



Labor-Management Relation Practices

The case of Commercial Bank of Ethiopia

By

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Thesis Paper

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Statement of Declaration

I, the undersigned, declare that this study is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been properly acknowledged.

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ABSTRACT

Labor management relations are an important aspect of effective management. Increasingly, unions are becoming proactive in organizing workers. The objective of this paper was to study labor management relation practice in Commercial Bank of Ethiopia. In order to meet the objectives of the study, both primary and secondary data have been collected. For the accomplishment of this, the study was employed through descriptive design in which the selections of the respondents were carried out by using simple random sampling. The data was analyzed by using descriptive statistics and presented in tables. The study findings revealed that, is unhealthy relation between management and employees. Whereas most respondents agree that application of collective agreement and unfair labor practice is a cause of the conflict. And the employees have good working condition in CBE and the presence of labor-management conflict in CBE is supported by the majority of the respondents.

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Acronyms

ADR	ALTERNATE DISPUTE RESOLUTION
CBE	COMMERCIAL BANK OF ETHIOPIA
HR	HUMAN RESOURCE
HRM	HUMAN RESOURCE MANAGEMENT
LMR	LABOR MANAGEMENT RELATION
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCE SOFTWARE

CHAPTER ONE

INTRODUCTION

1.1 BackGround of the Study

Human resource management is defined as” a strategic and coherent approach to the management of an organization’s most valued assets (the people working there), who individually and collectively contribute to the achievement of its objectives “(Armstrong, 2008). One of the major functions of human resource management is to maintain smooth industrial relations it is also treated as one of the oldest functions of HRM (Absar, 2012).

Good Labor-management relation is the desire of both management and labor to create an efficient and effective organization. When this happens, management is planning, organizing and directing work such that employees understand their roles and responsibilities in a way that they can produce the desired outcomes. Labor-management relation is the interacting relation between labor and management and measurement of the relation is a difficult, since it involves the human element (Razi et al.,2012) .The development of the relation can be essential in their effort to balance competitiveness with equitable wages and improved working condition (Aidt and Tzannatos, 2002).

There is a managerial problem of finding successful mechanism of retaining employees especially in a job environment that is characterized by predictable need for pay rise. According to (Felicia, 2012) Industrial peace and agreement is necessary in order to have better performance, this can only be achieved with good labor management relations. Whenever there is a grievance or disagreement in the organization, management should try to resolve it at its early stage either through negotiation or collective bargaining, before it gets too late and result to a strike. Labor management relation is therefore necessary if productivity is to be achieved (ILO, 2015).

Labor union is a continuing long term association of employees, formed and maintained for the purpose of protecting the interests of its members in their work relationship with the management or employer. A trade union (or labor union) is an organization of workers or employees who have come together to achieve common goals in areas such as in working conditions and protecting and promoting their mutual interests through collective action, through its leadership bargains with the employer or the management on behalf of the union members and negotiates labor contracts etc (Dale, 1972).

. Recently, union representation and collective bargaining have been the keys to the growth of stable working population in developed economies and it has made it possible for workers to gain a more equitable share of the wealth that they create; they are able to improve working conditions and help workers gain job security. The process of negotiating wages, work rules, grievance procedure and place of work safety is called collective bargaining (ILO, 2015)

Even if a large part of African economies stands beside the legal framework of Labor law it becomes an obstacle to firms' development. 4.6 percent for Ethiopia and 22.5 percent for Kenya firms see labor regulation as a major or severe obstacle to their economic development these percentages do not follow the same pattern across countries (Alby, et al.2005).

In CBE With the development of labor unions, workers have secured a more effective voice in arranging the terms and conditions of their employment, and enabled to participate on their work. In annual conferences, the employer and the union in addition to fixing wage rates, write a basic collective law for management under which they work out together through grievance procedures and arbitration the day-to-day problems of

administration. since this particular type of study had not been previously well conducted in commercial bank of Ethiopia it is valued (Henok,2016).

1.2 Statement of the Problem

Lack of good relation between management and labor can bring the performance of an organization low because fair labor management relation and understanding of labor law, collective agreement, managing of trade union, and way of handling of grievances have to be a shared agreement. Unfortunately a large amount of organizations fall to achieve this and end upon poor labor management relations. Problems in an organization turn out when there unpleasant relation between management and workers. This prevents management and workers from achieving their objective. This type of relationships present low productivity, unmotivated staff, low pay, unfair promotion (Felicia,2012).

The conflict theory view looks labor management relations where there is division of interest between management (owner) and employees (union) and inequalities of power and economy have their effect on labor management conflict. Relationship between management and labor is found on trade union interest to secure economic right of each and every member of the union and management to achieve corporate objective in cost effective way so it can be seen conflict is to be anticipated (Coleman , 2017).

In this paper the researcher want to study labor-management relations is that recently the most importance given to information about the occurrence of conflict in Ethiopia organizations seen at Ethiopian airlines Air Traffic Controllers strike on August27, 2018 and Addis Ababa light Railway strike on july18, 2018 (Abiye and Ashenafi, 2018). Commercial bank of Ethiopia is of special interest because of the early issue of labor and management bargaining over wages and conditions of employment. And the labor union formally gives advance notice for strike.

Interview with the labor union representative thoughtful strike is holdup due to the country political situation. The bank talent acquisition admits in 2018 more than 3,497 grievances reported by employees that is more than 10 percent of the total employee. Therefore, more in depth studies regarding labor- management relation in CBE is appreciated by thinking that problem currently exists in the organization that needs to be solved by raising research questions and this study plans to fill the missing up-to-date knowledge gap at labor- management relation.

1.3 Research Question

The research has brought answer for the following research questions.

1. What is the character of labor-management relationships in CBE?
2. What are the major sources of labor-management conflict in CBE?
3. What are the formal mechanisms to solve labor-management conflict in CBE?
4. How do employees react to a labor-management conflict in CBE?
5. How grievances are handled in CBE?

1.4 Objectives of the Study

The general objective of this paper is to study labor management relation practice in Commercial Bank of Ethiopia.

The study also aimed to achieve the following specific objectives

1. To assess the character of labor-management relationships.
2. To identify the source of labor-management conflict
3. To assess formal practice to solve labor-management conflict.
4. To assess employee reaction to a labor-management conflict
5. To examine how is grievance handling in CBE.

1.5 Significance of the Study

The study helps the labor and management of the organization to know the areas they are performing well and problems they need to deal with. It also helps management to know what is needed to improve relation in the organization. Furthermore, motivate other researchers to go into further study on the issue. Finally, the study will be used as a reference material for those individuals who want to conduct a research in this area for the future.

1.6 Scope of the Study

This research has not covered the entire scope of industrial relations in banking sector. The study is limited to the topic Labor-management relation practice in Commercial bank of Ethiopia .Due to the researcher limited resources, capacity and shortage of time the study is conducted in CBE four districts in Addis Ababa. The data for the study collected from employees and management from head office, branches and labor union of the bank from primary sources using structured questionnaires and interview and secondary sources.

1.7 Limitation of the Study

The entire study is based on commercial bank of Ethiopia specifically four districts the results might be more interesting if more sectors and trade union in Ethiopia is covered to generalize the finding.

1.8 Organization of the Study

The paper is organized into five chapters. Chapter one deals with introduction, chapter two deals with the review of the related literature, chapter three deals with methodology , chapter four deals with the presentation, analysis and interpretation of data, and finally chapter five contains summary of findings, conclusions, and Recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This section provides an overview of the existing literature on the study of labor management relation meaning and concepts relevant to the study. While the labor-management relation is mainly concerned with employee and employer relationship, which at last result in the successful and cost-effective use of manpower employed in the industry (ILO, 2013). Related researches done before by different scholars and their results will also be seen.

2.2 Theoretical review of literature

Different scholars define labor management relation. When studying the theories of labor management relations. The first systematic attempt to formulate a theoretical framework of industrial relations was John Dunlop's Industrial Relations Systems (Kaufman, 2004).

As the concept of LMR is somewhat unclear and inaccurate it is essential to make the concept more specific and precise. It is an abstract rather than a concrete concept. Furthermore, there is no agreement on the meaning of labor management relation as different terms such as Labor Relations, Union-Management Relations, Employee Relations, Industrial Relations etc. are used synonymously (Henarath , 2016).

There are four major perspectives that differ in their approach to the nature of relations (Felicia, 2012). Each offers a particular insight of workplace relations and will therefore interpret such events as workplace conflict, the role of labor unions and job regulation very differently, orderly set of ideas which describe, explain, and predict behavior.

2.2.1 Unitary Theory

In unitary, the organization is perceived as an integrated and harmonious whole where management and other members of the staff all share a common idea, emphasizing mutual cooperation. The management and employer both communicate to each other about the employments' terms and condition, or in making decision consequently, without communication the organization will likely to be no longer successful and it will easily close down. The unitary approach is being criticized as a means for gives employee away from unionism. Consequently, labor unions are consider as pointless since the reliability between labor unions and organizations are considered mutually exclusive, Conflict is perceived as disruptive and the result of activist, interpersonal friction and communication breakdown(Trintetaaje,2017)

Consequently, labor unions are considered as unnecessary because the dependability between labor unions and organizations are considered mutually exclusive. Conflict is perceived as disruptive and the pathological result of agitators, interpersonal friction and communication breakdown.

2.2.2 Conflict Theory

Conflict theory is identical with the pluralist frame of reference in pluralism the view see relation as being made up of powerful and opposing sub-groups, each with its own legitimate loyalties and with their own set of objectives and leaders. In particular, the two predominant sub-groups are the management and labor unions. If the management gives less attention to the requests of the workers then they form unions in order to protect their interest and influence the management decisions. Trade unions as representatives of the employee strong union are not only desirable but necessary (Trintetaaje, 2017).

Marxist perspective view is also known as the conflict theory. This view of labor management relations looks the nature of the industrial society, where there is a fundamental division of interest between capital and labor, and sees workplace relations against this background. Hence Marxists sees it as a product of the capitalist society Marxist approach focuses on the type of society in which an organization functions (Coleman, 2017).

Conflict theorists view trade unions as legitimate challenges emphasize competition and collaboration. This view recognizes trade unions as legitimate representative organizations which enable groups of employees to influence management decisions. The pluralist perspective would seem to be much more applicable than the unitary perspective in the analysis of many large unionized organizations and fitting with developments in modern society.

2.2.3 System theory

While some attitudes and approaches which have been influential in the study of labor management relations. Dunlop's conceptual framework encompasses three sets of actors: employers, workers, and the state, whose relations are influenced by three external conditions including the technology, market forces and the power relations of the actors. Output of such relations system Rules, such as pay, hours of work, are outcomes of industrial relation system (Ilesanmi, et al.2013).

This theory draws on a pluralist frame of reference by Dunlop's (1958) systems theory. The theory argues that industrial relations are best regarded as a sub-system of the wider social system. Criticisms of systems theory Unable to test theory Minimizes other environmental impacts, No distinction between functional and dysfunctional conflict, No

indication if conflict is or is not inherent in workplace Views managers as giving orders and workers following those orders(Ilesanmi,et al.2013).

Four elements make up the system of industrial relations rule-making: first are industrial actors which consist of employers, employees and the government; second is the environmental context which is made up of economic and technological conditions, markets, and distribution of power ; third is procedural and substantive rules governing the employment relationships between the actors and; fourth which is a set of common beliefs and understandings that serve to encourage compromises on the part of each actor for the sake of making the system (Abott, 2006).

2.3EMPIRICAL REVIEW OF LITERATURE

2.3.1 Nature of Labor Management Relation

A sound legal framework is an important requirement and basis of good labor management relations practices that needs to take into account national economic and social conditions and in particular guarantee and protect the basic rights and requirements of employers and workers working conditions, job security, a safe and healthy working environment and to express their views as well as participate in decision-making that have significant implications for themselves or their workplace (asean Secretariat ,2012).

The Ethiopian Constitution (1994) protects certain worker rights, freedom of association and collective bargaining for workers (Articles 42(1)(a) and states that workers shall have the right of defined working hours, breaks, leisure, paid public holidays, and a safe and healthy working environment(Article 42(2)). Also Labor Proclamation with statement on rights, administration and dispute resolution processes, contracts, termination, wages, hours of work and rest, leave, working conditions,,

collective relations, period of limitations and priority of claims, enforcement, and penalties.

The application of the labor law has direct impact on business efficiency and competitiveness in Ethiopia. Some of the contents and general application of the Labor Proclamation No. 377/2003 are considered factors that affect labor productivity and profitability of enterprises (Berhe, Y and Minas, G. 2011).

Employers have rights over employees they can hire and fire them. On the other hand employees communicate and share their ideas and also want to have the place on the decision making. Also employees stick together with unions to get assist from them to struggle against the management and the Government regulates the relations by rules, laws and agreements which also include the tribunal courts (Shrestha, 2012).

The degree of labor management relation in an organization is measured by using the following criteria/variables. Extent of co-operation, Extent of participation, Degree of understanding mutual goals, Frequency of strikes (work stoppages), Average duration of strikes (work stoppages), Frequency of other disputes such as work-to-rule, token strike, the overtime ban, picketing, go-slow and the running sore strike, Extent of attempts to reach collective agreements, Extent of collective agreements made, Frequency of violating a term/rule of agreements, Extent of absenteeism owing to bad relations, Extent of worker turnover owing to bad relations, Amount of grievances suffered, Amount of grievances presented, Amount of grievances settled, Amount of grievances settled for satisfaction, Availability of formal grievance settlement procedure, Suitability of existing grievance settlement procedure (Henarath, 2016).

Union management relation can be evaluated using concept of organizational effectiveness which has a direct bearing up on management relations. Which is related to a

number of factors such as; union-management decision making, relations, Ability to solve problems, pay, working conditions .employee representation by their bargaining .agent and the fairness with which employees perceive they are treated by management (James, 1978).

2.3.2 Parties Involved in Labor Management Relation

The term “actors” in industrial relations gained dominance in John Dunlop’s Industrial Relations Systems (1958). He proposed that three parties’ employers, labor unions, and government are the key actors in a modern industrial relations system. He also argued that none of these institutions could act in an autonomous or independent fashion. The (Gosavi,2017)define a labour union as, a voluntary organization of workers seeking to protect and promote the interests of its members .trade union play an active role in maintaining the quality life of the workers. In fact, security in life of the workers seems to be a crucial element of the functions of trade union Along with it, they also maintaining good harmonious industrial relations (Shrestha, 2012).

According to (sawnepel,2007), the following are the factors that lead employees into joining labour unions lack of job security, Management’s lack of respect for employees ,Frustration at the employer. In general labor union, through its leadership, bargains with the employer on behalf of union members and negotiates labor contracts (collective bargaining) with employers.

Finding of Cross sectional study conducted on 200 employees of private organizations finds that the labor force is not satisfied with their management behavior, wages and welfare items. The researcher come to conclusion that the government should took part to apply the labor law accurately to provide the rights to the labor force and management .Its means that the management is the part of labor force and labor is the part

of management this relation can become strong when they provide satisfaction to each other in work place (Razi et al., 2012).

In Ethiopian context Governments have three obligations towards enforcing Rights first, obligation to respect, second to protect and third to fulfill. The obligation to respect requires states to refrain from undertaking any action that impairs the enjoyment of trade union rights while the obligation to protect demands that states protect right holders from third party violation of rights by taking legislative, administrative and other necessary measures. Obligation to fulfill requires taking relevant measure towards the enjoyment of rights by right holders (Abebe, 2013).

Employers have certain rights in labor management relation. They have the right to employ and affect workers' interests by exercising their right to relocate, close or merge the factory or to introduce technological changes (Schumacher,2002).Managing Employee Relations provides managers in compliance with legislation, managing Diversity, handling work and personal issues and fostering open communications. It will also depend on whether or not trade unions are recognized (Redwan, 2011).

Management is obliged to bargain in good faith with the union selected by the employees. If agreement on contract terms cannot be reached through bargaining, the union is allowed to strike, except in certain industries, such as the ,air ways, railroads, in which strike action is delayed because a strike would be against the public interest(labor proclamation,377-2003)

If both union and management don't find new approaches to solve problems, and don't take positive steps in bringing about an improvement in their day-to-day relationship, the establishment of free collective bargaining may be in risk .What is needed most is a better understanding and more willingness on the part of labor and management is to

develop new creative approaches to collective bargaining (Napathorn and Napathorn, 2014).

2.3.3 Collective Agreement

Collective agreement is defined as an agreement which is concluded by labor and management on the terms and conditions of employment. It is a contract done governing wages and benefits and working conditions. It is usually the result of a process of collective bargaining between an employer and a trade union representing workers. Collective agreements are signed between the management representing firms within a particular industry and) the unions present labor, become the legal basis of employment and working conditions (Steve, 2003).

In formulating a strategy or policy to promote collective bargaining, governments may consider the role of the public authorities in performing the following (ILO, 2015).

1. Promoting the full development and utilization of procedures and machinery for collective bargaining
2. Encouraging constructive, meaningful and informed negotiations
3. Preventing and resolving labor disputes.
4. Giving effect to collective agreements
5. Strengthening the capacity of employers and trade unions to negotiate effectively

2.4 Labor-Management Conflict

According to Ethiopian labor proclamation no 377-2003 labor dispute means ‘any controversy arising between a worker and an employer or labor union and employers in respect of the application of law collective agreement ,work rules , employment contract or customary rules and also any disagreement arising during collective bargaining or in connection with collective agreement’.

Traditional View when it was believed that conflict was always bad and should be avoided at all costs that conflict was a result of dysfunctional managerial behaviour and therefore should and could be stopped at the source. Most likely, if the dysfunctional behaviour was stopped, the conflict would come to an end. The other Human Relations View, conflict was viewed as a natural and inevitable part of human being and was accepted as a normal part of interaction and relationships. Sometimes the conflict was functional, other times dysfunctional, but it was always present (Omisure and Abiodun ,2014).

Integrationist View ,the contemporary view holds that not only is conflict inevitable, but maintaining a degree of tension can actually be helpful in keeping a group energized and creative. In this view, conflict is seen as a positive force for change within organizations, groups, and relationships. The challenge is finding constructive means for man-aging conflict while still maintaining some differences that energize a group toward continued discussion and innovation (Omisure and Abiodun ,2014).

According to (ILO, 2013)some dispute are individual in nature, others are collective; some disputes are identified as disputes over rights, others as disputes over interests.

an individual dispute is a disagreement between a individual worker and his or her employer, usually over open rights. Collective dispute is a disagreement between groups of workers usually, represented by a trade union, and an employer or group of employers over rights or interests (ILO,2013).

When Workers' voice has been Suppressed and not heard, any attempt by the worker to regain freedom from the exploitation which defines their interactions is resisted

by management, and because of this, conflicts occur frequently as the only measure to advance or manifest workers' anger (Samuel, 2012).

The employees can express their dissatisfaction in formal or informal ways. Strike “means the slowdown of work in a number of workers in reducing their normal output on their normal rate of work or the temporary cessation of work by any number of workers to persuade their employer to accept certain labor conditions” (Felicia ,2012).

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

Unfair Labor Practices weakens the trade unionism and thus weakens the industrial relations. From the part of employers a number of unfair labor practices are adopted to weaken the trade unionism. When in an industry workers take the resort of strike or other democratic ways to oppose for their rights the employer use unfair ways of lock-outs or closures or blacklist to pressurize the workers(Dinesh and Sunita, 2015).

2.5 Labor- Management Conflict Resolution Mechanism

In choosing labor dispute resolution mechanism nature of that dispute has to be understood by considering the areas disagreement. Dispute concerning union recognition for collective bargaining purposes, Contract Negotiations. Disputes in the negotiation of contracts strikes in basic industries have of this type of disagreement, Contract Interpretation settlement by arbitration. The usual approaches to settlement of a labor dispute are Discussion and negotiation, Conciliation, Mediation, Voluntary arbitration,

Investigation and fact-finding, compulsory arbitration, Court action, Legislation (Sanders, 1947).

Dispute prevention will not eliminate disagreements but to a certain extent, they place disagreements in a different context. Dispute prevention does not mean 'no disputes', but rather involves various non-adversarial activities that produce peace in the workplace, so that disputes are addressed quickly fairly peacefully and in an orderly manner (ILO, 2013). Labor-Management Cooperation Though conflict has been the most dominant form and teamwork between the two is most desirable to realize their objectives and help the society to grow socially and economically (Gosavi, 2017). According to (Omisore and Abiodun, 2014), early recognition of the conflict and paying attention to the conflicting parties is very important. Negotiation between parties involved is the best way to resolve conflict while force should not be used at all and recommended for organization

(1). organizations should make adequate room for decision making.

(2). for proper running and optimum productivity, staff safety should be taken into Consideration.

(3) .Participatory style of management and there should be adequate interaction and dialogue in conflict resolution.

(4). Working together in peace and unity to achieve a common goal for the good of the organizations.

Collective bargaining is a direct agreement between trade unions and employers. Used for the settlement of wage claims and improvement in the working conditions of all workers of a union or of several unions by a collective agreement (Samuel, 2012).

According to (Labor proclamation 377-2003)Article 24 collective bargaining “means negotiation made between employers and workers or organizations and their representatives concerning condition of work or collective agreement and the renewal and modification of the collective agreement” the proclamation also gives trade union the right to bargain in matters of conditions employment relationship and condition of work.

Collective bargaining is a process through which disputes are settled by a combined effort. It happens at national, organizational or enterprise level. It is done by talks, discussions, persuasion or even warning. The main goal of collective bargaining is to finally come to terms through negotiations. Collective bargaining focuses on maintaining industrial relation and progress (ILO, 2015).

The core advantage of collective bargaining is to settle disputes not by conflicts but through discussions and dialogues between the employer and the employee. It leads to a positive environment by increasing the productivity and efficiency. But when arbitration is implemented it offends both the parties. Give and take methods are followed to settle the disputes thus a stable settlement is established.

2.6 Third Party Resolution

A number of unions and companies have attempted to implement alternate dispute resolution (ADR) processes as a means for reducing the conflict. ADR is one of an array of ways to deal with problems and make decisions on the basis of mutual understanding and rationality. Conflict is inevitable the ability of the parties to recognize the potential for conflict is an important prerequisite to resolution, but more important is a willingness to try to correct the situation (Alexander, 1999).

2.6.1 Conciliation

The process in which the third party involvement to be labor and management negotiators talking so that they can arrive at a voluntary settlement and gives no proposal for solutions or they do not make recommendations on what that agreement should be(ILO,2013).In Ethiopian labor proclamation, conciliator assigned by the Ministry has duties and responsibilities to bring about settlement of dispute on matters like wages and benefits, condition of work, collective agreement, and reduction of workers article 142(Labor proclamation,377-2003).

2.6.2 Arbitration

The arbitrator third party, negotiating parties makes a recommendation on the terms of settlement which is binding on both parties, who therefore lose control over the settlement of their differences. In the Ethiopian perspective if conciliation is not reached within 30 days, both parties can submit the matter to the Labor Relation Board which shall give its decision within 30 days article 142(3) (labor proclamation, 377-2003).

2.6.3 Mediation

Mediation is a form of arbitration which is well-built than conciliation third party assists the in their discussions and also propose resolution mechanism. It is inexpensive and informal alternative to an employment court and offers a quick resolution to problems, with privacy and confidentiality (Polzin and DeLord, 2006).

2.7 Grievance Management

A grievance is a complaint of one or more workers in respect of wages, allowances, conditions of work and interpretation of service stipulations, covering such areas as overtime, leave, transfer, promotion, seniority, job assignment and termination of service (melchades, 2013). A grievance, whether expressed or unexpressed, real or

imaginary, may be a serious potential source of conflict. Absence of workers' grievances probably implies good LMR within the business organization (Henarath ,2016).

The use of grievance procedures has become formal in union/management relations procedures and the practice of grievance management express the reality that conflict is inevitable in the management of workplace relations between workers and employers. The uses of grievance procedures formalize conflict by provide logical means of settlement of grievances .The characteristics of important effective grievance systems: existence of adequate opportunities for airing complaints, fair handling of workers' complaints, timelines of grievance/complaint handling, timelines of grievance resolution, adequate stages of the grievance management process, and adequate procedures for handling workers' complaints (Emerald , 2007).

A typical grievance procedure, which consists of the following steps:

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

2.8 Grievance Handling in CBE

The following committees established to manage employee grievance:

- i. Employees Grievance Committee: This committee handles grievances of non managerial employees per the Collective Agreement. This committee is established at Head Office and District levels.
- ii. Managerial Grievance Committee: This committee handles grievances of Managerial employees per the Managerial Grievance Handling Procedure approved by the President. This committee is established at Head Office level only.

For the Employees Grievance Committee, Employee Relation and Communication nominate and send secretary to attend the meeting, prepare minutes accordingly, draft letters that communicate approved decisions to the aggrieved, and prepare quarterly report on the activity of the committees. The quarterly report includes activities of all Grievance Committees bank-wide;

The Secretary of the Managerial Grievance Committee assigned by Vice President Corporate Human Resources Management to conduct duties. Grievances initiated through the Employee Self Service (Oracle) using Grievance Handling Function; Grievances referred to the Employee Grievance/Managerial Grievance Hearing Committees forwarded from Director-HRM to Employee Relation and Communication Manager through Oracle along with specific directions as to the actions that need to be taken. From this step onwards up to the issuance of decision letters (submitting grievance documents to the committee's Secretary, sending grievances to the committees, preparing minutes, approval of minutes and issuance of decision to the aggrieved), the process is conducted offline;

When taking grievance applications of employees directed to a particular grievance committee, the Employee Relations and Communication Officer sign on a standard register specifying the individual case and confirming receipt of same;

Reports on the activities of grievance committees listed above issued quarterly and be sent for Director-HRM and Director-Branch Operations as input for further action. Employee Relations and Communication Manager communicates decisions of the Employee Grievance Hearing Committee and Managerial Grievance Hearing Committee to the aggrieved after decision is approved by Vice President Corporate Human Resources Management.

When Director-HRM requests legal advice from the HR Attorney, the Attorney do so in writing; and sign on the document; Decision made on grievances sent to the attention of the Head office or District grievance Hearing Committees communicated to the aggrieved within ten working days.

2.3 Conceptual framework

Different scholars define labor management relation. When studying the theories of labor management relations. The first systematic attempt to formulate a theoretical framework of industrial relations was John Dunlop's Industrial Relations Systems (Kaufman, 2004).

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

As the concept of LMR is somewhat unclear and inaccurate it is essential to make the concept more specific and precise. It is an abstract rather than a concrete concept. Furthermore, there is no agreement on the meaning of labor management relation as different terms such as Labor Relations, Union-Management Relations, Employee Relations, Industrial Relations etc. are used synonymously (Henarath , 2016).

Components of the labor management relation

The “three” main parties who are actively associated with any labor management relations system are the workers and their organizations the management and their organizations and the state.

These three parties jointly determine the output of the system, namely, rules and regulations relating to the terms and conditions of employment. when they are forced to work in an alienated, monotonous and unhygienic work environment where their activities are closely regulated and controlled by the management, their dissatisfaction makes them revolt against their management.

The Management is the key factor in the system of the relation around which the whole process of maintaining good relationships revolves. They decide on the terms and conditions of employment and it is they who frame the various social security schemes as also the various labor welfare policies. The philosophy that they adopt to get their work done through workers determines the quality of the relations that exist between the management and the workers.

Maintaining industrial peace and harmony is of vital importance for achieving sustained economic growth and for maintaining a continued productive employment for the

workers. So the role of the Government in the industrial relations system of a country is very important

CHAPTER THREE

Research Design and Methodology

3.1 Introduction

The purpose of this chapter is to provide and explain the research methodology used in the study. The tools and procedures that were selected, the research design, the participants, sampling design and data collection procedure are discussed. Lastly, the ethical considerations of the study are discussed.

3.2 Research Approach and Design

The researcher used quantitative research method and the data were gathered From Commercial Bank of Ethiopia branches, head office, trade union. A descriptive research design was used to conduct the study for accurate and valid representation of the factors that is relevant to the research question. Therefore, the researcher preferred to use descriptive research type, which helps to use quantitative data analysis.

3.3 Population and Sampling

The study consists 11, 456 employees and managements working in four Addis Ababa districts and union representatives. Simple random sampling method is used to select candidates from the total population. The researcher took 30 from the labor union and the rest from branches and head office to ensure that the populations were adequately represented. The researcher hoped the sample is enough to represent the organization and data collected from the employees.

3.4 Sampling Design

The study takes employees and managements who are working in Addis Ababa four districts, selected managers and labor union. The questionnaires are prearranged to staffs including managers, seniors, labor union representatives, and administrative teams.

Also the researcher used additional selection criteria for the sample like staffs of bank which are permanent.

3.5 Sample Size

The researcher used a formula and Out of the total population 11,456 decides to take sample of 387 using YARO YAMANI'S statistical formula (1967) the formula used is stated below.

$$n = \frac{N}{1 + N(e)^2}$$

Where

n=sample size

X^2 =chi-square for the specified confidence level at 1 degree of freedom

N=The population Under Study

P=population portion (.50)

e=desired margin of error.

$$n = \frac{11,456}{1 + 11456(0.05)^2}$$

$$n = \frac{11,456}{29.64}$$

n=387

3.6 Data Source and Collection Procedure

For the purpose of this study quantitative data were collected from primary and secondary sources. Primary Data collected through structured questionnaires, Secondary data collected from different sources including journals, books, labor documents, periodicals, and online from internet sources, Commercial Bank of Ethiopia intranet portal, and private sources.

3.7 Data Analysis

The researcher analyzes data using mean and standard deviation. By using SPSS software the data presented using tables and assigning percentages. Therefore, as predetermined in the data collection tool for this study, data collected in structured questionnaire consequently, the data will be analyzed quantitatively.

3.8 Ethical Consideration

In the study the researcher is memorable with the ethical issues of research. Thus, the researcher watch the ideology of ethical issues like confidentially and dignity of the participants, integrity, plagiarism, and never fabricating and destroying data.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

Out of three hundred eighty seven (387) questionnaires distributed to respondents three hundred ten (310) were returned (accepted). From the accepted responses twenty five was found invalid where as the remaining two hundred eighty five (285) responses were found valid and used for the analysis. This accounts for 73% of response rate. Thus, based on the responses obtained from the respondents data presentation and analysis were made as follow.

4.2 Response Rate and Demographic Data

Table 1 shows that 225 or around 79 % of respondents are males and 21% are females. This shows that the major participation in the study was dominated by male participants.

Table 4.1 Gender information of respondents

GENDER	Frequency	Percent	Valid Percent	Cumulative Percent
MALE	225	78.9	78.9	78.9
FEMALE	60	21.1	21.1	100.0
Valid Total	285	100.0	100.0	

Source: Own survey (2019)

With regard to the age category of the respondents, 73.7% of the respondent's age was found to be within the range of under 30 groups and 21.8% are between 30 and 45, while the rest of the participants (4.6) were found to be between 45 and 60. This

indicates the majority of the respondents were young.

Table 4.2 Age information of respondents

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid under_30	210	73.7	73.7	73.7
between 30 and 45	62	21.8	21.8	95.4
Between 45 and 60	13	4.6	4.6	100.0
Total	285	100.0	100.0	

Source: Own survey (2019)

As the table 4.3 below reveals that the marital status of respondents 130 means 45.6% of the respondents are single and 151 which amount 53% are married while 4(1.4%) has a different status.

Table 4.3 Marital status information of respondents

Marital status	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	130	45.6	45.6	45.6
Married	151	53.0	53.0	98.6
Other	4	1.4	1.4	100.0
Total	285	100.0	100.0	

Source: Own survey (2019)

Table 4.4 indicates respondents service year, 13 (4.6), 31(10.9), 153(53.7) and 88(30.9) percent of respondents served the organization for less than one year, one to three years, three to five years and more than five years respectively.

Table 4.4 year of experience information of respondents

Length of experience	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than one year	13	4.6	4.6	4.6
Valid between 1-3	31	10.9	10.9	15.4
Valid Between 3-5	153	53.7	53.7	69.1
Valid Above 5 years	88	30.9	30.9	100.0
Valid Total	285	100.0	100.0	

Source: Own survey (2019)

Regarding the job position of participants, majority of the respondents (75.4%) were found to be employee. The rest of the respondents 14 % and 10.5% were labor representatives and management respectively.

Table 4.5 position information of respondents

Employee job position	Frequency	Percent	Valid Percent	Cumulative Percent
Valid EMPLOYEE	215	75.4	75.4	75.4
Valid LABOR REPRESENTATIVE	40	14.0	14.0	89.5
Valid MANAGEMENT	30	10.5	10.5	100.0
Valid Total	285	100.0	100.0	

Source: Own survey (2019)

When we see the level of education all of the respondents have an educational level above college diploma. When we see the specific qualification level 84.6% of the respondents have a first degree qualification, 15.4% have a second degree qualification.

Table 4.6 Level of educational information of respondents

Level of education	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor degree	241	84.6	84.6	84.6
Valid masters and above	44	15.4	15.4	100.0
Total	285	100.0	100.0	

Source: Own survey (2019)

4.3 Results or Findings of study variables

4.3.1 Character of Labor-Management Relationships in CBE

Table 4.7 Character of Labor-Management Relationships in CBE

Question items	N	Mean	Std. Deviation
The labor union participates in corporate issues of the bank?	285	3.71	.922
The labor union can bargain with the management in labor issues?	285	4.04	.713
Labor union representatives are strong in the bargaining?	285	4.06	1.217
In CBE the labor union participates in decision making?	285	4.15	.974
The labor union has open communication with employees?	285	4.22	.928
I am satisfied with the company labor management relation?	285	4.31	.936
There is a healthy relation between management and employees?	285	4.32	.930
There is a mutual relationship b/n labor and management in CBE?	285	4.33	.959
The management has open communication with labor union?	285	4.39	.804
There is good labor-management relation in CBE?	285	4.57	.622
Valid N (listwise)	285		
Overall mean		4.20	

Source: Own survey (2019)

Employee participation in decision-making created by management helps boost motivation and serves to raise the workers' morale and productivity. Consequently, the right kind of participation yields both motivation and knowledge that is valuable for the success of the firm.

Workers participation in decision making in an organization promotes good industrial relations, improves commitment and production. Management see participation as a way of increasing the commitment and control of workers, trade unions see it as a way of increasing workers influence and control in the work place, workers see it as a means of overcoming conflict and of achieving cooperation between management, trade union and workers (Felicia, 2012).

As table 4.7 illustrates that ten items were used in order to see the character of labor-management relationships in CBE .The overall mean value of respondents' scored 4.20 reveals that the respondents are disagreed to the statements. The labor union participation in corporate issues of the bank and bargain with the management in labor issues is 3.71 and 4.04, respectively. This means the labor union is not strong in bargaining and the labor union does not participate in the bank corporate issues.

Employee participation in decision-making created by management helps boost motivation and serves to raise the workers' morale and productivity. Consequently, the right kind of participation yields both motivation and knowledge that is valuable for the achievement of the firm objective.

The second question which 'The labor union can bargain with the management in labor issues' scored mean value 4.04 .which means the respondents disagreed to the statement that the union can bargain with the management. On the other hand, the third and the forth statements, which is Labor union representatives are strong in bargaining and the labor union participates in decision making has mean value that is 4.06 and 4.15 respectively. This implies the labor union is not strong in bargaining and doesn't participate on decision making.

. Respondents were disagreed to the statement. The information sharing practice which is the labor union communication with employees shows mean value of 4.22 and the management communication with labor union shows 4.39. This indicates that the communication between labor union with employees and management with the labor union is poor. The respondents are not satisfied with the existing communication to know much about the labor union and its effectiveness in its practices hence, from these results we can say that the union is not effective to provide efficient way of communication or there is a communication gap.

Communication plays crucial role at organizations and it is one of the most important factors which improve the relationship among employees. When communication is open and transparent, employees can build high trust in their organization and perceive the organization as being transparent (Chaubey, Mishra and Dimri,2017).

The statement, there is a healthy relation between management and employees respondents answered negatively, scored mean value 4.32. Indicates that there is unhealthy relation between management .As clearly stated in the table, for the question ‘I am satisfied with the company labor management relation’ scored mean value 4.31. Means respondents disagreed which infer that the respondents are not satisfied with the company labor management relation.

Similarly to the question ‘there is a mutual relationship b/n labor and management in CBE’ and to the question ‘the management has open communication with labor union’ respondents disagreed to the statement. The mean value of responses to the questions 4.33 and 4.39 respectively indicates respondents doesn’t think there is mutual relation between labor and management and the management doesn’t have open communication with the labor union .

Finally to the question ‘There is good labor-management relation’ respondents were disagreed which means respondents answer negatively indicates the existence of poor labor management relation in CBE.

4.3.2 Sources of Labor-Management Conflict in CBE

Table 4.8: Sources of Labor-Management Conflict in CBE

Descriptive Statistics			
Question items	N	Mean	Std. Deviation
Application of collective agreement is the one of the causes of labor-management conflict in CBE?	285	1.70	.982
There is unfair labor practice in CBE?	285	1.86	.859
Benefit package is the one of the causes of labor-management conflict in CBE?	285	1.38	.933
There is a good working condition in CBE?	285	2.32	1.204
Management keeps employees aware of changes in employees' working conditions?	285	2.30	.950
The collective agreement is effectively implemented?	285	4.32	.930
Valid N (listwise)	285		
Overall mean		2.64	

Source: Own survey (2019)

Labor management conflict is disagreements between management and labor with respect to wages, working conditions, union recognition or other matters .it is the results of struggle in the goals and objective of workers and employers. The difference in the causes of conflicts shows the changes in the pattern of workers goals and objectives (Omisore and Abiodun ,2014).

When we look at the results of the above table 4.8, the question Application of collective agreement is the one of the causes of labor-management conflict in CBE, Scored mean value of 1.7. This indicates employees agree to the application of collective is one of the cause of labor management conflict in CBE.

The second question which 'there is unfair labor practice in CBE' scored mean value 1.86 means respondents agree. Consistently for the question Benefit package is the one of the causes of labor-management conflict in CBE scored 1.38 approaches to one .which indicates the respondents strongly agree that benefit package is cause of labor management conflict in CBE.

It is a mark of good management to provide a safe, healthy, and as far as possible, congenial working environment for all employees. Whether there are legal requirements or not, all managements have a responsibility to provide a working environment at present-day standards. The physical working conditions include factors like light, noise, hours of work, work timetable, rest periods and other factors. Whereas, to the question there is good working conditions in CBE respondents have given their positive responses scored 2.32 mean values. From these result we can say that the employees have good working condition in CBE.

In addition from the result, Management keeps employees aware of changes in employees' working conditions scored mean value 2.3. Means management communicate changes in employees working condition and respondents believe that there is conflict between labor and management. For the question collective agreement is effectively implemented in CBE scored 4.32 respondents disagreed from this we can imply that respondents do not believe collective agreement is effectively implemented.

Table 4.9: Sources of Labor-Management Conflict in CBE

Descriptive Statistics			
Question items	N	Mean	Std. Deviation
Compensation and benefits in CBE act in response to present economic situation?	285	1.93	.324
How are your terms and conditions of work compared with those negotiated by the trade unions?	285	2.69	.603
How do you define the amount of work you do per day ?	285	1.18	.449
How do you compare your wage with peers in your sector?	285	2.58	.574
The wage rate you paid in CBE is ?	285	2.60	.564
Does CBE pay rate same as the labour union recommended?	285	2.49	.664
Managers regularly seek employee's opinions on job related issues?	285	2.00	.544
There exists transparent communication in the organization?	285	2.03	.443
Valid N (listwise)	285		
Overall mean		2.18	

Source: Own survey (2019)

Existence of transparent communication scored a mean value of 2.03 this indicates majority of the respondents answered no shows, respondents don't assume the existence of transparent communication in the organization.

In addition, to the question Compensation and benefits in CBE act in response to present economic situation and How are your terms and conditions of work compared with those negotiated by the trade unions scored mean value 1.93 and 2.69 respectively . indicates that in CBE compensation and benefit do not act in response to present economic situation and condition of work is not the same as those negotiated by the trade unions .

To the question the amount of work you do per day respondents answer scored mean value 1.18, which indicates respondents answered the amount of work per day is too much .also, comparing wage with peers sector and the wage rate paid in CBE scored mean value 2.58 and 2.60 .which indicates comparing wage to the sector its low and most respondents wage rate paid was average in CBE.

To the question, does CBE pay rates same as the labor union recommended respondents answer scored mean value 2.49 which implies CBE do not pays rate the same as labor union recommended. Regarding communication to the questions Managers regularly seek employee's opinions on job related issues and existence of transparent and effective communication in the organization. Scored mean value 2.00, 2.03 and 2.16 indicates managers don't regularly seek employee's opinion and there is no transparent and effective communication.

When we see table 4.9 from highest to lowest mean scores, respondents ranked terms and conditions of work compared with those negotiated by the trade unions with highest mean of 4.32 whereas efficient mechanisms are used to handle labor-management conflict having lowest mean of 1.69 from total.

4.3.3 Mechanism to solve labor-management conflict CBE

Table 4.10: Mechanism to solve labor-management conflict CBE

Descriptive Statistics			
	N	Mean	Std. Deviation
The grievance process is an efficient way to resolve conflicts in CBE?	285	4.31	.936
The existence of labor union is essential for employees to make their grievances powerful?	285	2.25	1.141
In CBE efficient mechanisms are used to handle labor-management conflict resolution in your bank?	285	1.18	.384
Managers regularly seek employee's opinions on job related issues?	285	2.00	.544
There are effective communication systems in the organization?	285	2.16	.524
Valid N (listwise)	285		
Overall mean		2.38	

Source: Own survey (2019)

Some conflicts are resolved very quickly and some conflicts however will take longer to resolve .many conflicts but not all are resolved by the parties themselves through harmony based processes of dialogue, negotiation, and bargaining. Where bargaining and negotiation fail, third-party interventions are required to assist the disputing parties to resolve their conflict. Some interventions such as mediation are still consensus-based, but others, namely arbitration and adjudication, involve third parties deciding how a dispute should be settled (Felicia, 2012).

The overall mean value scored 2.38 indicates the respondents are agreed to the statements that describe mechanisms to solve labor-management conflict CBE .The

effective operation of labor management relations is closely tied to the nature and quality of the conflict management system and the services it provides.

To the question grievance process is an efficient way to resolve conflicts in CBE Scored mean value 4.31. Indicates respondents disagreed or don't believe grievance process as an effective way to resolve conflict. In addition to the question the existence of labor union is essential for employees to make their grievances powerful scored 2.25 means respondents agree.

To the question, efficient mechanisms are used to handle labor-management conflict resolution in your bank respondents answer negatively scored mean value 1.18. which indicates respondents believe that there is no efficient mechanism used to handle labor management conflicts.

The importance of understanding the effectiveness of communication is because the process of talking to unwilling ears or passing out information does not ensure that the message gets to its intended recipients . communication feedback to enable the management evaluate the effectiveness of communication and make modifications where necessary.

To the question there are effective communication systems in the organization respondents answer negatively scored mean value 2.16 indicates that there is no effective communication system in the organization.

4.3.4 Employees Reaction to a Labor-Management Conflict in CBE

Table 4.10: Employees Reaction to a Labor-Management Conflict in CBE

Descriptive Statistics			
Question items	N	Mean	Std. Deviation
There is conflict between labor and management?	281	2.96	1.599
I am happy with role responsibility at this company?	285	4.37	.935
Do you agree that strike has result on conflict resolution?	285	2.91	.862
Conflict is inevitable with labor and management in work place?	285	4.30	.950
Have you witnessed any strike?	285	1.99	.102
To what extent would you say your relationship with the management make your work interesting?.	285	1.76	1.081
Valid N (listwise)	281		
Overall mean		3.04	

Source: Own survey (2019)

The first question, there is conflict between labor and management scored mean value 2.96 means respondents believe that there is conflict between labor and management in CBE. The second question “I am happy with role and responsibility at this company” scored mean value 4.37 means respondents are not happy with the role and responsibility at their organization.

The workers and the employers calculate the need of strike separately in terms of financial gains and losses. The strikes or lockouts grow essentially out of the wage system which there is economic inequality. It is this inequality which makes the strike inevitable (Knowles, 1952). Whereas, reaction to the existence of conflict and Conflict is inevitable with labor and management in work place scored mean value of 2.96 and 4.3 respectively.

Respondents answer to the question that strike has result on conflict resolution scored mean value 2.91 neutral responses, to the question Conflict is inevitable with labor and management in work place scored mean value 4.3 means respondents disagreed which infer conflict can be managed.

Finally, to the question ‘To what extent would you say your relationship with the management make your work interesting’ respondents answer positively, which implies respondents believe that good relation with the labor management makes work interesting.

4.3.5 Grievance Procedures Followed by CBE

Table 4.11 Grievance Procedures Followed by CBE

Descriptive Statistics			
Question items	N	Mean	Std. Deviation
In CBE workers' grievance report is addressed in a timely fashion?	285	2.13	.598
There is fair grievance management procedure in CBE?	285	1.96	.586
The Labor and management work cooperatively during the grievance process?	285	2.76	.593
There are adequate stages of the grievance management process in CBE?	285	2.50	.501
There is an adequate procedure for handling workers' complaints in CBE?	285	2.03	.553
The employee discusses the grievance with the union steward (the union's representative on the job) and the supervisor ?	285	2.41	.636
The union steward discusses the grievance with the managers?	285	1.25	.607
Valid N (listwise)	285		
Overall mean		2.14	

Source: Own survey (2019)

According to the results shown in the table 4.11 the mean score from the response on the grievance procedure, union steward discusses the grievance with the managers score 1.25 and existence of fair grievance management procedure score 1.96 and workers' grievance report is addressed in a timely and existence of adequate procedure for handling workers' complaints shows 2.13 and 2.03 respectively.

Grievance procedures is intended to serve the needs of both employers and employees. It is important for organizations to employ effective grievance management systems to address the concerns raised by employees in the interest of promoting justice and avoiding conflict, especially in a unionized environment. Grievance procedures can vary in the steps included.

To the first question 'In CBE workers' grievance report is addressed in a timely fashion' respondents answer scored 2.13 which means grievance are not addressed in a timely fashion. Consequently cooperatively work between the labor and the management during the grievance process and existence of fair grievance management procedure in CBE Scored mean value 2.76 and 1.96 respectively. This indicates that labor and management during grievance process they do not work cooperatively and respondents don't know the existence of fair grievance management procedure in CBE.

The attention given to a worker's grievances and needs can add much to the spirit that employees apply to job. Grievances should be settled promptly. The way should be open for employees to register complaints about their treatment and if they feel their immediate supervisor has been unfair, channels of appeal should be available (Melchades, 2013)

In addition, to question there are adequate stages of the grievance management process in CBE scored mean value 2.5 which implies most respondents don't know the existence of adequate stages of grievance management process and most respondents agree there is no adequate stage of grievance management process in CBE.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter deals with conclusions and recommendations respectively. Hence, the major findings of the study were analyzed and discussed in chapter four give a way to draw a conclusion. Finally, possible recommendations for the major problems found from the study are forwarded on the basis of the findings of the study.

5.2 Summary of findings

From this study, the following particular findings are observed:

- The labor union is weak in bargaining and the labor union does not participate in the bank corporate issues. The respondents disagreed to the statement that the union can bargain with the management. This implies the labor union is weak in bargaining and participating on decision making. Furthermore, the union is ineffectual to provide efficient way of communication or there is a communication gap.
- Respondents unsatisfied with the company labor management relation and thinks there is unhealthy relation between management and employees. Respondents also think there is mutual relation between labor and management and the management having poor communication with the labor union.
- Application of collective agreement is the one of the causes of labor-management conflict in CBE. And respondents believe that there is no efficient mechanism used to handle labor management conflicts and respondents disagreed or don't believe grievance process as an effective way to resolve conflict.

- Respondents believe that there is conflict between labor and management in CBE and also believe that good relation with the labor –management makes work interesting. Grievance is addressed untimely and management and union during grievance process work uncooperatively. Furthermore respondents don't know the existence of adequate stages of grievance management process and most respondents agree there is no adequate stage of grievance management process in CBE.

5.3 Conclusion

According to the discussion and analysis of the data presented in chapter four, the following findings were drawn. The finding revealed that

Males were more than females with , respondents of the study were young and that all ages are well represented hence the study would not be tilted to any age. The findings on level of education, was that all of the employees have bachelor degree and hence were able to understand the concept of the study.

There are a certain characteristics in CBE in the labor management relation as described below. The labor union is don't participate in corporate issues o f the bank and the union is weak in bargain with the management, respondents were disagreed to the labor union participates in decision making. The respondents also are dissatisfied with their responsibility in the company and thinks there is unhealthy relation between management and employees. In addition employees don't think there is mutual relation b/n labor and management and the management doesn't have open communication with the labor union, generally the finding indicates that there is poor labor management relation.

Application of collective agreement is the one of the causes of labor-management conflict in CBE. The respondents strongly agree that benefit package is also one of the

causes of labor management conflict in CBE. Most employees agree that application of collective agreement and unfair labor practice is a cause of the conflict. And the employees have good working condition in CBE. Furthermore, compensation and benefit do not act in response to present economic situation and condition of work is not the same as those negotiated by the trade unions indicates managers don't regularly seek employee's opinion and there is no transparent and effective communication in the organization.

The presence of labor-management conflict in CBE is supported by the majority of the respondents. That is mainly associated with the lower wage and other benefits received by the employees. Generally, respondents believe that there is conflict between labor and management and conflict can be managed.

Concerning communication the management communicates changes in employees working condition and respondents believe that there is conflict between labor and management. Also respondents don't believe grievance process is an effective way to resolve conflict. In addition, Management doesn't regularly seek employee's opinion and there is no transparent and effective communication. Generally, Respondents believe there in no efficient mechanisms used to handle labor management conflicts.

Respondents are unhappy and doubt grievance process is an effective way to resolve conflict. Grievance is not addressed in a timely fashion .consequently, no cooperative work between the labor and the management during the grievance process and respondents do not believe the existence of fair grievance management procedure in CBE. Sadly most respondents don't know the existence of adequate stages of grievance management process and most respondents agree there is no adequate stage of grievance management process in CBE.

5.4 Recommendations

Based on the major findings of the study and the conclusions drawn, the researcher suggested the following recommendations.

1. There has to be full acceptance by management and employees of the collective bargaining process and of unionism as an institution. The bank has to consider a strong union an asset to management. The union has to be strong, responsible, and democratic. Mutual trust and confidence has to exist between the parties.
2. Cases and causes of labor-management conflict affecting the lives of employees in the major circumstances, as well as the profits and the peace of the organization, has to be directed by having priority.
3. It is important to use efficient mechanisms to handle labor management conflicts. the communication gap between the management and workers has to be bridged to enable management and labor union to speak with one voice and handle labor management conflicts.
4. Workers have to be enlightened as to their rights and obligations the labor union has to investigate the unfair treatment of labor in all respects. This can be done through the respective trade union or by the state.
5. There has to be widespread union-management discussion and highly developed information sharing and Grievances have to be settled promptly, in quickly manner whenever possible.

5.5 Limitation and suggestion for further study

In future research, analyzing the approach that labor union should take in responding to conflict is an important topic for labor union to take active approach towards conflict management. What is required in the future studies includes case studies

and quantitative studies that specifically interfere and explain the difficulties that labor union encounter. In addition, it is necessary to explore employees understanding of labor management relation .the reason for that ,there are workers who do not understand what is labor union activities which will be a major challenge for labor union when they carry out its activity.

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APPENDICES

Addis Ababa University School of Commerce
MA in Human Resource Management Program

Questionnaire

Dear respondents;

This questionnaire is designed by student of Addis Ababa University to collect data for the study entitled “Study on Labor Management-Relation practice”. The major objective of the study is to investigate Labor management relation practice in commercial bank of Ethiopia.

The questionnaire is meant to be filled by Branch managers, Managers in other functional areas, labor union representatives and employees. Confidentiality is assured. For the research to yield valid results, it is important that you answer all the questions as honestly and truthfully as possible. The answers must reflect your own opinion and perception with regard to your organization.

Thank you for your willingness to participate in this study. It is greatly appreciated.

SECTION I: Demographic Information

The following questions concern about your personal information its confidentiality is assured. No individual is needed to write his name.

Please answer by putting a **Thick (√)** in one of the blank spaces parallel to each item.

1. Gender Male Female
2. Marital status Single Married Other
3. Age Under 30 Between 30 and 45
 Between 45 and 60 Above 60
4. Level of education
 Certificate Bachelor degree
 Diploma Masters and above
5. Year of experience

Less than one year

Between 1-3

Between 3-5

Above 5 years

6. Current position in the bank-----

Section II. Statement on the character of labor-management relationships.

Listed below are descriptive statements about the Statement on the character of labor-management relationships. For each statement, you are requested to complete by placing a **Tick mark (√)** in the appropriate box.

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

	Questions	1	2	3	4	5
7	There is good labor-management relation in CBE?					
8	There is a mutual relationship b/n labor and management in CBE?					
9	The labor union has open communication with employees?					
10	The management has open communication with labor union?					
11	The labor union can bargain with the management in labor issues?					
12	I am satisfied with the company labor management relation?					
13	Labor union representatives are strong in the bargaining?					
14	The labor union participates in corporate issues of the bank?					
15	In CBE the labor union participates in decision making?					
16	There is healthy relations between management and employees?					

Section III Statement on labor-management conflict

This section of the questionnaire is meant investigate source of labor management conflict, mechanisms used to handle conflict. For each statement, you are requested to complete by placing a **Tick mark (√)** in the appropriate box.

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

	Questions	1	2	3	4	5
17	Application of collective agreement is the one of the causes of labor-management conflict in CBE?					
18	There is unfair labor practice in CBE?					
19	Benefit package is the one of the causes of labor-management conflict in CBE?					

20	There is good working condition in CBE?					
21	Management keeps employees aware of changes in employees' working conditions?					
22	There is conflict between labor and management?					
23	I am happy with role responsibility at this company?					
24	The grievance process is an efficient way to resolve conflicts in CBE?					
25	The existence of labor union is essential for employees to make their grievances powerful?					
26	Do you agree that strike has result on conflict resolution?					
27	Conflict is inevitable with labor and management in work place?					
28	The collective agreement is effectively implemented?					

29. Efficient mechanisms are used to handle labor-management conflict In CBE?

Yes No Don't know

30. Have you witnessed any strike?

Yes No Don't know

31. Compensation and benefits in CBE act in response to present economic situation?

Yes No Don't know

32. How are your terms and conditions of work compared with those negotiated by the trade unions?

Better Same not the same

33. How do you define the amount of work you do per day?

Too much normal low

34. How do you compare your wage with peers in your sector?

Higher same low

35. The wage rate you paid in CBE is ?

High average low

36. Does CBE pay rates same as the labor union recommended?

Yes No don't know

37. Managers regularly seek employee's opinions on job related issues?

Yes No don't know

38. There exists transparent communication in the organization?

Yes No don't know

39. There are effective communication systems in the organization?

Yes No don't know

40. To what extent would you say your relationship with the management make your work interesting?

Very great little effect no effect don't know

Section Iv Statement on grievance procedures

41. In CBE workers' grievance report is addressed in a timely fashion?

Yes No don't know

42. There is fair grievance management procedure in CBE?

Yes No don't know

43. The Labor and management work cooperatively during the grievance process?

Yes No don't know

44. There are adequate stages of the grievance management process in CBE?

Yes No don't know

45. There is an adequate procedure for handling workers' complaints in CBE?

Yes No don't know

46. The employee discusses the grievance with the union steward (the union's representative on the job) and the supervisor.

Yes No don't know

47. The union steward discusses the grievance with the managers?

Yes No don't know

END OF QUESTIONNAIRE

Thank You for Your Time and Contribution

