relations challenge in NTE?

2. What practical solutions have been devised for tackling the challenges encountered in Employee Relation?

3. What ideas do you suggest to enhance healthy relationship in National Tobacco Enterprise regarding to Employee Relation?

Part V. Additional Idea on the management development

1. Do you have any additional information other than the above mentioned please specify on the topic?

2. Do you have any suggestion for improving the current Employee Relation practice in NTE? (You can use separate sheet for the answer if you need)

Thank you very much for your co-operation and time!