



Labor Relation Practice

(The case of Bank of Abyssinia)

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Labor Relation Practice in Bank of Abyssinia



Addis Ababa University School of Commerce

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Statement of Declaration

I honestly declare that this project work entitled Labor relation system and practice submitted to Addis Ababa University School of Commerce is a record of my original work done and the sources that I used for thesis have been entirely acknowledged.

Declared by:-

Adam Bekele

Signature -----

Date -----

Statement of Certifications

This is to certify that Adam Bekele Ayele has carried out his thesis work on the topic entitled Labor relation practice (the case of Bank of Abyssinia). The work is original in nature and is suitable for submission for the award of Master's Degree in Human Resource Management

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Table of Content

	Pages
Title	
Inside Cover	
Approval	
Statement of Declaration	i
Statement of Certifications	ii
Acknowledgements.....	iii
Table of Contents.....	iv
List of Tables and List of figures	v
Acronmys	vi
Abstract.....	vii
 Chapter One Introduction	
1.1. Background of the study.....	2
1.2. Background of the the organization	3
1.2. Statement of the problem.....	4
1.3. Research questions.....	5
1.4. Research objectives.....	6
1.4.1.General Objective	6
1.4.2.Specific Objectives	6
1.5. Significance of the study.....	6
1.6. Scope of the study	7
1.7. Potential limitation of the study.....	7
1.8. Organization of the study.....	8
1.9. Defination of Key Terms	8
 Chapter Two Review of Related Literature	
2.1. Meaning and theoretical concepts.....	9
2.2. Nature of Labor relations system.....	10
2.3. The actors in labor relation system	11

2.3.1. Employer.....	12
2.3.2. Government.....	12
2.3.3. Labor union.....	12
2.4. Industrial and Labor Relation	13
2.5. Relation between Manager and Labor	14
2.5.1.Communication	14
2.6. Labor relation Issues	11
2.7.Collective bargaining.....	15
2.7.Collective Agreement	16
2.9. Labor Management Conflict Resolution Mechanism	17
2.11. Third Party resolution	19
2.11.1. Arbitration	19
2.11.2. Mediation.....	20
2.11.3. Conciliation.....	20
2.12. The scope of Labor relation	20
2.13. Grievance Management	21
2.14. Grievance Procedure.....	22
2.15. Grievance Handling in BoA.....	23
2.16. Review of Emperical studies	23
2.17. Conceptual Framework and Model of the study.....	24
Chapter Three	
Research Methodologies	
3.1. Research design	25
3.2. Description of study variables	25
3.3. Population of the Study and sampling technique	26
3.4. Sample size	26
3.5. Sources of data and Collection methods.....	28
3.6. Method of data analysis	28
3.7. Realiability & Validity.....	29
3.7.1. Realiability and Validity.....	29

3.8. Ethical consideration.....24

Chapter Four

Data Analysis and Interpretation

4.1. Demographic characteristics of respondents.....30

4.1.1. Results, Findings, Interpretation & discussion33

4.2.2. Characteristics of labor management relationships in BoA.....33

4.2.3. Mechanism to solve labor-management conflict in BoA36

4.2.4. Sources of Labor-Management Conflict in BoA37

4.2.4. Grievance Procedures Followed by BoA40

Chapter Five

Summary, Conclusions and Recommendations

5.1. Summary of finding44

5.2. Conclusion45

5.3. Recommendation46

5.4. Suggestion for future research48

References

Annex

List of Figures	Page
Chapter Two	
Figure 1. Parties to Labor relation	13
Figure 2. Grievance Process	22
Chapter Three	
Figure 3. Conceptual framework of labor relation.....	24
 Chapter Three	
Table 1. Carvalh sample size determination	26
Table2. Sample unit taken from CAAD and Head office	27
 Chapter Four	
Table 3. Gender distribution of respondents	30
Table 4. Marital Status of respondents	31
Table 5. Age distribution of respondents	31
Table 6. Educational level Status of respondents	32
Table 7. Work experience status of respondents	32
Table 8. Monthly incomes of respondents	33
Table 9. Characteristics of Labor-Management of Relationships in BoA.....	33
Table 10. Mechanism to solve labor-management conflict in BoA	36
Table 11. Sources of Labor-Management Conflict in BoA	37
Table 12. Grievance Procedures Followed by BoA.....	40

ACRONYMS

ATM: Automated Teller Machine

HRM: Human Resource Management

HR: Human Resource

BoA: Bank of Abyssinia

CAAD: Central Addis Ababa District

SPSS: Statistical Package for Social Science Software

ILO: International Labor Organization

Abstract

Labor relations are the relationship between employer, labor union and employee in a particular organization. Organizations whether they are public enterprises or nonpublic enterprise, private or government, may have complication related to labor relations. The objective of this research paper was to assess the labor relations system and practice and what were the problems occurred between the interactions of these parties.

The researcher examined issues related to labor management relationship, what look like the interaction between the parties, how employees react and how management responds. What is the extent of labor and management relationship in different activates of labor relations. The study also tried to investigate issues on labor disputes and the grievance procedure, the collective bargaining process and disputes resolution mechanisms in Bank of Abyssinia. Based on the literature argued components necessary issues has been assed related with labor relations.

The researcher, Qualitative and quantitative, research approaches has been applied and data's were gathered from primary and secondary sources. The major and primary sources for data collection tools were unstructured interview and questionnaires, and secondary sources were different books, handbooks, research papers and published magazines. The questionnaires were formed with Likert scale. The target population of this research was N=1150 with 125 sample size. The researcher has been used Carvalh (1984) sample size determination method to determine the number of respondents to be included in the study and the researcher has used high sample size to have a good representative as possible.

The finding of the research disclosed that the relations between employee, labor and management somewhat were not smooth. Influence from management side; make the interaction between them to become spoiled and it create partial effect on organization labor relation system.

Based on the research study possible recommendations and suggestions has been pointed out to improve labor management relation. Regarding labor relation practice, employees assume that the relation between them becomes unhealthy. Based on the conclusion of the study the researcher tried to show recommendations related to labor relations. Thus, to mitigate any difficulties related to labor relation, clear discussions and negotiations have to consider as a mechanism to having better relationship result in motivation of employees and through that enhance productivity.

Chapter One

Introduction

The concept of labor relation practice has been developed and practiced for the last several years in many organizations. Today the idea of labor relation has been growing well and the relation between labor and management becomes encouraging and this results the development of good labor relations in the organization and helps the relationship between them becomes smooth in an organization (Thomas, D, 1993).

Labor-Management relation is the most complicated set of relations that any HR Manager has to deal with. Maintain good labor relation helps the HR Managers in developing a harmonious environment within the organization which, in turn, aids to in achieving of goals and objectives of the organization effectively. Well-managed labor relations provide a competitive advantage to the organization by negating with labor or unions on related issues and conflicts that aroused from the parties (Jemal, R, 2011).

John Dunlop investigate that to improvement of organizational productivity can be achieved when the worker management relationship smooth and through active employee participation in work place (John, 1993). When employees participate in many other issues like decision making process of the organization and in other functions of the organization this provide employee mental and psychological satisfaction, thus beyond mental satisfaction they can create good relationship between employee and management.

The labor relations are more than a fixed understanding of contract between an employee and an employer. Labor relation is the process between employer and employee, management and unions to make the decisions on the organization. Labor management relation is the comprehensive of three parties in the organization explores issues relating to various kinds of employment relationships, and in doing so examines labor law systems and practices within their historical, cultural, political, economic and social settings (Deery and Mitchell 1993). Moreover, collective bargaining is a key element of labor relations and this element is unique and provides a solution through consensus.

This research study try to assess the nature of labor relation system and practice, how labor relation polices challenge labor management relation, in what manner trade union representatives involve or participate and make a decision on labor relation issues, investigate how disputes can be handled and in what way employment related issues can be addressed. In general the study tries to show the good practice of labor relation and how well the relation between the parties looks like.

1.1. Background of the study

Labor relations activities are more of concerned in areas of human resource management it handles different employment and employee relation issues in union work environment. The diversified issues that that is to be raised between labor union leaders and the organization management. Amonge the issues that relates labor union and managemnt are collective bargaining agreement, employees grievance handling and other issues that needs special decisions. According to Trebilock (2011) the systems that employee and their representative interact with management of the organization directly or indirectly in order to set out rules, regulation, procedures and to also to create policies for the governance of work relationship between them. The other major concern between employee and management relationship is dispute issues. In order to have a smooth work relationship the mechanism to hand dispute resolution is the critical point that is to be taking into consideration.

Employee and organization management relationship consists of organizational culture and the different management styles practice in the organization. According to Torrington and Hall (1998) labor relationship described as the relationship between employee and management involes rules and procedural sequence for grievances and confilict management and the most important purpose of employee relationship is to attain smooth and to creat peacefull relationship and reducing any conflict or any disagreement raised among employees.

Dunlop, J (1958) in his book industrial relations system describes that creating good relationship between labor and management leads to a higher motivation and engagement among employees. Employee happiness results more productivity and employee can put their maximum efforts to become more productive and attainable in their work environment. Therefore, the purpose of creating great labor relation is to create and build up excellent employee and employer relationship.

A labor relations system incorporates societal as well as techniques values. Good labor management relation is the desire of both management and labor in order to creat an well established organization. In a well established organization manager are able to plan, organize, and direct works and they understand the duties and responsibilities assigned to them. Thus, employees can properly accomplish the responsibilities and know the roles in a manner that they can produce preferd outputs (Razi et al, 2012).

Labor relations system refelects the interaction between the main actors, the state, the employer, trade unions and employees in the organization. In general, labor relations can be considered to be a study of relations between employees as well as employers and employees so as to find of resolving

conflicts and to help in improving productivity of the organization by increasing motivation and moral of worker. Therefore, new employment relations go beyond the collective bargaining level to include non-union organizations where dialogue might be between employers and their employees.

1.2. Background of the organization

Bank of Abyssinia has starts its operation with an authorized and paid in capital of Birr 50 million and Birr 17.8 million respectively and with only 131 shareholders and 32 staffs. In two decades since its establishment the bank has registered a significant growth in paid in capital and total asset (www.bankofabyssinia.com).

At this time, Bank of Abyssinia has more than 560 branches through the country and all branches are networked by the core system and has more than 7,300 talented, competent and committed employees. In addition to this, it is one of top private commercial bank in Ethiopia and pioneer to introduce modern banking services to the country such as like ATM machines service for local users, mobile and internet banking services and the Bank becomes a pioneer in launching a Virtual Banking Center where the Bank's customers be able to conduct most banking services through video conferencing with the Bank's experienced Customer Advisors working at the Center. And it has also strong correspondent relationship with more than 9 renowned foreign banks like Comerz Bank, Royal bank of Canada ,City bank and etc(www.bankofabyssinia.com).

Bank of Abyssinia has the vision to become a leading commercial bank in east africa by the year 2030 G.C. and the bank mission is to provide excellent financial services through competent, motivated employees and digital technology in order to maximize the value to all stakeholders and the bank strongly believes that striking the public confidence is the basis of our success.

The development of labor relation improves the relationship between the main actors of the organization and thus help to improve organizational effectiveness and increase motivation and moral of employees. Labor union have a major impact on improving the practices of employee management relationship. In Bank of Abyssinia the development of labor union secures employee labor management relation and enable employees to participate on day to day administration problems and also enable to participate annual conference through union. The existence of labor union fixes problems related to labor management relationship and rights of employees.

Hence, the study try to assess labor management relationship practices in the case Bank of Abyssinia in particular case of Addis Ababa area. Since this particular type of study had not been previously well

conducted in Bank of Abyssinia. the study address the existing practices of labor relation and the extent the relationship.

1.3. Statement of the problem

In bringing of performance for organization, relationship between management and labor can play a significant role. Improper labor practice and the nonexistence of smooth relationship among the parties results organization performance to become low and disrupts the achievement of the organizational goals. Unfortunately, many companies are not able to achieve their success due to unpleasant labor management relations. When there is disagreeable management relation with employees, this may prevent them for the achievement of their common goals and objectives. Having poor labor relation in the organization results low productivity lack of staff motivation, low pay and unfair promotion (Felicia O, 2012).

Essentially labor relations are concerned with preventing and resolving problems arising from working conditions. The absence of good labor relation between employee and employer result in dissatisfaction, that expressed in grievance, change in behavior, absenteeism, slow performance, loss of commitment, high turnover and being unable to handle the mentioned factors also result an organization performance to become low (Morley, Webb, and Stephenson, 1988).

On the contrary having harmonious employee relations foster employee commitment, employee engagement and this contribute for the organization productivity. 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 (Bibhuti B.M., 2010, Morley, Webb and Stephenson, 1988).

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 realize corporate objective in cost effective way ,therefore conflict can be expected (Coleman , 2017).

Hence, management should recognize and acknowledge labor union activities and contributions towards the employees' efficiency in the achievement of the goals of organization. This brings about harmonious working relationship so as to enhance greater productivity and mutual resolution of conflicts. In addition, management must identify itself with the employees' demands especially on improved conditions of service so as to minimize the level of conflict and to foster understanding

between management and the union members and ultimately to deliver the desired services and maintain the level of satisfactions.

Banking industry is one of the most challenging environment to manage people effectively. This is due to its intensive dependency on labor force, the scope and intensity of employee relation practices is considerably wide and high in the industry. This is mainly due to the fact that banking industry is inherently labor intensive. In Bank of Abyssinia, there is a practice of unionization and labor relations issues that are the major concerns of the study. Information gathered from key informant groups in bank of Abyssinia. There are frequent disagreements between management and labor union representatives. There is also overlapping interest between management and labor union representatives.

All in all, as the researcher has got firsthand information from key informants group, the researcher has identified that there is no an effective dispute resolution mechanisms, there is also poor employee grievance handling mechanisms is major problem. Applicability of collective agreement also becomes a major question. Thus, these results the creations of distorted labor relation practice in the bank.

Over and above, the researcher is initiated to undertake the study on this topic to contribute and discover the labor relation system and practices of the organization, since an effective union practice in labor's relation has a significance importance in improving the productivity of employees in the achievement of organizational goals in general. Therefore, Basic questions are designed and formulated to investigate the gaps. Therefore, the research set to answer the following basic questions.

1.4. Research question

On the basis of the problem statement stated above, the study has brought answer for the following basic research questions.

- ✓ What are the characteristics of labor management relationship in Bank of Abyssinia?
- ✓ What are the sources for labor-management conflict in Bank of Abyssinia?
- ✓ What are the mechanisms to solve labor-management conflict in BoA?
- ✓ What are the grievances handling in BoA?

1.5.Objectives of the study

The general objective of the study is to investigate the labor relation practices in Bank of Abyssinia, the case of Central Addis District and selected Head office departments.

The research addressed the following specific objectives.

- ✓ To assess the character of labor-management relationships in Bank of Abyssinia.
- ✓ To identify the cause of labor-management conflict in Bank of Abyssinia?
- ✓ To evaluate the mechanisms to solve labor-management conflict in BoA?
- ✓ To assess the grievances handling in BoA?

1.6.Significance of the study

After having done the study, provide labor and management of the organization to know the extent how they are performing well and helps to know and deal with the problems they facing in relationship system. Moreover, it assist management to know what is needed to improve labor relation in the organization and this help the business as a whole aware that having positive communication in building up better environment for the workplace. Further more, motivate and encourage reserchers to make profound study on the issues. As a final point, the study can be as a reference material for those individuals who want to perform a research in this area for future.

1.7.Scope of the study

Conceptually, the research has not covered the entire scope of labor relaion in banking sector. The study is be limited to the topic labor relation system and practice. And, even though labor relation practices consists of a number of dimensions, the study has been limited to major or common practices which impact on the relationship significantly: working conditions and harmony, being in partnership in the decision making process, communication, conflict and dispute handling.

Geographically, the scope is limited to Bank of Abyssinia's Head office and selected districts which based in Addis Ababa, Ethiopia at which both central Human resource management and Labor union representatives are located. The other reason is the fact that Bank of Abyssinia has more than 7300 permanent staffs as of January 2020.

Methodologically, The data for the study has been collected from employees and management from Head office and branches of the bank using questionnaires and unstructured interivew and other secondary sources like annual reports.

1.8. Limitation of the study

The whole study is based on bank of abyssinia purposely focusing on three districts found in Addis Ababa and head office. Due to constraints it is impossible to address all the districts of Bank of Abyssinia. The result might be more interesting if employees who are working out of Addis would have been covered to generalize the findings.

1.9. Organization of the study

This document study is organized into five chapters, the first chapter is composed of background of the research, statement of problem, research questions, objectives, research methodology, importance and any limitations during the research conducting. The second chapter is contain review of related literature. The third chapter is describe the presentation and discussion of the collected data and the final chapter is consists of the analysis and interpretation of data. The last chapter include the conclusion and recommendations of the study.

Definition of Key terms

Labor: *The amount of physical ,mental and social efforts used to produce goods and service in the Economy (Armstrong, 2008).*

Union: *Is group of workers that are recognized by law and collectively can bargain conditions of employment with their employer.*

Labor Relation: *It referes to the relationship between employees and employer (management) in a Organization.*

Labor Union: *A labor union is representative of employee in the industry to bargaining with employers over such concerns as wages and working conditions.(Armstrong,2008).*

Human Resource Management: *Is the study of employment relationship between employer and Individuals.*

Dispute: *The disagreement between employees and their employer on conditions of employment related issues.*

Strike: *Work stopage of employees claiming certain job related matters from employer.*

Mediation: *Is a process wherein the parties meet with a mutually selected impartial and neutral person who assists them in the negotiation of their differences.*

Arbitration: *Refers to third party intervention to settle disputes, by agreement of the parties, to one or more arbitrators who make a binding decision on the dispute..*

Labor Law: *The ethiopian Labor Proclamation 377/2003 govoning the employment relations in unionized organizational setting (ethiopian Labor proclamation No. 377/3003)*

Collective Agreement: *Refers to legaly binding todocument that is produce through collective bargainingof trade union representatives and management. It like employe hand book.*

Collective Brgaining: *Refers to bilateral all negotiations which take place between an employer and atrade union to dealand conditions of employment relationship,employment rights anddutiesincluding benfits and compensationsof workers.*

Unfair labor Practice: *The practice or activities of labor that is not accepted by the respective labor law standard.*

Good Faith Bargaining: *Refers to a type of negotiation in which all parties want and try to achieve a reasonable agreement with a positive outcome for all parties*

Chapter Two

Review of Related Literature

Introduction

The literature part is concerned with reviewing the existing literature on the study of labor relation system and the concepts which are related with it like industrial relations and employee relations. As it is known that labor relation is wide concept and it covers all the relationship that exists between labor and management. In labor relation three parties are exist, employer, workers and their representatives and the interaction between them results in the successful and smooth relationship in the industry.

Therefore, this section focuses on areas of labor relation systems and practice, the relationship with regard to unionization, collective bargaining and review how employers, workers and their representatives' relationship creates sound and favorable working environment and this study also refers related research done by different scholars so far.

2.1. Meaning and theoretical concept of labor relation

Many scholars expressed the word labor relation in different way. One of the major and the first systematic expression of the term labor relation were defined by John Dunlop. John Dunlop on his many of books has tried to formulate Labor relation system and theoretical formation of industrial relation system (Dunlop1958).

Labor relation is a systematic interaction of employers, workers and representatives. The interaction or relationship can be taking place whether it is direct or indirect interactions. As Rose, (2008) express that labor or industrial relations system is the relation among the major actors and it shows that how the relationship between one another is very tight. These main actors are the state, the employer (or employers or an employers' association), trade unions and employees (who may participate or not in unions and other bodies affording workers' representation).

The outgrowth of industrial revolution has smooth the way for the emergence of trade unions. Trade unions represent employees in the organization and the development of collective labor relations. According to Mike (2007) labor relations is the field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union and the relationship between the employer and employees and trade unions have to be harmonious relationship. Having a sound relationship safeguard the interest of both parties of production.

According to Mike L. (2007) has expressed the term “labor relations” and “industrial relations” are also used in connection with various forms of workers’ participation; they can also encompass individual employment relationships between an employer and a worker under a written or implied contract of employment and the relationship being referred to and include the negotiation of a written contract concerning pay hours of work and others terms and conditions of employment as well as the interpretation and administration of this contract over its period.

There is general agreement, however, that the term labor relations embraces collective bargaining, various forms of workers’ participation and mechanisms for resolving collective and individual disputes. The wide variety of labor relations systems throughout the world has meant that comparative studies and identification of types are accompanied by warnings about the limitations of over generalization and false analogies. Traditionally, four distinct types of workplace governance have been described: dictatorial, paternalistic, and institutional and worker participative (Mike, 2007). From the above points of view, we can understand that employee relation is a wider and broader concept that encompasses employment and employment regulations, trade unionism, grievance and grievance handling procedures, discipline and disciplinary action and the laws governing all.

2.2. Nature of Labor Management Relation

A smooth legal framework is a main requirement and a foundation for excellent labor management relations practices that wants to take into account national economic and social conditions and protect the basic employee rights and requirements of employers and workers working conditions, job security, a safe and well working atmosphere and to express their views as well as involving in decision making that have major implication for themselves or their workplace (Asian 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, and period of limitations and priority of claims, enforcement, and penalties.

The implementation 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 exchange 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. Extent of co-operation, Extent of participation, Degree of understanding mutual goals, Frequency of other disputes such as work-to-rule, the overtime ban, go-slow and the running sore strike, Extent of collective agreements made, Frequency of violating a term or 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, ability to solve problems, working conditions. Employee representation by their bargaining agent and the fairness with which employees perceive they are treated by management (James, 1978).

2.3. The Actors in the Labor Relations System

A labor or industrial relations system reflects the interaction between the main actors that has been identified as the major actors in the labor relation systems. The three parties are the state, the employer (employers or an employer association), trade unions and employees. In labor relation system the actors not function one without the other. They have interrelated communication.

John Dunlop (1993) in his book industrial relation system has put his suggestion on actors or the parties in industrial relation system. The parties proposed by Dunlop are Employer, Labor Union and Government and plays a key role in a contemporary industrial relation system. The parties play active role in maintaining and protecting interests of employees, it also keeps the situation of industrial relation smooth (Gosavi, 2017).

2.3.1. Employers

Employers have certain rights in labor relationship. Employers have the right to involve on employees interest and they are able to relocate, merge and close the organization or to introduce technological changes (Schumacher,2002). Managing employee relation provide managers in compliance with legislation, managing diversity, handling work and personal issues and fostering open communications. The relation between employee and management depend on whether or not trade unions are recognized in the minds of employers (Jemal,2011).

Employers must provide safe working conditions and improve the terms and conditions of their employment. Management is obliged to bargain in good faith with the union selected by the employees. If arrangement on contract terms cannot be reached through bargaining, the union is allowed to strike.

2.3.2. Government

The government plays multiple roles in shaping employee relations and sets standards in order to maintain good employee relations. Government also regulates the labor relations by set out rules, laws and agreements which also include the tribunal courts (Armstrong, 1977).

State built up a well-functioning court or other dispute resolution system that may also have a pressure on the course of labor relations. Workers, employers and their respective organizations may enforce their legal rights that can be as important for themselves. Thus the decision by a government to set up special tribunals or administrative bodies to deal with labor disputes and disagreements over individual employment problems can be an expression of the priority given to such issues in particular society.

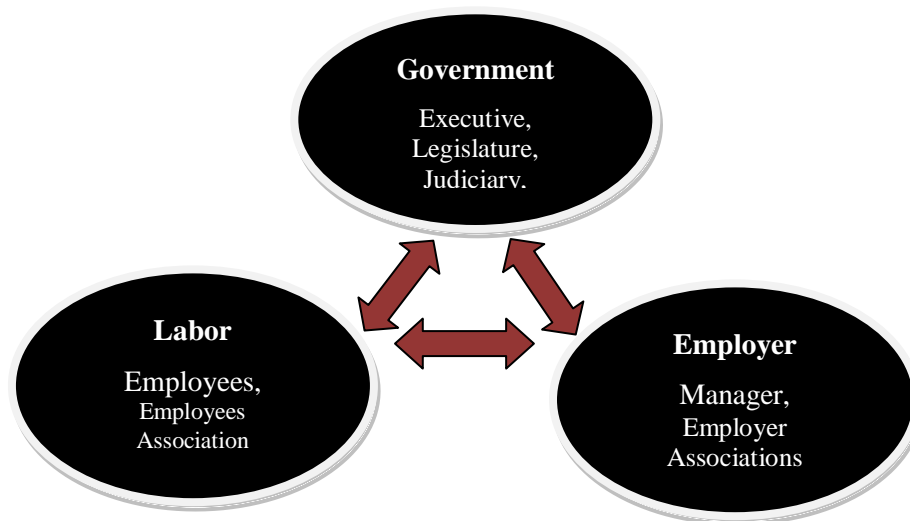
State always has at least an indirect effect on labor relation system and influences and regulates industrial relations through laws, rules, agreements, awards of court and the like. It also includes third parties and labor and tribunal courts.

2.3.3. Labor union

According to Sawnepel (2007) the key reason why employees may join into labor unions to protect themselves from difficulties arising from employers and any management decision that may affect employee's interests. Thus, employees believe that joining unions can protect and promote the interest of their rights and unions can also bargain with the employer on behalf of union members and negotiate labor contracts (collective bargaining) with employers.

The major purpose of trade unions is to support and defend the interests of their members and also to equalize the balance of power between employers and employees. As Emmott (2008) comments: “Trade unionism has always been about power. The aim of trade unions is to redress the imbalance of power between employer and employee and this remains the fundamental basis for their existence”

Figure 1. Actors to Labor relation



Source: developed by researcher

2.4. Industrial and Labor Relations

“Labor relations” is a term that has only in relatively recent years become commonly used to indicate a particular area of subject matter. Prior to this it is likely that you would have found the term “industrial relations” in more common use. There are debates and differences of view as to the meaning of each of the two terms, labor and industrial relations. Some people think that there are identifiable differences between them, that there are differences of a substantive nature which justify the use and maintenance of each term, while others argue that the concepts and phenomena described are to all intents and purposes interchangeable (Mike, 2007).

Blyton and Turnbull (1994: p7–9) discuss this in explaining why they have chosen to use the term “Labor” as opposed to “industrial”. They begin by arguing that they see no hard and fast distinction between the two, the difference being in the tendency of each to focus the subject inside different boundaries, but in reviewing various contributions to the debate they do state some of the more common views. They point out those industrial relations:

- Became inevitably associated with trade unions, collective bargaining and industrial action;

- Had too strong a tendency to view the world of work as synonymous with the heavy extractive and manufacturing sectors of employment, sectors which were dominated by male manual workers working full-time and which are in decline in nearly all developed economies.
- Include non-union as well as union scenarios and relationships. Nevertheless, Blyton and Turnbull do not go as far as some others in that they choose to continue to focus their study of employee relations upon the collective aspects of the employment relationship. They suggest that in this they are maintaining a distinction between employee relations and those other areas of study: personnel management and human resource management (HRM), each of which, they suggest, focuses upon the individual as opposed to the collective elements of the relationship.

2.5. Relationship between Management and employees

The mentoring is used for development orientation (Gennard, J. and Judge, G. 2002). When a supervisor provides mentoring, the relationship affects the employee's skill development and intentions to remain with the employer. On the other hand non-supervisory mentor may increase confidence by providing access to outside organization. The immediate supervisor support is very important in organizational change. Although the support of supervisor is not very crucial in satisfaction but it has positive impact on satisfaction and perhaps the finest way in which supervisors can portray himself as a role model is to personally demonstrate proper techniques so that employee could understand how job should be done.

2.5.1. Communication

Useful communication between the team members is very important. It has been seen that poor communication leads to confusions and miss understanding. The communication has to be precise and relevant. One should not play with words and be very specific about his expectations from his fellow workers as well as the organization. Voice their opinion and do express their displeasure. These definitely prevent conflict among employees later and improve the relations among them. Be straightforward. Don't make believe things just to please boss. If they find anything undesirable, discuss with their superior but in a polite way (Gerald; 1957).

Written modes of communication must be promoted among the employees for better transparency. Verbal communication is not as reliable as written communication. The agendas, minutes of the meeting, important issues must be circulated among all through emails. Make sure that all the related

employees are in the loop. Individuals should not be communicated with any of the employees as the other one might feel neglected and left out (Gerald, 1957).

2.6. Labor Relations Issue

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 of 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. The entire 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.

2.7. Collective bargaining

Collective bargaining is defined as is a process of negotiation between employers and a group of employees aimed at agreement to regulate working conditions, benefits and some other aspect of workers compensation and workers' rights. It is a method of determining the terms and conditions of employment and setting disputes arising from those terms by negotiating between the employer and employees or trade union Steve (2003) Collective bargaining is a source of solving the problems of employees in the situation collectively. It provides a good climate for discussing the problems of workers with their employers. The negotiation involves administration and enforcement of written contracts between the employees and employer.

The outcome of a negotiations between the labor union and employers usually takes the form of a collective agreement which deals with such important matters, wages, hours of work, overtime work and rates of pay for it, employment injuries, leave rules, status of the union and its members,

dismissal and retrenchment, bonus based on profits and procedure for the settlement of disputes between the employers and labor unions, etc.

According to Sawnepel (2007) the following are the factors that lead employees into joining labor unions lack of job security, management lack of respect for employee, frustration at the employer. In general labor union, through its leadership bargains with the employer on behalf of union members and negotiates labor contacts (collective bargaining) with employers.

2.8. 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 union's 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).

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

2.9. 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 behavior and therefore should and could be stopped at the source. Most likely, if the dysfunctional behavior 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 managing conflict while still maintaining some differences that energize a group toward continued discussion and innovation (Omisure and Abiodun, 2014)

According to International Labor Organization (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 an 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.

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.

2.10. 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, 16 investigation and fact-finding, compulsory arbitration, court action, legislation (Sanders, 1947).

Dispute prevention cannot 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 No. 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.

2.11. Third part resolution

There is also the third party, government that regulates the relationship between employer and employee in all the employment issues including collective bargaining and disputes resolution. According to the Ethiopian Labor Proclamation No. 377/2003 Article 138,142 and 146 the government plays significant role in labor relations, for example, issues like arbitration, mediation and conciliation, which can be discussed in more detail below. The labor relation Board (Composed of employer and government) also plays role of arbitration for collective issues of labor and management relationship.

Courts also represent the judiciary part of government and play the role in ensuring justice, fairness and balance both employee and the organization in order to build up work environment peace and better working environment.

Organization tries to resolve any disputes between the parties. One method for resolving conflict in the organization is by the process of alternative dispute resolving mechanisms. Alternative dispute resolution mechanism can use as a source for reducing conflict. Alternative dispute resolution is one means to deal with problems and make decisions on basis of common understanding and rational thinking. Conflict is inevitable to resolution, but more important is a willingness to try to correct the situation (Alexander, 1999).

2.11.1. Arbitration

Arbitration involves the intervention of a neutral third party who, though not a member of the established judiciary, is authorized to impose a decision. In many countries, almost all rights disputes arising out of the application or understanding of the collective agreement are dealt with through binding arbitration, sometimes following an obligatory and unsuccessful conciliation stage. Arbitration is available in many countries as a voluntary procedure, while in others it is compulsory. Where arbitration is imposed as a method of resolving disputes over interests it is usually limited to the public service or essential services. In some countries, however, particularly developing countries, arbitration of interest disputes is more generally applicable.

Arbitration is dealt with in the Voluntary Conciliation and Arbitration Recommendation, 1951 (No. 92). As with conciliation, the Recommendation concerns itself with disputes that are willingly

submitted to arbitration and provides that in such cases the parties should abstain during the actions from striking or locking out and should accept the arbitration award.

The arbitrator third part, 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 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 (Labor Proclamation, 377/2003, Article 142 (3)).

2.11.2. Mediation

Mediation is one of the mechanisms of dispute resolving method. Mediation is a form of arbitration and a little bit stronger than conciliation. A mediator assists the negotiators during their discussion and put forward propositions or solutions using the most appropriate tactics of the moment for dispute resolution. It is an informal alternative and not an expensive to an employment tribunal and recommends a quick resolution to problems by maintain privacy and discretion. According to Michael Armstrong (1977) in his book Human Resource Practice 10th edition, mediation is a rare use of dispute resolution mechanism because it is seen as a half-way house.

2.11.3. Conciliation

It is a process of dispute resolving mechanisms in which third part attempt through informal discussion to help the negotiators to reach their own agreement. The negotiator may not have to suggest any proposal or put forward any recommendations on the ways what should be the agreement.

Even without being required to submit a dispute to conciliation, the parties may freely ask a conciliator, a neutral third party to assist them in reducing their differences and ultimately reaching an agreement. In this condition councilor role is to re-open communication lines, if it has been broken, to help the parties to get common ground so that an agreement can be reached and make the findings of the fact. Conciliation is the most frequently used form of third part resolution mechanism (International Labor Organization, 2013)

2.12. The scope of labor relation

A labor relation is a broad term. Different scholars have expressed their views on scope of labor relation. According to Scott, Clothier and Spiegel, (1977) remarked that labor relations has to attain the maximum individual development, describe working relationship between management and employees and effective moldings of human resources. The writers tried to emphasize that either

labor relation or personnel administration is primarily concerned with all functions relation effectively to his environment.

Scope of labor relations is associated with labor, management, labor unions, and the state. The scene of industrial relations has grown tremendously, and cannot be represented merely by relations between management and labor. It has become a comprehensive and total concept embracing the sum total of relationship that exists at various levels of the organizational structure. Additionally, it connotes relationships between workers themselves within the labor class, and relations among the management within the managerial class. In an open sense, industrial relations denote all types of relations within a group and outside a group - both formal and informal relations.

According to Laster (1951) the scope of labor relation is no longer confines only to trade unions and industrial management these days; rather it includes all aspects of labor wages, productivity, social security, and management and employee policies. Trade union policies also the other forms of part of it.

Thus, the scope of industrial relation seems to be very wide. It includes the establishment and upholding of good personal relations in the industry, ensuring man power development, establishing a closer contact between person connect with the industry and that between the management and workers, creation a sense of belonging in the minds of management, creating a mutual affection, responsibilities and regard for each other, stimulating production as well as industrial and economic development, establishing a good industrial climate and peace and ultimately maximizing social welfare.

In general the scope of labor relations promotes the existence of healthy labor management relation, Therefore, the existence of strong, well organized, democratic and responsible trade unions and associations of employers and this can lead to job security of employees and maintenance of industrial peace and development of industrial democracy.

2.13. Grievance management

Sometimes, there might be disagreements between the conflicting parties even after settling their disputes. As a result, employee may feel that their rights under the union contract are violated and they may file a grievance. (Dale, 1980) In his, “dissatisfaction or feeling of injustice in connection with one’s employment situation that is brought to the notice of the management”

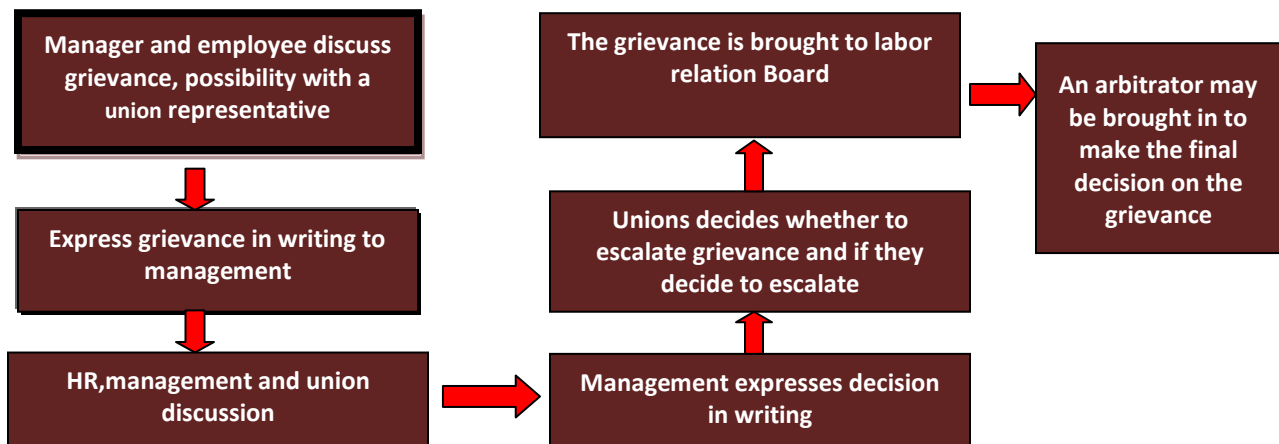
According to Pincuc (2004) grievance or employee complaint hearing procedure gives the employee opportunity for investigation its objection and being part of the resolution process and it can be useful

and valuable for management by exposing confusions of employees and any misunderstanding to be addressed before the conflicts becomes difficult to manage or complex to handle. The objective of internal dispute resolution is to make a solution for the problems at low-level before it becomes a complex issue, thus the disputes may not go to into actions. In any circumstances, as part of a manager/employee relationship, the potential cause for any complaints and grievance becomes fears, competencies, and evaluation of labor relations practice of the organization. More flexible working relationship between employer and employees requires reliance one on another and confidence among employees and between employee and employer.

2.14. Grievance procedure

The term grievance procedure is generally used to mean internal procedures set out in the collective agreement to resolve disputes regarding the application or interpretation of the collective agreement (rights disputes). Similar procedures are, however, often set up even in the absence of a union or collective agreement to address problems and complaints of workers, as they are seen to be a fairer and less costly means of dispute resolution than litigation (Mc Cabe 1994). The collective agreement normally provides that the complaint is to be dealt with through a multi stage procedure involving increasingly higher levels within the organization. If the dispute remains unresolved, a senior level of management may then intervene. There may be several stages which need to be exhausted before outside procedures are set in motion.

Figure 2. Grievance process



Source: Developed by researcher

2.15. Grievance handling in BoA

Grievance handling mechanism is a method for resolving employee grievances and provides a way for employees' to express their dissatisfaction and disappointment at the workplace. Having internal conflict handling procedures provides employees the chance of hearing for their voices and feedback for the organization on the status of employee relation. Internal dispute resolution mechanism resolves employee complaints internally without extra cost and time, furthermore it can place employee relations issues based on their severity. Under internal dispute resolution mechanism employees can fairly treated and they have the opportunity to participate in conflict resolution process. All in all, internal dispute resolution procedure is the very helpful in addressing employee complaints.

BoA has no clear and well established employee grievance handling mechanism at Head office as well as district office. When employees have no the opportunities to inform their complaints to specific person or to any concerned body. In BoA weather it is Head office or office district there is no clear and standardized procedures in order to address employees' grievances. Absences of clear and well-defined procedure leads employees to submit or apply their grievances to BoA Human Resource Management Department and thus the departments considers their applications and provide answer in written form. In BoA there is no designated committee to handle any grievances comes from employee.

2.16. Empirical Study

Several researches have been conducted to assess labor relation practices productivity. There is a research done by Gilbert Cette from the university of Banque de France, university of d'Aix-Mar (AMSE) and Nicolas Dromel Paris school of Economics, CNRS Centre d' Economie de la Sorbonne in 2013 talking to assess labor relation quality and on their research they tried to focus what role can the trade union play on creating new jobs also there is another person did his research on the influence of labor unions in human resource practice from open university of malasia in 2010. But there is a gap whereby they did not put much effort to see the impact of Trade Union on improving employees working conditions.

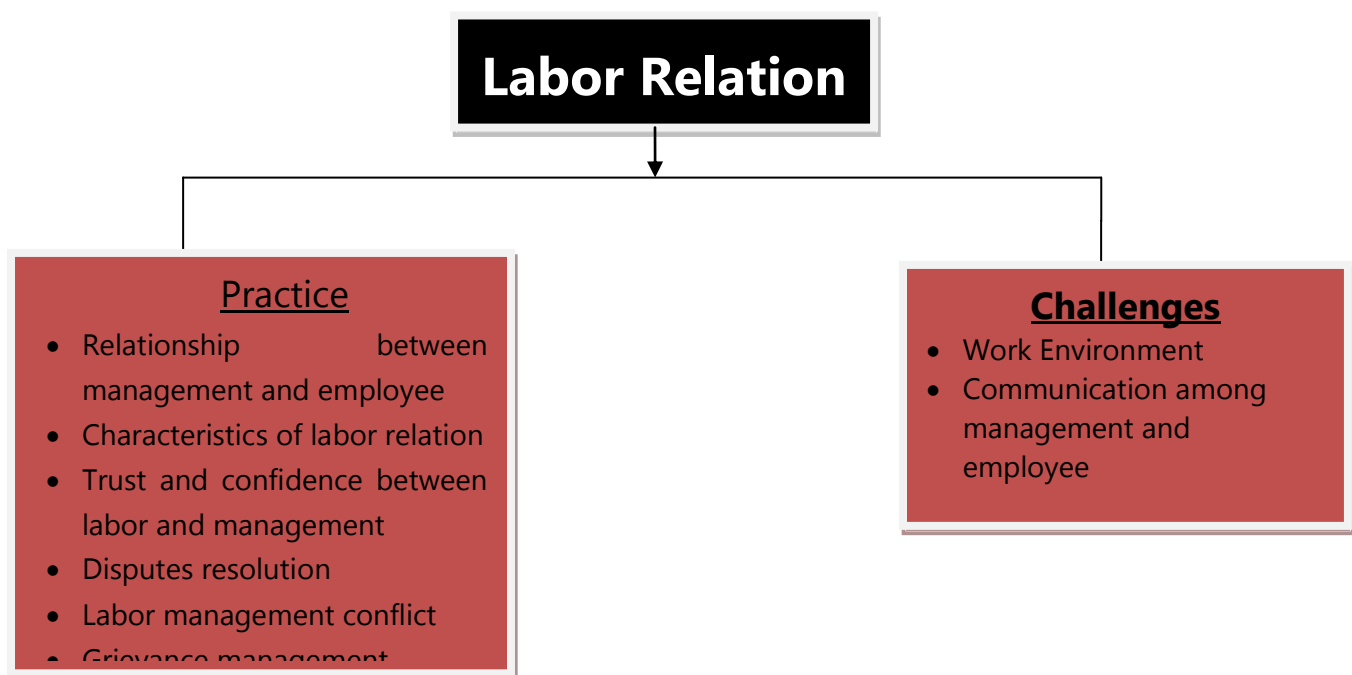
While reviewing an empirical study conducted in 1991 on south Korea labor unions, Guerin (2007) indicated that as a result of labor union representatives performing their representative functions such as negotiating on behalf of employees, protecting employees from unfair treatment, unionized labors

get extra 2 to 4% wages as compared to non-unionized labors. This clearly shows the level of influence labor unions can create on management decisions such as on salary and benefits.

2.17. Conceptual framework of labor relation

The following conceptual framework would be developed from reviewing different literature and articles. A designed conceptual framework of labor relations describes the major concepts that are related with labor relations.

Figure 3.Conceptual framework of labor relation



Source: Developed by researcher

Chapter Three

Research Methodology

Introduction

This chapter addresses the design and a method by which the research questions of this proposed study is dealt with. Accordingly, the research design, target population, sample size, sampling technique, data source, data collection instrument, validity and reliability as well as, data analysis methods are discussed. This chapter also addressed what research approaches the researcher tried to apply, the tools for data gathering, the population for the study and sources for data collection, sampling techniques and how the collected data can be analysed and presented. Finally, the validity and reliability of the study and ethical consideration has been discussed.

3.1. Research design

Research design can be applied depending on the research types. Descriptive research studies concerned with describing the characteristics of a particular individual or of a group. In descriptive studies, the researcher must be able to define clearly, what he want to measure and must find adequate methods for measuring it along with a clear cut definition of population he want to study (Kotari, 2004). A descriptive research design make enough provision for protection against bias and maximize reliability. Therefore, the researcher has apply descriptive research design in order to conduct the study because the researcher considered that it is suitable method for accurate and valid representation of the factors that is relevant to the research questions.

3.2. Research approach

The type and the nature of the research has determined what research approach can be used in the study. The above description of the type of research brings to light the fact that there are two basic approaches to quantitative and qualitative approach. Quantitative approach involves the generation of data in a quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion were as quantitative research approach is subjective assessment of attitudes, opinion and behaviours and generates results in non quantitative form. (C.R Kothari 1990).

As stated in the above, the researcher has applied mixed approach i.e both qualitative and quantitative research approach for the purpose of this study because in this study the researcher aims to assess the labor relation practice of Bank of Abyssinia and thus, using the mixed approach in order to attain the objective of this research and to make an excellent analysis on the study. Quantitative approach numbered data that can be analysed using statistical procedures and qualitative approach

collect and analysis non numerical data to understand the concepts of openions but this study is qualitative in its approach.

3.3. Population of the Study and sampling technique

The target population for the study is 1104 (N=1104) employees. Where there are three district offices in Addis Ababa and the rest seven district offices are out of Addis Ababa. The study considered one of district offices that are found in Addis Ababa and departments under head offices. Due to budget and time constraints the researchers purposively select Central Addis Ababa District and under this district there are 83 branches. The study considered branches which are found only Addis Ababa and exclude branches which are found under central Addis District but their locations are out of Addis Ababa and researcher classified the branches based on their grade level. On the other hand, under Head Office there are also thirty one departments and the researcher purposively select only six departments for the study. As the researcher recognized that the selected departments are good representatives of the total population of the study. For the purpose of the study simple random sampling method has been deployed, this is because it gives an equal chance for the representatives of the population.

3.4. Sample Size

Among the different methods of the sample size determination, the one which developed by Carvalh (1984) has been used by the researcher to determine the number of respondents to be include in the study. Accordingly, to have as good representative as possible, the researcher has used high sample size.

Table. 1 Carvalh sample size determination

Population	Low	Medium	High
51 – 90	5	13	20
91 – 150	8	20	32
151 – 280	13	32	50
281 – 500	20	50	80
501 – 1200	32	80	125
1201 – 3200	50	125	200
3201 – 10000	80	200	315
10001 – 35000	125	315	500
35001 – 50000	200	500	800

Source: Carvalh 1984

Note: Given the total population of 1104 from CAAD, 788, and Head Office 316 the researcher select 125 respondents as a sample size based on Carvalh`s sample determination table.

Table.2 Sample unit taken from CAAD and Head office

Branches /Departments	Total population	Sample	Proportion
Corporate Branch	49	5	4%
Grade -3 Branch	98	11	9%
Grade -2 Branch	181	20	16%
Grade -1 Branch	460	52	42%
Human Resource Management Department	40	5	4%
Human Resource Development Department	18	3	2%
Administration and Logistics Department	156	17	14%
Procurement Department	26	3	2%
Treasury Department	32	4	3%
Financial Accounting Department	44	5	4%
Total	1104	125	100

Source:BoA HR, 2021

The Sample size for each branches/department was taken proportionally by using the following formula.

$$\frac{\text{Sample size} \times \text{No. Staff of per department/branches}}{\text{Total Population}}$$

$$\frac{125 \times 49}{1104} = 5$$

As indicated Table 2, the population size of the study is 788 in CAAD and 316 in Head office. The population which is 1104 lies in the range between 501 and 1200, according to Carvalho`s sample size determination indicated in table 1. Consequently, to have a good representation of the population, the researcher has used high sample size. Thus, the final population sample sizes would be 125 for the study.

3.5. Sources of data and collection method.

In case of descriptive research there are different types of tools in order to collect data from the respondents. We can obtain primary data particularly in survey and descriptive research type either through observation, interview or questionnaires (C.R Kothari 1990).

For this research study primary data was collected using major data collection instruments. Questionnaires and unstructured interview questions were major instruments for collection of primary data. Information that has been obtained from selected departmental head office and employees from selected districts has been considered as a primary source of data.

The content of the questions were designed in a way that corresponds with labor relation practice of the organization aimed at assuring the research question and attaining stated research objective.

For this study, the researcher used structured close ended questionnaires for respondents. A structured questions format allows for the use of closed questions that require the respondent to choose from a predetermined set of response. It is sub divided into four sections; the first part sought general information about the employee/respondent. The second part focused on assessing the character of labor management relationship. The third part focused on assessing participation of labor union in employees' affairs and labor relations issues. The fourth part focused on the practices of conflict handling and administering of grievance handling and the last part focused on challenges related to implementation of collective agreement. (See Annex)

The secondary data was collected from available published records such as company reports, annual labor union reports, company magazines, manuals and procedures, bank's interportal working pages, and internet documents. Much information has been exists from secondary sources of data collection and save the researcher time and effort in collecting data which would otherwise have to be collected directly.

3.6. Methods of data analysis

The researcher applied both descriptive analysis. Frequencies and percentages were used to analyze background data on employees, and means were also used to achieve the objectives of the research while correlation analysis was used to determine the relationship between the variables. The findings of this study were quantitatively presented using tables. Every table were be accompanied by result interpretation. The data processed and analysis was done by using a computer application of statistical package for social science (SPSS) version 23 software packages.

3.7. Reliability and validity

3.7.1. Reliability test result of the Instrument

Whatever the types of the research study, one thing that is important is that the reliability and validity of the data should be checked carefully. Reliability is a test of measurement that provides a consistent result. To see the reliability of the study questionnaires were distributed for about 25 employees as a pilot test and has been tested with SPSS in order to know either the respondents understand the questions concepts or not. Therefore, in this study, to bring quality on the results of the study the researcher attempted to avoid biases and mistakes during result interpretation and transcription of participant response.

SCALE: ALL

Case Processing Summary

Cronbach's Alpha	N	%
Cases Valid	7	100.00
Excluded	0	.0
Total	7	100.00

Employee Measure Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Item
.832	.995	7

Employee Measure Reliability Statistics Cronbach's Alpha Cronbach's Alpha Based on Standardized Items N of Items .832 .995 7. The above test result showed that the instrument is reliable and enough to measure what we would like to measure for the desired outcome of the study.

3.8. Ethical consideration

In the study the researcher was momeable with the ethical issues of research. Thus, the researcher watch the ideology of ethical issues like confidentiality and dignity of the participants, integrity, plagiarism and never fabricating data

Chapter Four

Data Analysis, Interpretation and Presentation

This chapter discusses and presents labor management relation in Bank of Abyssinia. The survey was conducted in Bank of Abyssinia s.c to answer the main question related to labor management relation, the character of labor management relationship, what are the sources of labor management conflict, the mechanisms to solve labor management conflict and practices of Grievance Procedures in BoA

Thus, the information was gathered using close ended questionnaires and unstructured interview questions and one hundred twenty five (125) self-administered questionnaires were distributed to the respondent and unstructured interview were also conducted with director and district managers of Bank of Abyssinia and 123 (98.1%) questionnaires were properly filled and returned and the rest 3 (1.9%) of questionnaires were not collected because of the different reasons.

Responses that are found to be incomplete would be rejected for analysis during editing stage. Questionnaires that were properly filled and returned by the respondents were accepted for analysis using SPSS version 23.

The presentation, analysis and interpretation of data are based on the actual respondents rather than the total sample size of the respondents. The responses of variables were measured by five point Likert scale with 1=Strongly Agree, 2= Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree. Thus, based on the responses obtained from the respondents data presentation and analysis were made as follow

4.1. Demographic Characteristics of the Respondents

Below tables illustrate that the demographic characteristics of the respondents which include gender of respondents, marital status of respondents, age of respondents, educational status of respondents, years of experience of respondents and monthly income of respondents were presented.

Table 3. Gender distribution of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	71	56.8	58.7	58.7
Female	50	40.0	41.3	100.0
Total	121	96.8	100.0	
Missing	4	3.2		
Total	125	100.0		

Source: (Own Survey, 2021)

The below chart tell us that gender distribution of employees and 58.7% of respondents are male and 41.3% of respondents constitute females. This shows the majority of participants in this study were dominated by male respondents.

Table 4. Marital Status of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Single	75	60.0	60.0	62.4
Married	38	30.4	30.4	92.8
Other	9	7.2	7.2	100.0
Total	125	100.0		

Source: (Own Survey, 2021)

The below chart tells us that marital status of respondents, about 60.0% of respondents are single and 30.4% of respondents are married and the rest 7.2% of respondents whether they are divorced or widowed. This shows employees may not have the ability and willingness to take any responsibility and may be weak in taking any work related risks.

Table 5. Age distribution of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
20-25	8	6.4	6.6	6.6
26-35	65	52.0	53.3	59.8
36-45	33	26.4	27.0	86.9
46-55	12	9.6	9.8	96.7
Above 55	4	3.2	3.3	100.0
Total	122	97.6	100.0	
Missing	3	2.4		
Total	125	100.0		

Source: (Own Survey, 2021)

The below chart tells us that the age groups included in the research showing 53% of them were younger (between the age groups of 26-35 years). 27.0% of the respondents are under category of 36-45 years and 9.8% of respondents are fall under 46-55 years. Very few numbers of respondents are above 55 years of age (3.3%). The above data signify that majority of the respondents are young and have a potential and energetic work force in contributing maximum effort for further the banks'

development and the bank can use a valuable asset for long period of time if the bank handled properly.

Table 6. Educational Level status of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
10th Grade	4	3.2	3.2	7.2
Diploma	6	4.8	4.8	12.0
Degree	85	68.0	68.0	80.0
Master	25	20.0	20.0	100.0
Total	125	100.0	100.0	

Source: (Own Survey, 2021)

When looking at the level of educational status of respondents, majority of respondents having first degree and above and it constitute of 88.0% of the total respondents. This may show that education can have the potential to influence the understanding respondents have about the labor union and its effect on labor relationship. For this reason, all the respondents are potentially in a better position to understand the research questions and provide the relevant information regarding the labor relation. 3.2% of respondents are having diploma and few employees' educational status is at the level of 10th grade. As we have observed from the data, majority of respondents' education status is university graduates.

Table 7. Work experience status of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 Year	5	4.0	4.1	4.1
1-3 Years	47	37.6	38.8	43.0
4-7 Years	45	36.0	37.2	80.2
8-12 Years	21	16.8	17.4	97.5
Above 12 Years	3	2.4	2.5	100.0
Total	121	96.8	100.0	
Missing	4	3.2		
Total	125	100.0		

Source: (Own Survey, 2021)

As we having looking at respondents work experience as illustrate below 38.8% of respondents work experience in the bank ranges between 1 to 3 years. 37.2% percent of respondents have up to 7 years work experience in the bank. On the other hand respondents those who have 8 to 12 years' experience and above 12 years' experience were 17.4% and 2.5% respectively. From the above table we can

realize that majority of respondents are professionals and this makes the data obtained more realizable and representative of the exact picture of population and this also tells us that majority of respondents have the ability to respond the questionnaires. Respondents those who have enough experience provide relevant and reliable information about their observation and experience in relation to labor relation practices of the bank.

Table 8. Monthly income level of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Below 10000	30	24.0	24.4	24.4
10001-15000	66	52.8	53.7	78.0
15001-25000	21	16.8	17.1	95.1
25001-35000	4	3.2	3.3	98.4
Above 35000	2	1.6	1.6	100.0
Total	123	98.4	100.0	
Missing	2	1.6		
Total	125	100.0		

Source: (Own Survey, 2021)

As we having looking at respondent's monthly income level about 24% percent of respondents ranges below 10000 52.8% percent of respondent's salary ranges 10,001-15,000. 16.8% percent of respondents have monthly salary between 15,001-25,000. On the other hand respondents those who monthly income ranges between 25,001-35,000 consists 3.2% of the respondents. From the total respondents 1.6% has monthly salary below 35,000.

4.2. Results, Findings, Interpretation and Discussion

In this part of the study report, analysis conducted to assess labor relation system and practice at Bank of Abyssinia S.C in this study descriptive statistics was used to analyze the data collected via self-administered questionnaires.

4.3. Characteristics of Labor-Management Relationships in BoA

Table 9. Characteristics of Labor-Management Relationships in BoA

There is open communication between labor union & management in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	83	66.4		
	Neutral	24	19.2		
	Disagree	18	14.4		
	Total	125	100.0	2.48	.736
There is a mutual relationship b/n labor and management in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	27	21.6		
	Neutral	9	7.2		

	Disagree	89	71.2		
	Total		100.0	3.50	.999
There is a health relation between management and labor union?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	47	37.6		
	Neutral	13	10.4		
	Disagree	61	52.1		
	Strongly Disagree	4	3.2		
	Total	125	100.0	2.95	.999
There is high trust & confidence between employee and management?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	14	11.2		
	Neutral	22	17.6		
	Disagree	84	67.2		
	Strongly Disagree	5	4.0		
	Total	125	100.0	2.36	.734
BoA labor-management relation atmosphere is good?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	15	12.0		
	Neutral	31	24.8		
	Disagree	78	62.4		
	Strongly Disagree	1	.8		
	Total	125	100.0	2.51	.736
I am happy with the bank's labor management relation?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	50	40.0		
	Neutral	19	15.2		
	Disagree	56	44.8		
	Total	125	100.0	3.05	.923
The extent of effectiveness of the labor relation practice in BoA is excellent?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	18	14.4		
	Neutral	30	24.0		
	Disagree	77	61.6		
	Total	125	100.0	3.47	.736

Source: (Own Survey, 2021)

As illustrated table 9, those seven items were used in order to determine the character of labor management relationships in Bank of Abyssinia. The mean value of respondents scored 2.51 this reveal that respondents' are disagree with the statements that labor management relation atmosphere is good.

Communication plays critical role at organizations and it is one of the most important factors in order to improve the relationship of employees. When communication is open and transparent, employees

can build up a high trust in their organization and perceive the organization as being transparent (Chaubey, Mishra and Dimri, 2017).

Respondents were disagreed to the statement that the communication between labor union and management is open. The mean value for labor union communication with management shows mean value of 2.48. This indicates that the communication between labor union with the management is poor and have no the practices of information sharing between the parties. 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 also say that there is a communication gap.

Information gained from HR department interview, in BoA bank labor management relationship practically is not effective and the management of the bank does not want to maintain harmonious relationship. Currently, there is no fully open communication and mutual relationship between labor management. Management of the bank does not have willingness that labor union to participate in management's discussions and corporate issues of the bank. Due to this and many other reasons labor union is not happy by the decision made by management of the bank. The relationship network used by the management is not enough to communication and this creates information gap between labor management.

The statement, there is a healthy relation between management and employees respondents answered negatively, scored mean value 2.95. This indicates that there is unhealthy relation between labors - management. On the other hand, as clearly stated in the table for the question 'I am happy with the bank's labor management relation' scored mean value 3.05. This means that respondents are not satisfied with the company labor management relation.

Similarly to the question 'there is a mutual relationship between labor and management in bank of Abyssinia and to the question respondents expressed their disagreement to the above statement. The mean value of responses to the questions was 3.50 this indicates that respondents doesn't think there is mutual relation between labor and management and the management doesn't have joint contact with the labor union

For the question 'There is high trust and confidence between employees, labor with management of the bank? respondents were disagreed which the statement they were answered negatively and the mean value of to this question was 2.36 and this indicate that employee and labor have no reliance over management of the bank and this can have the ability to create a culture of bad relation between these parties.

Finally, to the question ‘The extent of effectiveness of the labor relation practices in BoA is excellent’ respondents answer negatively, which implies that respondents do believe that labor management relation practice have no fruitful result and makes employees not to be interested with their current relation.

According to information gained from the conducted interview, currently our bank trying to renew the relationship between employees and management of the bank. Newly appointed managers committed to find out the any gaps between the parties and they are working to create favorable environments. The first measure that was taken by the management is adjusting different banks policies and procedure including HR policies that to ensure better employee relations so that this can creates smooth relationship among the parties. The other measures that will be taken by management are facilitating different occasion in order to make managements and employee relationship to become smooth and creates good interaction. This has not been conducted due to pandemic COVID 19.

4.4. Mechanism to solve labor-management conflict in BoA

Table 10, Mechanism to solve labor-management conflict in BoA

The grievance process is an efficient way to resolve conflicts in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Neutral	7	5.6		
	Disagree	83	66.4		
	Strongly Disagree	35	28.0		
	Total	125	100.0	4.22	.537
The existence of labor union is essential for employees to make their grievances powerful?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	4	3.2		
	Agree	51	40.8		
	Neutral	24	19.2		
	Disagree	37	29.6		
	Strongly Disagree	9	7.2		
	Total	125	100.0	2.97	1.062
In BoA efficient mechanisms are used to handle labor-management conflict resolution in your bank?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	19	15.2		
	Agree	97	77.6		
	Neutral	8	6.4		
	Disagree	1	.8		
	Total	125	100.0	1.93	.495
Managers regularly seek employee’s opinions on job related issues?	Agree	92	73.6		
	Neutral	12	9.6		
	Disagree	18	14.4		

	Strongly Disagree	3	2.4		
	Total	125	100.0	1.93	.511
There are effective communication systems in the organization?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	49	39.2		
	Neutral	34	27.2		
	Disagree	42	33.6		
	Total	125	100.0	2.94	.855

Source: (own survey, 2021)

To the question grievance process is an efficient way to resolve conflicts in BoA scored mean value 4.22. 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 2.97 means respondents agree.

To the question that managers regularly seek employee's opinions on job related issues scored mean value of 1.93. Indicates that managers have no willingness in order to receive any feedback from employees of the banks and this may not helpful in creating as an effective way to resolve conflict. 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 feedbacks 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 2.94 indicates that there is no effective communication system in the organization.

4.4. Sources of Labor-Management Conflict in BoA

Table 11, Sources of Labor-Management Conflict in BoA

There is frequent conflict between labor and management?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	14	11.2		
	Agree	79	63.2		
	Neutral	23	18.4		
	Disagree	9	7.2		
	Total	125	100.0	2.22	.736
Do you agree the cause for conflict between labor & management is unfair labor practice?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	55	44.0		
	Agree	54	43.2		
	Neutral	16	12.8		
	Total	125	100.0	1.69	.689

Application of collective agreement is one of the causes for labor-management conflict in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	17	13.6		
	Agree	73	58.4		
	Neutral	24	19.2		
	Disagree	11	8.8		
	Total	125	100.0	2.23	.794
Benefit package is the one of the causes of labor-management conflict in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	13	10.4		
	Neutral	15	12.0		
	Disagree	59	47.2		
	Strongly Disagree	38	30.4		
	Total	125	100.0	3.98	.920
There is an efficient & fair mechanism to handle labor management conflict in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	42	33.6		
	Neutral	18	14.4		
	Disagree	47	37.6		
	Strongly Disagree	18	14.4		
	Total	125	100.0	3.33	1.091
The grievance process is an efficient way to resolve conflicts in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	29	23.2		
	Neutral	12	9.6		
	Disagree	84	67.2		
	Total	125	100.0	3.44	.846
There are proper guideline and procedure for grievance handling?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	17	13.6		
	Neutral	18	14.4		
	Disagree	73	58.4		
	Strongly Disagree	17	13.6		
	Total	125	100.0	3.72	.867

Source: (own survey, 2021)

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 11, the question for there is a frequent conflict between labor and management in BoA, scored a mean value 2.22. This indicates that the respondents strongly agree that there are different reasons for happening labor management conflict in BoA.

The second question which states that one of the causes for conflict between labor and management is unfair labor practices in BoA. Consistently for the question labor management conflict unfair labor practices in BoA is one of the major causes for their conflict in BoA and scored a mean value of 1.69.

Which indicate that respondents are strongly agreed for the cause for their conflict is unfair labor practice.

Application of collective agreement is also one of the causes of labor-management conflict in BoA. Respondents answer negatively scored mean value 2.23. which indicates respondents believe that a cause application of collective agreement is the cause for labor management conflict.

Consistently for the question Benefit package is the one of the causes of labor-management conflict in BoA scored a mean value of 3.98 which indicates the respondents strongly agree that benefit package is cause of labor management conflict in BoA.

Some conflicts can be resolved very quickly and some conflicts however 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).

To the question, there is an efficient and fair mechanism to handle labor management conflict in BoA. Respondents answered negatively and scored a mean value 3.33. Which indicate that respondents believe that there is no an efficient and fair mechanism used to handle labor management conflict.

To the question grievance process is an efficient way to resolve conflicts in BoA Scored mean value 3.44. This indicates that respondents disagreed or don't believe grievance process as an effective way to resolve conflict. Since there is no proper, clear and transparent way for grievance handling mechanism in BoA, respondents believe that the existence of labor union is essential for employees to make their grievances powerful.

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 question, 'there is a proper guideline and procedure for grievance handling' respondents answered score of a mean value 3.72 which means grievance are not addressed and respondents do not know the existence of fair grievance management procedure in BoA.

4.7. Grievance procedures followed by BoA

Table 12, Grievance Procedures Followed by BoA

In BoA workers' grievance report is addressed in a timely fashion?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	4	3.2		
	Agree	51	40.8		
	Neutral	24	19.2		
	Disagree	37	29.6		
	Strongly Disagree	9	7.2		
	Total	125	100.0	2.97	1.062
There is fair grievance management procedure in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	92	73.6		
	Neutral	12	9.6		
	Disagree	18	14.4		
	Strongly Disagree	3	2.4		
	Total	125	100.0	2.07	.577
The Labor and management work cooperatively during the grievance process?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	47	37.6		
	Neutral	13	10.4		
	Disagree	61	52.1		
	Strongly Disagree	4	3.2		
	Total	125	100.0	2.06	.593
There are adequate stages of the grievance management process in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	92	73.6		
	Neutral	12	9.6		
	Disagree	18	14.4		
	Strongly Disagree	3	2.4		
	Total	125	100.0	1.93	.511
There is an adequate procedure for handling workers' complaints in BoA?	Response	Frequency	Percent	Mean	Std. Deviation
	Strongly Agree	16	12.8		
	Agree	33	26.4		
	Neutral	17	13.6		
	Disagree	56	44.8		
	Strongly Disagree	3	2.4		
	Total	125	100.0	2.04	.501
The employee discusses the grievance with the union steward (the union's representative on the job) and the supervisor?	Response	Frequency	Percent	Mean	Std. Deviation
	Agree	14	11.2		
	Neutral	22	17.6		
	Disagree	84	67.2		
	Strongly Disagree	5	4.0		
	Total	125	100.0	2.36	.734
The union steward discusses the	Response	Frequency	Percent	Mean	Std. Deviation

grievance with the managers?	Strongly Agree	19	15.2		
	Agree	97	77.6		
	Neutral	8	6.4		
	Disagree	1	.8		
	Total	125	100.0	1.93	.495

Source: (own survey, 2021)

According to the results shown in the table 7, the mean score from the response on the grievance procedure, union steward discusses the grievance with the managers score 1.93 and existence of fair grievance management procedure score 2.07 and workers' grievance report is not addressed in a timely fashion and nonexistence of adequate procedure for handling workers' complaints shows 2.97 and 2.04 respectively.

A grievance procedure 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 BoA workers' grievance report is addressed in a timely fashion' respondents answer scored 2.97 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 BoA Scored mean value 2.06 and 1.93 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 BoA.

The attention given to a worker's grievances and needs can add much to the spirit that an employee applies 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 BoA scored mean value 1.93 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 BoA.

One of the challenges encountered by the organization becomes the absence of proper employee grievance handling mechanism. Due to absence clear grievance handling mechanism the relationship

between employees and management becomes spoiled. As information gained from HR interview the bank is on the way to address employees' questions.

Chapter Five

Summary of the Findings

Summary

In this chapter, an attempt is made to give a summary of the research findings, conclusions, recommendation and suggestion for further research.

The main purpose of the study was to assess the labor relation practice in Bank of Abyssinia. To come up with the findings, a research question has been distributed and data's were collected from the respondent to assess labor relation practice in BoA. Out of the distributed questionnaires 98.1% were completed and go back to the researcher. Information obtained was analyzed quantitatively with the aid of statistical package for social science (SPSS) version 23 computer software. On the other hand, in order to gather additional information interview was held with human resource director at head office. As per the collected data suggestions and recommendations were forwarded.

According to the discussion and analysis of the data presented in the previous chapter, the researcher comes up with the following careful findings.

In terms of characteristics Labor relationship

As illustrated in the data interpretation part table 9, those seven items were used in order to determine the character of labor management relationships in Bank of Abyssinia. The mean value of respondents scored 2.51 this reveal that respondents' are disagree with the statements that labor management relation atmosphere is good. Respondents unsatisfied with the company labor management relation and thinks there is unhealthy relation between management and employees. Respondents also do not think there is mutual relation between labor and management and the management having poor communication with the labor union.

Regarding labor relation practice in bank of Abyssinia respondents are also express their feelings and they are much more unsatisfied with labor management relation. Majority of respondents believe that the existing poor communication creates bad feeling on the side of banks management. According to the interview held with Human Resource Director, management of the bank do not give adequate time regarding any communication and for exchange information between them. In addition to this, none existing of clear labor relation policies and procedure in the bank leads their existing relation to become ineffective.

In terms of sources of conflict

Respondents believe that there is conflict between labor and management in BoA and also believe that good relation with the labor - management makes work interesting. Grievance is addressed untimely and respondents score a mean value of 2.97 which means grievance is not addressed in a timely manner. 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 BoA. An unfair labor practice in BoA is one of the major causes for conflict between labor and managements of the bank and scored a mean value of 1.69. Which indicate that respondents are strongly agreed for the cause for their conflict is unfair labor practice.

Respondents point out particular ideas regarding the cause for management's frequent conflict. Among the many causes for their conflict application of collective agreement is a major one. Unfair labor practice like absence of fair and equitable justices, having unfair treatment, absences of an effective grievance handling procedures & guidelines, and management reluctant in hearings of employee voices are a major one.

The level of trust between the management team and trade union representatives is not that much serious. Labor representatives' merely involves in some cases when the management team allows participating. This is why management of the bank believes that knowledgeable members of union representatives may lead the industrial peace to become spoiled and may create untrusted environment among us. Because of these and other difficulties management team of the bank practically fix reliance on labor representative.

In terms of conflict resolution mechanisms

The absence of proper employee grievance handling procedure and conflict resolution mechanisms leads the grievance process to become ineffective. Grievance is not addressed on time and respondents believe that employees' grievances are not fairly addressed. Many of the respondents do not know the existence of employees' grievance process in bank of Abyssinia.

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.

To summarize the findings, absence of clear labor relation policies and procedure found to be one of the most crucial problems for labor relation in bank of Abyssinia. The bargaining power of labor union is weak and fail to carry employees enquires is the second most challenge in BoA labor relation

system and practice. The other big difficult problem found to be absences of open, clear and effective employee grievance handling procedures & guidelines and this pave the way to unfair justice.

5.2. Conclusion

The researcher after having deep analysis on the topic of labor relation practice and on the basis of the findings the following conclusions were found out.

There are a certain characteristics in BoA in the labor management relation as described below. 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.

BoA labor union is not play a crucial role in developing and enhancing relation between employee and bank management. Employees are not satisfied with the current labor relation practice. Absence of clear openness between employees and management creates the level of trust among employee of the bank and management to become unsatisfactory. Having good labor management relation builds smooth communication and harmonious employee relation. The relationship playing field has some limitation in the labor relation system.

Application of collective agreement is the one of the causes of labor-management conflict in BoA. The respondents strongly agree that benefit package is also one of the causes of labor management conflict in BoA. Most employees agree that application of collective agreement and unfair labor practice is a cause of the conflict. Managers don't regularly seek employee's opinion and there is no transparent and effective communication in the organization. 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. Majority of respondents do not believe the existence of fair grievance management procedure in BoA. 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 BoA.

Generally, the study conducted in bank of Abyssinia with findings and answers the research questions under study that labor relation system and practice include issues related labor-management relation atmosphere, handling of labor management disputes mechanisms and conflict resolution has been discussed in detail.

5.3. Recommendations

On the basis of the findings gained and the conclusion drawn, recommendations were suggested as follows.

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.

Bank of Abyssinia has to apply efficient mechanisms to handle labor management conflicts. Labor union has to serve as a bridge when there is a gap between them. Management of the bank has to be democrat and flexible to handle any gaps.

Bank of Abyssinia need to constantly understating and find out issues that might create conflict and appropriate action need to be taken ahead in advance to mitigate problems and so as to reduce employee grievance and to enhance employee motivation and productivity.

There has to be a room for discussion on different employees' affairs and need to properly induct its employee with employee relation issues, employee relation policy and procedure and other employer relation issues. BoA has to reducing issues which causes conflict and also for enhancing issue which strength the employee relation practice and promptly address employees' questions whenever possible. And 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 The management should recognize the benefits of being the union free independent in negotiation, or the advantage of the existence of balanced power of relationship to have quality and cooperative relationship which delivers employees trust on management as well as union, mutual gain or benefits in the success of the organization, commitment on employees, workforce stability for high performance etc.

5.4. Suggestion for further study

The upcoming researcher can make further research on labor relation system and practice on other organizations which are involving in manufacturing sectors or higher education institutions this is because of that the nature of the above mentioned sectors are labor intensive and involving in huge investment on labor force. In this type of organizations the practice of labor relation system may encounter difficulties. Therefore, the researcher can explore major findings on issues of labor management relationship.

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APPENDIX
ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
MA-HUMAN RESOURCE MANAGEMENT

Questionnaires

This questionnaire is designed to collect the first hand information for the research conducted in partial fulfillment of Master degree in Human Resource Management under the title of Labor Relation practice in Bank of Abyssinia. The completion of the research substantially depends on your cooperation and the information you give in this questionnaires. Furthermore, the information you provide has been solely used for academic purpose only. Therefore, you are requested to give a genuine response to the questions. The survey is confidential and has used for any other than this paper.

Thank you for taking your treasured time to fill out the questionnaires and I appreciate your collaboration in advance.

Section I: Demographic Information

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

Please answer by putting a thick mark (✓) in one of the blank spaces parallel to each item.

1. Gender:

Male *Femal*

2. Marital Status:

Single *Married* *Other*

3. Age:

Under 30 *30-45* *45-60* *Above 60*

4. Level of education

Diploma *Bachlor* *Degree* *Master & above*

5. Year of experience:

1-3Years *4-7 Years* *7-10 Years* *above 10 Years*

6. Level of Income:

Below 10000 10001-15000 15001-25000 25001-35000 above 35000

Section II; Statement on the Characteristics of Labor-Management Relationships in BoA

List of descriptive statements about the character of labor management relationship. 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

No.	Item	SA	A	N	D	SD
1.	There is open communication between labor union & management in BoA?					
2.	There is a mutual relationship b/n labor and management in BoA?					
3.	There is a health relation between management and labor union?					
4.	There is high trust & confidence between employee and management?					
5.	There is smooth communication and cooperativeness?					
6.	BoA labor-management relation atmosphere is good?					
7.	I am happy with the bank's labor management relation?					
8.	The extent of effectiveness of the labor relation practice in BoA is excellent?					

Section III; Statement on a Mechanism to solve labor-management conflict in BoA

List of descriptive statements about the Mechanism to solve labor-management conflict in BoA. 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

No.	Item	SA	A	N	D	SD
9.	The grievance process is an efficient way to resolve conflicts in BoA?					
10.	The existence of labor union is essential for employees to make their grievances powerful?					
11.	In BoA efficient mechanisms are used to handle labor-management conflict resolution in your bank?					
12.	There are effective communication systems in the organization?					

Section IV; Statement on Sources of Labor-Management Conflict in BoA

List of descriptive statements about Sources of Labor-Management Conflict in BoA. 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

No.	Item	SA	A	N	D	SD
13.	There is frequent conflict between labor and management?					
14.	Do you agree the cause for conflict between labor & management is unfair labor practice?					
15.	Do you agree the cause for conflict between labor & management is unfair labor practice?					
16.	Application of collective agreement is one of the causes for labor-management conflict in BoA?					
17.	Benefit package is the one of the causes of labor-management conflict in BoA?					
18.	There is an efficient & fair mechanism to handle labor management conflict in BoA?					
19.	The grievance process is an efficient way to resolve conflicts in BoA?					
20.	There are proper guideline and procedure for grievance handling?					

Section V; Statement on Grievance Procedures followed by BoA

List of descriptive statements about the issue related to Grievance Procedures Followed by BoA. 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

No.	Item	SA	A	N	D	SD
21.	In BoA workers' grievance report is addressed in a timely fashion?					
22.	There is fair grievance management procedure in BoA?					
23.	The Labor and management work cooperatively during the grievance process?					
24.	There are adequate stages of the grievance management process in BoA?					
25.	There is an adequate procedure for handling workers' complaints in BoA?					
26.	The employee discusses the grievance with the union steward (the union's representative on the job) and the supervisor?					
27.	The union steward discusses the grievance with the managers?					

Section VI; Open ended questions

32. How would you describe labor union in maintaining industrial peace and minimize conflict?

33. What do you suggest to improve labor management relation in BoA?

Section VII: Interview Questions.

These unstructure interview questions were organizer only for selected district managers and Human resource director of bank of Abyssinia inorder to responed the questions breafly.

1. What are major challenges that are faced by the bank regarding labor relation?
2. What kinds of labor management relationship is practically exercise in BoA?
3. What efforts have been made to improve the current practice of labor management relationship?
4. To what extent is trust between the management of organization and labor union representatives?