

ADDIS ABABA UNIVERSITY
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**The Role of labor Union in the Industrial Relation in
the case of Lycee Guebre Mariam**

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Abstract

The research is conducted to assess the role of trade union in the industrial relation in the case of Lycee Guebre Maraiam. The main purpose of this study was to examine the role and achievements of labor union in safeguarding the interest of the employees in the institution but more specifically the researcher's aim to evaluate the industrial relationship in the organization and to measure the level of effectiveness of the trade union in the organization. The researcher used a descriptive research method to conduct this research. To reach the objectives and answer the research questions the researcher used both quantitative and qualitative were collected through questionnaire and interview. Due to the small number of the Ethiopian employees the researcher used a census for more accurate information. The data collected were analyzed using descriptive statistics. Results indicated that the majorities of the union members consider that the union's activities contributed on the industrial relation on issue related to discipline conflict resolution and harmonious relationship however both the organization and the union need to work on raising the living standard and the development of the personnel.

Key words: *Trade Union, Industrial Relation, Collective Bargaining*

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Chapter one: Introduction

1. Introduction

1.1 Back ground of the study

Harmonious relationship is necessary for both the employers and employees to safeguard the interests of both parties.

Industrial relationship is about the relationship between an employee and management, hence industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management).(Armstrong, 2010).

In effect, Industrial relations is the system which produces the rules of the workplace. Such rules are the product of interaction between three key "actors", workers/unions, employers and associated organizations and government. It looks at organization, leadership and control, from employer and employee perspectives and study how employees are managed, how they would like to be managed, how and why conflicts arise and how these can be resolved at work. It is associated with labor, management, labor unions, and the state.(DeCenzo and Robbins)

One major objective of labor law is to create the legal framework which is necessary for employers, employees and their organizations to function effectively and as autonomous groups in the industrial relations system.

In this paper the researcher assessed the role of labor union in the case of LycéeGuebre Mariam. The paper sighted out the shortcomings and forwarded the possible solutions for improvement.

1.2 Back ground of the organization

LycéeGuebre Mariam was founded by the French Secular Mission in 1947 and is located in the heart of Addis Ababa. It is a Franco-Ethiopian institution with an international vocation, offering education from pre-kindergarten to secondary school level.

Today LycéeGuebre Mariam welcomes nearly 1,800 students from forty different countries and has a total of 283 staff in which 155 are international workers while 128 are national workers among which 107 are members of the union.

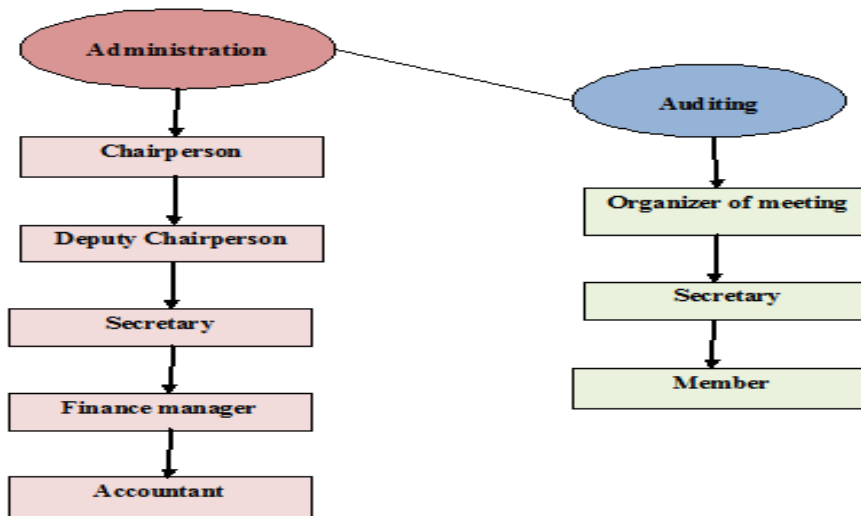
History of the Labor Union

LycéeGuebre Mariam has 213 staff which 138 are Ethiopians. The trade union was established and registered by the ministry in accordance with the Ethiopian Proclamation on trade union formation no 64/1968 article 53, in 1968 E. C., under the name “The Association of Ethiopian Employees of Guebre Mariam School”.

The organization, upon its establishment, had only 54 members currently the number grew to 107 members.

Since its establishment the union managed to bring change on issues related to wage, working conditions and welfares.

The structure of the union is as follow:



Source: Trade union document

1.3 Statement of the Problem

Since Human resource are considered as one of the assets of an organization particularly in the education sector, a sound industrial relation must be met at all time.

Properly implemented and regulated, Labor Union can contribute greatly to the achievement of a harmonious working environment.

In any working situation people need to cooperate with each other if there is to be maximum gain to themselves, to management and to society as a whole. Cooperation, however, is not easily obtained as people working together have conflicting interests.

When these conflicting interests have taken definite form and shape, the government has often stepped into protect some of these interests through legal control, Ethiopian Constitution followed by Labor law and civil servants proclamation and other legislations.

Relatively in many organizations an agreement is signed between the management and the trade union through labor representatives, to protect the interest of both parties and enhance a harmonized working environment.

According to DeCenzo and Robbins (1988) Union power is demonstrated by its ability to obtain its objective. The greater the employer's dependence on the union's members the greater the power of the union into negotiating with that employer relatively the greater the union's power the more successful the union will be in protecting and promoting the mutual interests of its members. This power is achieved through the union's efforts at creating employer dependence that is by developing a situation where the union controls resource vital to the objective established by managers for their organization.

However, some employees of Lycée Guebre Mariam don't have enough knowledge about the trade union and this could restrict the power of the union which will not be able to protect and promote the members' interest successfully which limit the improvement of the industrial relation due to the lack of awareness of their rights and obligations which may lead to a better working condition and harmonized working environment.

This research tried to investigate whether the industrial relation have truly been positively affected or not. It is useful, therefore, to examine, from three points of view, the role of the law in influencing an industrial relations system, what its objectives should be and the areas it should cover.

1.4 Basic research questions

To answer those question one should comprehend the following research questions:

1. To what extent the organization provide a sound industrial relationship?
2. How would the existence of a union and collective bargaining agreement affect the industrial relation?
3. What is the level of effectiveness of the trade union in the organization?
4. What are the key obstacles that stand in the way?

1.5 Objectives of the study

General objectives of study

The major objective of this research was to examine the role and achievements of labor union in safeguarding the interest of the employees in the institution, by studying the case of Lycee Guebre Mariam.

Specific objectives of the study

To spot out the basic function of the labor Union

1. To evaluate the extent to which the organization provide a sound industrial relationship.
2. To assess the effect of the existence of a union and collective bargaining in the industrial relation.
3. To measure the level of effectiveness of the trade union in the organization.
4. To identify the key obstacles that stand in the way.

1.6 Significance of the study

This study assessed the Role of Labor Union in the Industrial Relation and its outcome would help to provide sufficient information related to Industrial relation and help to understand the role of labor unio based on the literatures reviewed. The study will also provide concrete information for further researchers' who will make a research on this area.

1.7 Delimitation/ Scope

The study was conducted on the workers of Lycée Guebre Mariam School specifically on the local staffs of the school.

Although Industrial Relation can be affected through various determinants this study focuses on assessing the contribution of Labor Union.

The focal point will be on the changes recognized on the industrial relation after the creation of the Labor union in the School.

1.8 Organization of the research

This study was organized in five chapters. The first chapter consisted of the problem and its approach, which mainly contains background of the study, background of the organization, statements of the problem, objective of the study, significance of the study, scope and limitation. The second chapter deals with the review of related literatures. The research design and methodology were explained in the third chapter. In the fourth chapter, data was analyzed from gathered information, which is the core of the study. The last chapter, chapter five was dedicated to the conclusion and recommendation based on the findings of the study.

Chapter Two: Literature Review

2. Introduction

2.1 Trade Union

2.1.1 Overview of Trade Union

According to the Ethiopian Labor Proclamation No 377/2003 article 113, workers and employers shall have the right to establish and form trade unions. Trade Union is defined in this proclamation as an organization formed by workers;

Similarly Decenzo and Robbins (2005) define Trade Union as an organization of workers acting collectively seeking to promote and protect its mutual interests through Collective Bargaining.

From the above definitions and based on the view of Ivancevich (2008) it can be concluded that a trade union is an organization of employees that uses collective action to advance its member's interests in regard to wages and working conditions

2.1.2 Formation of trade union in Ethiopia

Trade union may be established in an undertaking where the number of workers is ten or more and according to the article 118 of the Ethiopian Labor Proclamation 377/2003, a trade union or employers association should be registered first by the Ministry then shall have legal personality which enables it to enter into contract, sue and be sued, to own, use and transfer property, to represent members at any level, and to perform any legal act necessary for the attainment of its purposes.

2.1.3 Objectives of a trade union

In general trade union has two main objectives: regulate the relations between employers, among Employees or between Employers and workmen and impose restrictive conditions on the conduction of any trade or business. (S.c Stivastava; 2007)

According to DeCenzo and Robbins (1988) union protection and promotion basically revolve around four specific goals, first as it is traditionally viewed unions bargain for their members in the areas of wage, working hours, working conditions; the result determines the amount of pay, the hours of employment amount of work. The second goal is to influence the administration of rules, a union not only is a representation of worker but also provide rules that define channels in which complains and concerns of workers can be registered. Thirdly unions have a goal to ensure employment security and finally to obtain political power in the state and over the economy.

Furthermore, Industrial Relation highlights that Trade unions are formed mainly to represent individual workers when they have a problem at work and to help sorting out the difficulty with the manager or employer. Following the representation come Negotiation where union representatives, discuss with management, the issues which affect people working in an organization. During the last few years Trade unions increased the range of services they offer their members beyond representation and negotiation and tend to focus more to provide training courses for their members on employment rights, health and safety and other issues. As well as offering legal advice on employment issues, one of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed. ([www.naukruhub.com/Industrial Relation](http://www.naukruhub.com/Industrial%20Relation))

2.1.4 Reasons for joining Trade Unions

When there is dissatisfaction of workers with their economic and working conditions and perceives that they lack the influence to change these conditions they are more motivated to join a union in order to get the benefits that can be achieved through more aggressive and militant collective behavior. (DeCenzo and Robbins; 1988)

The individual employee possesses very little bargaining power as compared to that of his employer. A trade union enables Greater Bargaining Power because the threat or actuality of a strike by a union is a powerful tool that often causes the employer to accept the demands of the workers for better conditions of employment.

Relatively the desire for self-expression is a fundamental human drive for most people. All of us wish to share our feelings, ideas and opinions with others. Similarly the workers also want the management to listen to them. A trade union provides such a forum where the feelings, ideas and opinions of the workers could be discussed. It can also transmit the feelings, ideas, opinions and complaints of the workers to the management. The collective voice of the workers is heard by the management and give due consideration while taking policy decisions by the management.

On top of that the decisions regarding pay, work, transfer, promotion, etc. are highly subjective in nature. The personal relationships existing between the supervisor and each of his subordinates may influence the management. Thus, there are chances of favoritisms and discriminations. A trade union can compel the management to formulate personnel policies that press for equality of treatment to the workers. All the labor decisions of the management are under close scrutiny of the labor union. This has the effect of minimizing favoritism and discrimination.

The employees may join the unions because of their belief that it is an effective way to secure adequate protection from various types of hazards and income insecurity such as accident, injury, illness, unemployment, etc. The trade union secure retirement benefits of the workers and compel the management to invest in welfare services for the benefit of the workers.

The employees can participate in management of matters affecting their interests only if they join trade unions. They can influence the decisions that are taken as a result of collective bargaining between the union and the management.

Many employees join a union because their co-workers are the members of the union. At times, an employee joins a union under group pressure; if he does not, he often has a very difficult time at work. On the other hand, those who are members of a union feel that they

gain respect in the eyes of their fellow workers. They can also discuss their problem with' the trade union leaders.

Another reason for employees joining unions is that employees feel that unions can fulfill the important need for adequate machinery for proper maintenance of employer-employee relations. Unions help in betterment of industrial relations among management and workers by solving the problems peacefully. ([www.naukruhub.com/Industrial Relation](http://www.naukruhub.com/Industrial%20Relation))

Based on Ivancevich's(2008) many employees of private and public firm have joined unions regardless of the sector of the economy in which these individuals are employed but their philosophy remains the same: strength can be found in joining together

Empirical evidence

2.1.5 Evolution of trade union in Ethiopia

The oldest union in Ethiopia is the Ethio-Djibouti railway workers union, which was formerly known as the Franco-Ethiopian railway Workers' Union.

This union started its activities in 1945. It has been the sole workers' organization in the country, for several years. At the time, workers in other establishments had no means of protecting their interests. Plurality of unions came about in the country in the 1950's with the relative expansion of the modern sector of the economy and an increased diversification of economic activities and price competition among establishments (producers and sellers), which caused more constraints to wages and other conditions of work. The railway workers were able to make demands regarding their rights and economic (Wikipedia)benefits.

The newly formed working class intensified its efforts to self-help associations of workers which paved the way for the formation of labor associations which served as clandestine unions.

The clandestine unions were, at first, formed in work places which had employees who were more conscious of the need to develop means of protecting themselves from dismal conditions of work and exploitation. Such unions were formed under the most severe harassment both from management and the government. The authoritarian government of the time regarded the development of unionism as a threat to its absolute power although the

specific interest of the workers was to improve wages and other working conditions, (i.e. the means of livelihood issues). However, through the tenacity of workers' leaders, though still unrecognized but strengthened by democratic ideas of intellectuals and the influence of international forums especially due to Ethiopia's long standing membership of the ILO, labor laws started being enacted in 1963 to accommodate the labor movement.

The promulgation of the 1963 Labour Relations Decree created an important landmark in the history of trade unionisms in the country as it gave legal recognition to unions. One requirement set by law for the recognition of unions was clearance and registration by the registrar of unions. From 1963 until the down-fall of the feudal regime, plant unions were directly organized under one confederation, the Confederation of Ethiopian Labor Unions (CELU). Agitation from socialist political groups resulted in the passing of the leadership of the central organ of the trade unions (the Confederation of the Ethiopian Labor Unions (CELU)) to socialists. Revolutionary objectives were, then, emphasized as a reaction to arbitrary, restrictive controls imposed by the rule makers of the previous regime on labor movements and conditions of work. Revolutionary potentials have been at their heights in the early days of the Dergue regime.

However, this was short-lived as the Dergue organized elections, which it maneuvered to have its own supporters elected. In December 1975, a new law embracing socialist principles was enacted by the Dergue regime, which claimed to be a protagonist of the interests of the working class. Unions were formed on the basis of the particular industry to which workers belonged, e.g., manufacturing, construction etc.

At the apex of the structure the "All Ethiopia Trade Union (AETU) was formed in 1976 by a congress constituted by representatives of territorial and industrial unions. Without much delay the regime resorted to controlling union affairs under the pretext of giving protection to the working class from its "traditional foes". This resulted in making trade unions extensions of government institutions. Unions were increasingly involved in paving the way for enforcement of government rules and regulations without having any independent stand of their own. AETU was supplanted by the Confederation of Ethiopian Trade unions (CETU) which was organized according to the latest labor law (proclamation No. 42/93).

The history of trade unionism in Ethiopia has always been about unionism in private and state owned establishments. Public servants have never acquired legislative rights to organize and bargain. Historically, the public service took the lead in providing privileges, rights and amenities to its workforce. Position classification, standardization of wages and pension rights preceded comparative advantages in the private sector. Selection for job openings and advancements were based on merit under the civil service laws (since 1963) and workers in establishments governed by these laws also gained protection against unfair discharge. Thus, there was no urgency or urgent need for being organized. Moreover, government's attitude towards unionization of public servants has never been favorable.

But in due course of time compensation and other conditions of work of public servants lagged behind those of private sector and state enterprise employees, Hence, dissatisfaction in the status quo was expected to arouse desire among public servants to be unionized as unions are regarded as a means of improving working conditions, assuring opportunities for participation in decision-making, policy formulation and management issues. (Assefa Bersoufekad; 2003)

2.2 Industrial relations

2.2.1 Overview of Industrial Relations

The term 'Industrial Relations' comprises of two terms: 'Industry' and 'Relations'. "Industry" refers to "any productive activity in which an individual (or a group of individuals) is (are) engaged". By "relations" we mean "the relationships that exist within the industry between the employer and his workmen." However the term industrial relation is a broad term and many scholars define it differently:

As to Dale yonder (1965), Industrial Relation is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment process of industry. Industrial Relations can be referred also as to the steps an organization takes to ensure day-to-day business practices and consider the welfare of employees when making decisions (Ann Gilley, etal; 2005).

Jones and George (2006) argue that it is the activities that managers engage in to ensure that they have effective working relationship with the labor union that represent their employees' interests while the Concise Oxford Dictionary of politics defines it as Interaction between employers, employees, and the government; and the institutions and associations through which such interactions are mediated.

2.2.2 Actors in the Industrial Relation system

One of the significant theories of industrial labor relations was put forth by John Dunlop in the 1950s.

According to Dunlop every industrial relations system involves three groups of actors:

- (1) Workers and their organizations,
- (2) Managers and their organizations, and
- (3) Government agencies concerned with the workplace and the work community.

Every industrial relations system creates a complex of rules to govern the workplace and work community. These rules may take a variety of forms in different systems – agreements, statutes, orders, decrees, policies, practices, customs. The form of the rule does not alter its essential character: to define the status of the actors and to govern the conduct of all the actors at the workplace and work community.

These actors and their organizations are located within an environment - defined in terms of technology, labor and product markets, and the distribution of power in wider society as it impacts upon individuals and workplace. Within this environment, actors interact with each other, negotiate and use economic/political power in process of determining rules that constitute the output of the industrial relations system.

2.2.3 The context and evolution of Industrial Relations

Armstrong (2006) states that Industrial relations are conducted within the external context of the national political environment, the international context and the internal context of the organization.

The political context is formed by the government of the day. Labour administrations have not made any major changes to existing legislation except in the area of trade union recognition. The need to 'take cost out of the business' has meant that employers have focused on the cost of labour – usually the highest and most easily reduced cost. Hence 'the lean organization' movement and large-scale redundancies, especially in manufacturing. There has been pressure for greater flexibility and increased management control of operations, which has had a direct impact on employee relations policies and union agreements. The widespread introduction of new technology and information technology has aimed to increase productivity by achieving higher levels of efficiency and reducing labour costs. Organizations are relying more on a core of key full-time employees, leaving the peripheral work to be undertaken by subcontractors and the increasing numbers of part-timers – women *and* men. This has reduced the number of employees who wish to join unions or remain trade union members.

2.2.4 Benefit of having a sound industrial relationship

Labor and capital constantly strive to maximize their pretended values by applying resources to institutions. The relationship between labor and management is based on mutual adjustment of interest and goals; it depends upon economic, social and psychological satisfaction of the parties. The higher the satisfaction, the healthier will be the relationship. (S.C. Stivastava; 2007)

Thus, it is evident that good industrial relation is the basis of higher production with minimum cost and higher profits. It also results in increased efficiency of workers. New and new projects may be introduced for the welfare of the workers and to promote the morale of the people at work. An economy organized for planned production and distribution, aiming at the realization of social justice and welfare of the mass can function effectively only in an atmosphere of industrial peace. If the twin objectives of rapid national development and increased social justice are to be achieved, there must be harmonious relationship between management and labor. ([www.naukruhub.com/Industrial Relation](http://www.naukruhub.com/Industrial%20Relation))

It is in the interest of all to create and maintain good relations between employees and employers. So the main objectives of industrial relations system are:-

- To safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production.
- To avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country.
- To raise productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism.
- To establish and promote the growth of an industrial democracy based on labor partnership in the sharing of profits and of managerial decisions, so that ban individuals personality may grow its full stature for the benefit of the industry and of the country as well.
- And to eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits.

2.2.5 Industrial Relation system and Dunlop's contribution

Dunlop's model identifies three key factors to be considered in conducting an analysis of the management-labor relationship:

- Environmental or external economic, technological, political, legal and social forces that impact employment relationships.
- Characteristics and interaction of the key actors in the employment relationship: labor, management, and government.
- Rules that are derived from these interactions that govern the employment relationship.

Dunlop emphasizes the core idea of systems by saying that the arrangements in the field of industrial relations may be regarded as a system in the sense that each of them more or less intimately affects each of the others so that they constitute a group of arrangements for dealing with certain matters and are collectively responsible for certain results".

In effect, Industrial relations is the system which produces the rules of the workplace. Such rules are the product of interaction between three key "actors", workers/unions, employers and associated organizations and government

The Dunlop's model gives great significance to external or environmental forces. In other words, management, labor, and the government possess a shared ideology that defines their roles within the relationship and provides stability to the system.

2.2.6 Perspectives and approaches of Industrial Relations

There are a number of strategies for management to consider in the field of the employment relationship:

A. Unitary

In unitarism, the organization is perceived as an integrated and harmonious system, viewed as one happy family. A core assumption of unitary approach is that management and staff, and all members of the organization share the same objectives, interests and purposes; thus working together, hand-in-hand, towards the shared mutual goals. Furthermore, unitarism has a paternalistic approach where it demands loyalty of all employees. Trade unions are deemed as unnecessary and conflict is perceived as disruptive.

From employee point of view, unitary approach means that:

- Working practices should be flexible. Individuals should be business process improvement oriented, multi-skilled and ready to tackle with efficiency whatever tasks are required.
- If a union is recognized, its role is that of a further means of communication between groups of staff and the company.
- The emphasis is on good relationships and sound terms and conditions of employment.

- Employee participation in workplace decisions is enabled. This helps in empowering individuals in their roles and emphasizes team work, innovation, creativity, discretion in problem-solving, quality and improvement groups etc.
- Employees should feel that the skills and expertise of managers supports their endeavors.

From employer point of view, unitary approach means that:

- Staffing policies should try to unify effort, inspire and motivate employees.
- The organization's wider objectives should be properly communicated and discussed with staff.
- Reward systems should be so designed as to foster to secure loyalty and commitment.
- Line managers should take ownership of their team/staffing responsibilities.
- Staff-management conflicts - from the perspective of the unitary framework - are seen as arising from lack of information, inadequate presentation of management's policies.
- The personal objectives of every individual employed in the business should be discussed with them and integrated with the organization's needs.

B. Pluralistic

In pluralism the organization is perceived as being made up of powerful and divergent sub-groups - management and trade unions. This approach sees conflicts of interest and disagreements between managers and workers over the distribution of profits as normal and inescapable. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Trade unions are deemed as legitimate representatives of employees. Conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing and if managed could in fact be channeled towards evolution and positive change. Realistic managers should accept conflict to occur. There is a greater propensity for conflict rather than harmony.

They should anticipate and resolve this by securing agreed procedures for settling disputes.

The implications of this approach include:

- The firm should have industrial relations and personnel specialists who advise managers and provide specialist services in respect of staffing and matters relating to union consultation and negotiation.
- Independent external arbitrators should be used to assist in the resolution of disputes.
- Union recognition should be encouraged and union representatives given scope to carry out their representative duties
- Comprehensive collective agreements should be negotiated with unions

C. Marxist

This view of industrial relations is a byproduct of a theory of capitalist society and social change. Marx argued that:

- Weakness and contradiction inherent in the capitalist system would result in revolution and the ascendancy of socialism over capitalism.
- Capitalism would foster monopolies.
- Wages (costs to the capitalist) would be minimized to a subsistence level.
- Capitalists and workers would compete/be in contention to win ground and establish their constant win-lose struggles would be evident.

This perspective focuses on the fundamental division of interest between capital and labor, and sees workplace relations against this background. It is concerned with the structure and nature of society and assumes that the conflict in employment relationship is reflective of the structure of the society. Conflict is therefore seen as inevitable and trade unions are a natural response of workers to their exploitation by capital. ([www.naukruhub.com/Industrial Relation](http://www.naukruhub.com/Industrial-Relation))

There are a number of strategies for management to consider in the field of the employment relationship:

Guest model of approaches to industrial relations and HRM

Guest (1995) has identified four approaches to industrial relations

New realism: management attempts to take forward major transformational initiatives to improve productivity, quality or customer relations, but, at the same time, to forge a new relationship with the unions.

Traditional collectivism: management accepts wholly the pluralist approach and does its best to live within this situation, helped by the recent more restrictive legislation. Guest found this approach prevailed within the public sector and in non-competitive or declining industries, such as railways and coal.

Individualised HRM: the policy may extend to de-recognition and encouraging employees to accept individual contracts, whose terms will emphasise individual performance. Bargaining is abandoned but communication and involvement is supported and encouraged.

Black hole: Guest found evidence in much of the quickly growing or changing service industries that industrial relations was not considered as of any importance. Their competitive advantage was based on cost and flexibility and many employees will be temporary or outsourced.

In accordance with the previous section the individual HRM and Black Hole have more unitary perspective while the traditional collectivism tend towards pluralistic perspective the new realism approach tends towards the Marxist perspective.

2.2.7 Challenges in Industrial Relations

Industrial relations is the term that describes how the management and the employees of a company interact. However it is difficult to maintain a sound Industrial relation in some organizations.

According to Kristie Lorette copywriter and marketing consultant published on smallbusiness.chron.com, an issue that arises out of industrial relations is **narrow focus** by the employees of the organization. An employee or staff member may only view the task at

hand that they have to perform to complete their job rather than viewing how the role the employee plays benefits the organization as a whole.

The other issue is **employers' inflexibility**, employees feel as if their creativity is being squashed or that their opinions do not matter, this can cause strife between the employees and management of the business.

The final and the most important one is **division** between the two groups of a business which cause a myriad of issues such as contract negotiation problems, strikes and the required intervention of trade and labor unions. When management and employees can relate and communicate with each other, it typically alleviates the problems, such as not being able to negotiate work contract agreements or having to bring in the labor union to negotiate the terms and conditions between employees and management.

Relatively Management might want to resist unionization efforts but wanting to operate in a union free environment and achieving this goal may be two different things.

DeCenzo and Robbins (1988) identified the following major reasons why employers fight unions: the first one the management's fear of reduction of power when an organization's employees are unionized, HRM decisions become open to close scrutiny and possible challenge. The Second one is due to potential for strikes the ultimate weapon of a union in its efforts to gain concessions from management is to bring about a strike or work stoppage. Fear of increased cost is the third reason for why managers resist to trade union explained by the effort of the union to improve Employee pay and working condition increased paid holidays and benefits provide better pension and so forth all increase costs to management. And finally loss of employee commitment is management's other fear, they believe that the union will redirect employee loyalties and allegiances from the organization of the union. Union review of HRM policies management has to exercise greater care in developing its HRM policies for these policies will be under consistent assessment by the union membership.

2.2.8 Types of regulation and rules

Armstrong (2010) argue that Industrial relations can be regarded as a system or web of rules regulating employment and the ways in which people behave at work relatively Decenzo and

Robbins (1988) stress that labor law seeks to regulate the relations between an employer and his workmen.

Job regulation aims to provide a framework of minimum rights and rules. **Internal regulation** is concerned with procedures for dealing with grievances, redundancies or disciplinary problems and rules concerning the operation of the pay system and the rights of shop stewards. **External regulation** is carried out by means of employment legislation, the rules of trade unions and employers' associations, and the regulative content of procedural or substantive rules and agreements. **Procedural rules:** are intended to regulate conflict between the parties to collective bargaining, and when their importance is emphasized, a premium is being placed on industrial peace. **Substantive rules:** settle the rights and obligations attached to jobs. It is interesting to note that in the UK, the parties to collective agreements have tended to concentrate more on procedural than on substantive rules. In the USA, where there is greater emphasis on fixed-term agreements, the tendency has been to rely more on substantive rules. Armstrong (2006)

2.3 The relationship between Industrial Relation and trade union

The major issues involved in the industrial relations process as discussed by S.C. Stivastava (2007) are **terms of employment** (wages, allowances bonus, fringe benefits), **working conditions** (leave, working hours, health safety and welfare) **non employment** such as discipline promotional opportunities and among others recognitions of trade unions.

Trade Unions exist to represent workers' interest in organization. A trade union is an organization of employees formed on a continuous basis for the purpose of securing diverse range of benefits. It is a continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives. Jones and George (2006)

Where Employees belong to a union there will be a collective bargaining agreement. This agreement among other things will outline rules governing the behavior of union members. It will also identify disciplinary procedures that clarify the steps members are to follow if they believe that they are receiving arbitrary or unfair treatment. (DeCenzo and Robbins; 1988)

Trade union being an organization that represent the interest of employees on such issues (Ivancevich 2008) should be strong independent democratic and well organized for the

DeCenzo and Robbins (1988) give a highlight of the process of Collective Bargaining:

I. Organizing and certification

According to Neha Rathi, Assistant professor at KK Parkeh institution, this phase involves composition of a negotiation team. The negotiation team should consist of representatives of both the parties with adequate knowledge and skills for negotiation. In this phase both the employer's representatives and the union examine their own situation in order to develop the issues that they believe will be most important. The first thing to be done is to determine whether there is actually any reason to negotiate at all. A correct understanding of the main issues to be covered and intimate knowledge of operations, working conditions, production norms and other relevant conditions is required.

II. preparation for negotiation: we consider three activities

This phase consists primarily of fact gathering. Facts are gathered internally (grievance and accident record, employee performance reports, reports on transfer, overtime absenteeism) and externally (current economy condition and forecast of the economy condition). Followed by goal setting and strategy development.

III. Negotiation

Begin by the union delivering to management a long and extravagant list of demands. Hence negotiation is an activity of compromise each group forced to give up some of its demand in order that an agreement can be reached, agreement is achieved it is converted into a written contract, finally negotiation concludes with the representatives submitting the contract for ratification or approval.

Forms and techniques of Collective bargaining

Ivancevich (2008) identified three types of negotiation of agreements the first being distributive bargaining occurs when labor and management are in conflict on an issue and when the outcome is a win-lose situation. The second one occurs when the two sides face a common problem both parties can attack the problem and seek a solution that provides for a win-win outcome, this is known as integrative bargaining. The third one is concession bargaining exists when something of importance is given back to management, consists of

wage cuts, change in work rules that result in increased flexibility for management and other similar actions.

According to Tyson (2006)The objective of all bargaining is to find an agreement. Agreements may be conveniently divided into procedural and substantive agreements.

Procedural agreements set out the rules by which the formal relationships between the company and the union will be regulated. These could include disputes procedures and procedures by which substantive agreements are to be interpreted.**Substantive agreements** are agreements about the terms, conditions and pay of a group of workers. These would include hours of work, holidays and the rules governing how the work is to be done.

Issues of negotiation

The article 125 and 128 of the Ethiopian Labor Proclamation states that Trade union shall have the right to bargain a collective agreement with one or more employers or their organization in matters concerning employment relationship and conditions of work as well as relations of employers and their organizations with workers' organizations.

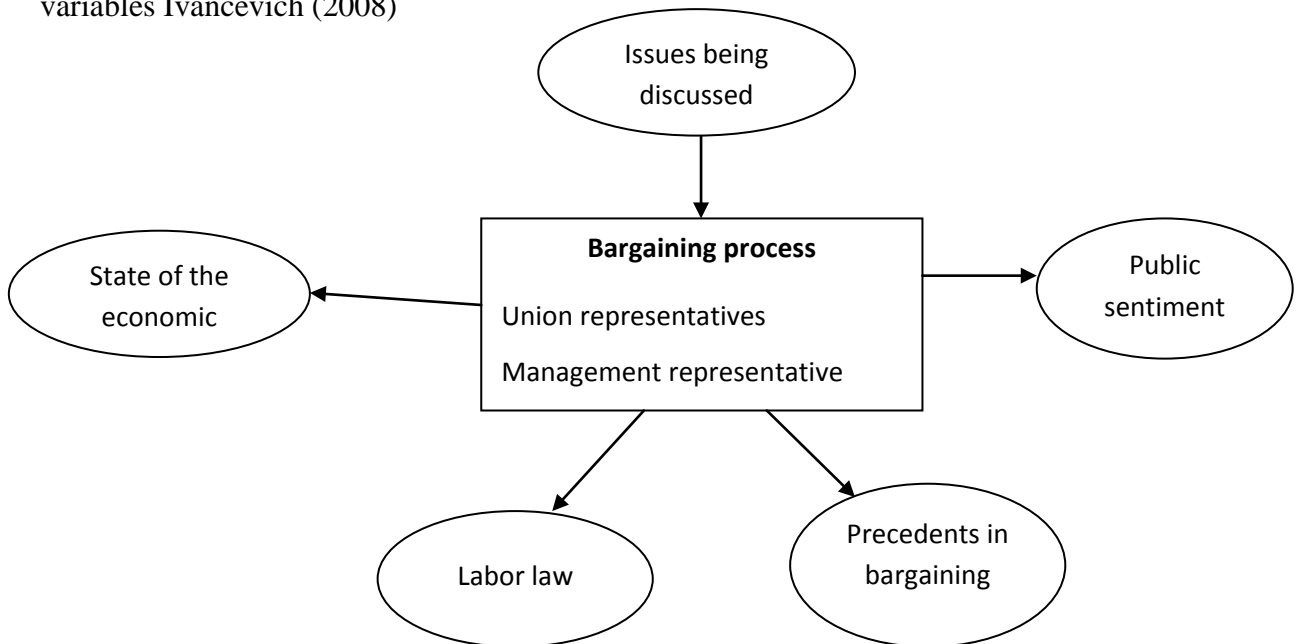
According the article 129, the negotiation may be made on matters left by the provisions of the Proclamation or other laws such as protection of occupational safety and health and the manner of improving social services, workers' participation, particularly, in matters regarding promotion, wages, transfer, reduction and discipline, conditions of work,the procedure for making work rules and grievance procedures and the arrangement of working hours and interval break times;to be regulated by collective agreement;

IV. contract administration

Once a contract is agreed upon and ratified it then must be administered the way it will be administered is included in the contract itself.

2.3.3 factors influencing the collective bargaining

The collective bargaining process and the final agreement reached are influenced by many variables Ivancevich (2008)



Source: John M. Ivancevich “Human Resource Management” (2008)

2.3.4 Importance of Collective Bargaining

According to S.C. Stivastava (2007) collectively bargaining could have positive as well as negative impacts however the advantages include the presence of a system based on bipartite agreement, the fact it is a quick and efficient method of settlement industrial dispute and the fact that it avoids delay and unnecessary litigation. On the other hand the disadvantage lack of representation of the public interest at the bargaining table and there are situations in which a serious strike on a prolonged strike simply can't be tolerated.

In fact collective bargaining is, essentially, a recognized way of creating a system of industrial jurisprudence. It acts as a method of introducing civil rights in the industry, that is, the management should be conducted by rules rather than arbitrary decision making. It establishes rules which define and restrict the traditional authority exercised by the management.

Importance to employees

Collective bargaining develops a sense of self respect and responsibility among the employees:

- It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group.
- Collective bargaining increases the morale and productivity of employees.
- It restricts management's freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged.
- Effective collective bargaining machinery strengthens the trade unions movement.
- The workers feel motivated as they can approach the management on various matters and bargain for higher benefits.
- It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced.

Importance to employers

- It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers.
- Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management.
- Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making.
- Collective bargaining plays a vital role in settling and preventing industrial disputes.

Importance to society

- Collective bargaining leads to industrial peace in the country
- It results in establishment of a harmonious industrial climate
- The discrimination and exploitation of workers is constantly being checked.
- It provides a method or the regulation of the conditions of employment of those who are directly concerned about them. (www.naukruhub.com/Industrial Relation)

Chapter Three: Research Design and Methodology

3.1 Research Design and Methodology

Since descriptive research is an attempt to clarify why and how there is a relationship between two aspects of a situation or phenomenon, it was the appropriate type of research to answer those questions listed above in the statement of the problem section and to assess the relationship between Labor Union and Industrial Relation.

- It describes systematically a situation, problem, phenomenon, service or program, or provides information
- It describes of the state of affairs as it exists at present
- The researchers has no control over the variables; they can only report what has happened or what is happening

3.2 Sample and Sampling technique

Lycee Guebre Mariam has 213 staff which 138 are Ethiopians among them only 107 are members of the trade union. Since it's a small population the research used a census, and the entire population which are members of the trade union (107) were taken as a sample. This method eliminates sampling error and provides data on all the individuals in the population and enables to achieve a desirable level of precision.

3.3 Type and Method of Data sources

In order to achieve the objectives of the study the researcher used the following data collection sources:

- Primary data to get unbiased information and helps the research to rely on up-to-date data's. It involves questionnaires distributed to all workers (members and non-members) and an interview conducted with the Union leader.

- Secondary data will enforce the data collected using primary sources. It includes sources such as publications, research findings, the Ethiopian labor proclamation and the collective agreement of the local staff

The questionnaire is composed with questions of a Five point Likert scale ranging from 1(strongly disagree) to 5 (strongly agree) developed to assess the attitude of the members toward the industrial relation and a five point Likert scale ranging from 1(very strong) to5(veryweak) to assess the effectiveness of the trade union open ended and multiple choice questions were also included.

Since it's a census the questionnaires were administered by the researcher to the 106 members and an interview was conducted with the union leader.

The interview was made face to face with the Union leader seven questions were asked. Among the 106 questionnaires only 89 questionnaires were returned.

3.4 Data analysis and presentation

The researcher used both qualitative and quantitative approach of data analysis, the data collected through interview was analyzed through qualitative analysis and the result of the interview were summarized in a narrative form whereas the data collected through questionnaire will be analyzed through quantitative techniques.

The collected data were transferred to SPSS and were analyzed usingdescriptive statistics such as frequency and percent.

3.5 Validity

To make sure the research's validity the researcher used reliable source, such as published books and recent articles retain by highly praised authors in the industrial relation and labor union field and to avoid biased information the primary data was collected on a census based.

3.6 Ethical issues to be considered

So as to get the required result during data collection and interpretation process the researcher tried to make it realistic and free from bias as much as possible. Furthermore the researcher made an effort to persuade the participant of the survey about the importance and purpose of the study that helps Lycée Guebre Mariam in assessing the role of labor union in the industrial relation and promised that the organization confidential information that were discussed will be kept confidential.

Chapter Four: Data analysis

4. Introduction

4.1 Quantitative analysis

4.1.1 Demographic information on the respondents

Table 5: Age and Gender

		Frequency	Percent (%)
Gender	Female	47	53
	Male	42	47
Age	20-30	12	13
	31-40	32	36
	41-50	38	43
	>50	7	8

Source: Survey questionnaire

As it can be seen in the table 1, the data was obtained from a total of 89 participants of which 53% were female and 47% were male participants. The majority of the participants, 36%, were in the age range of 31-40, 43% and 13% were in the age range of 41-50 and 20-30 respectively. Whereas the minority of participants, 8% were above 50 years old.

Table 6: Educational Background

		Frequency	Percent(%)
Education level	<12	17	19
	Twelve complete	26	29
	Diploma	28	32
	Degree	16	18
	Masters	2	2

Source: Survey questionnaire 2015

Almost equal proportion of participants 32% and 29 % were having educational qualification of diploma and twelve complete respectively. 18% of the participants were having first degree and the minority of participants, 2% was having Masters Degree.

Table 7: Work experience and position

		Frequency	Percent (%)
Position	Teacher	33	37
	Administration	10	11
	Service	46	52
Work experience	<2	17	19
	2-5	21	23
	6-10	31	35
	11-20	13	15
	>20	7	8

Source: Survey questionnaire 2015

Regarding the position in which participants are currently working, the majority of them, 52%, were working in the ‘service’ position, the next high proportion of participants, 37%, were working as ‘teacher’ and the minority, 11%, were working in ‘administration’ position.

As far as work experience of participants is concerned, relatively the majority of participants, 35%, were having 6-10 years work experience, 23% were having 2-5 years work experience. Whereas relatively the minority of participants, 19% and 8% were having less than 2 years and greater than 20 years work experience respectively.

4.1.2 View of the respondents towards the industrial relation and effectiveness of the trade union score

4.1.2.1 Labor Union

Table 8: Effectiveness of the Labor Union

No		Response in %					
			Very Strong	Strong	Moderate	Weak	Very weak
1	In maintaining labor discipline and productivity	N	2	35	53	1	-
		%	2	37	60	1	
2	In meeting the agenda during meetings	N	-	6	25	45	13
		%		7	28	50	15
3	In giving a pertinent information system and keeping the members aware of the activities of the union	N	-	6	10	36	38
		%		6	11	40	43
4	In persuading employers so that Employees exercise their rights to engage in collective activity and bring changes	N	5	29	48	7	-
		%	6	32	54	8	
5	In resolving disagreement and conflicts	N	31	36	19	3	-
		%	35	40	21	3	
6	Protecting employees from unlawful practice by the management	N	26	34	29	-	-
		%	29	38	33		
7	stating clearly the benefit get from being a member	N		17	20	37	15
		%		19	22	42	17
8	giving attention towards attendance of meetings	N		7	35	34	13
		%		8	39	38	15

Source: Survey questionnaire 2015

35% of the employees consider that the Union is strong while the majority 53% consider it moderate the minority 2% and 1% of the participant considers the union very strong and weak respectively in maintaining labor discipline and productivity.

The majority of the employees (50%) see the union as weak in meeting the agenda during meetings while 28% and 15% considers it moderate and very weak respectively. Only 7% of the participants believed that the union was strong in meeting the agenda during meetings.

In giving a pertinent information system and keeping the members aware of the activities of the union, 43% judged the union very weak , 40 judged weak while the 11% considers it moderate and 6% strong.

54% and 32% of the participants believe that the union is moderate and strong respectively while 8% believe that the union is weak and only 6% think that the union is very strong in persuading employers so that employees exercise their rights to engage in collective activity and bring changes.

The Union is judged by 40% of the participants strong , 35% very strong , 21% moderate and only by 3% weak in resolving disagreement and conflicts.

38% of the participants see the union as strong in protecting employees from unlawful practice by the management and 29% sees it very strong while the rest 33% considers it moderate.

The majority (42%) judged the union weak, 22% judged it moderate while 19% and 17% of the participants sees the union strong and very strong respectively. The union states clearly the benefit you can get from being a member.

Attention given towards attendance of meetings is judged weak by 38% of the participants and 39% are believe its moderate while 15% and 8% views it Very weak and strong respectively on this issue.

4.1.2.2 Industrial relation

Table 5: The employees' position towards the Industrial Relation

No			Response in %				
			Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
1	Ensure the personal development of all employees	N		12	51	26	
		%		14	57	29	
2	Raising living standards through improved terms and conditions of employment.	N		25	50	16	
		%		28	56		
3	Misunderstandings between management and labor are reduced to a minimum.	N	29	38	22		
		%	32	43	25		
4	Emphasize labor employer partnership to establish and maintain industrial democracy	N	13	24	52		
		%	15	27	58		
5	Avoid disputes between management and labor, and create a harmonizing relationship between the groups so productivity can be increased.	N	35	29	25		
		%	39	33	28		
6	Protect management and labor interests by securing mutual relations between the two groups	N		23	48	18	
		%		26	54	20	
7	Employment and job security and increased employment opportunities.	N		24	46	19	
		%		27	52	21	
8	Avoid discrimination and unfair actions by applying rules and regulations equally to all employees	N	35	36	18		
		%	39	41	20		

Source: Survey questionnaire 2015

According to the table 8 most of the Employees are indifferent (57 %) that the management ensures the personal development of all employees. About 14% agree whereas 29% disagree that the management ensures the personal development of all employees.

Regarding the managements view towards raising living standards through improved terms and conditions of employment 56% Of the employees are indifferent while 28% and 16% agree and disagree respectively.

Only 25% are indifferent that misunderstandings between management and labor are reduced to a minimum. About 43% of the respondents agreed, while 32% of the respondents strongly agreed.

58% of the employees are indifferent that the management emphasize labor employer partnership to establish and maintain industrial democracy while 27% and 15% of the Employees agreed and strongly agreed respectively.

Most of the employees (39%) strongly agreed that the management avoids disputes with the labor, and that it creates a harmonizing relationship between the groups so productivity can be increased while 28% are indifferent and 33% agreed.

54% of the participants are indifferent that the management protects both the management's and labor's interests by securing mutual relations between the two groups while 26% agreed and 20% disagreed.

Most of the respondents (52%) are indifferent towards employment and job security and increased employment opportunities whereas 27% agreed and 21% disagreed.

20% are indifferent that the management avoids discrimination and unfair actions by applying rules and regulations equally to all employees but the majority holding 41% of the employees agreed while only 39 % strongly agreed.

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4.2 Qualitative analysis

Based on the open ended questions the participants' answer shows that there is a peaceful industrial relation in the school however they stated that adjustment should be made on issues like welfare and employee development. Relatively the majority answered that they are satisfied with the work of union but issues like coordination and clarity are missing.

Based on the interview held in the school the answer of the union leader to the interview questions is as follow:

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1. What are the requirements to join the union?

To join the union one should be Ethiopian and permanent worker if he or she has the interest of joining the union he or she has to submit a letter of request. Further once a member 1% of its salary will be deducted for the monthly contribution fee of the union.

2. What kind of service and benefits does the union provide to the union members?

The union gives services such as representation and negotiation for better working conditions

3. What are the main challenges faced by the Union?

The major problems faced by the union can be seen from two sides:

- From the side of the trade union, members:
 - Not attending meetings scheduled of
 - Not understanding their rights and obligations as a member (gap of knowledge about the trade union)
 - Not responding to the questions and issues presented to the members of the trade Union
- From the side of the management
 - There is no significance problems observed but the main problem is the management delay on addressing issues that have been mentioned by the members of the trade union. On the collective agreement negotiation (bargaining) they don't give the necessary value and attention required instead they send a messenger to deliver message on behalf of them

4. What does peaceful industrial relations means to you? How do you describe the industrial relation in Guebre Mariam School?

A peaceful industrial relations An environment where there is no discrimination, disputes are avoided to the maximum and where the voice of the employees are given importance, that's exactly the industrial relation in Guebre Mariam School.

5. What are the changes brought by the union trough negotiations?

Things that have been improved and changes brought by the union trough negotiations are:

- Regarding health: the percentage increased from 80% to 90%; for employees with lower wages if any serious problems have occurred on them the management will cover the entire cost
- For employees the educational fees for two kids maximum is covered by the school even if the kids go to another school.
- All the necessary materials needed for work purposes have been fulfilled in an improved manner than before.
- All member in the trade union participate of all and different areas of work assigned which creates transparency in the group EX development/training/ dispute settlement/employment
- Improvement in the insurance policy : For all employees day to day life, or on their way from their house to work or from Work to their and on the work place, are fully insured
- Improvement of salary range and scale

6. How cooperative is the management toward the union?

Concerning the cooperation of the management toward the union, as discussed in the question 3 the management tend to slowdown negotiations and answers to enquiries.

7. Is there anything you suggest for improvement?

There should be a big attitude improvement from the members' side as well as the management side. Both should give more attention.

Chapter 5: Conclusion and recommendation

5.1 Result Summary and conclusion

Demographic result summary

- From the result of the data collection it can be seen that there are equal amount of female as the amount of male with their age ranging from 30-50. Most of them are twelve complete and diploma holders. The majority of the workers are under the service category. The work experience of the employees lies generally between 6-10 years.

Fundamental findings on the Trade Union

- The union is considered strong by the members in maintaining labor discipline and productivity, in resolving disagreements and conflicts, in persuading employers so that employees exercise their rights to engage in collective and bring changes and in protecting employees from unlawful practices by the management.
- Giving pertinent information system and keeping the members aware of the activities of the union and meeting the agenda during meetings are judged weak by the members.
- It is seen that the majority of the union members don't clearly know their rights and obligations or their benefits of being a member;
- The majority answered that the union's attention towards attendance is very weak
- When it comes to satisfaction the majority of the members are satisfied by the work of the Union. They suggested just an improvement their concern are on wage issues

Fundamental findings on the Industrial Relation

- According to the view of the majority, the management protects both the management's and labor's interests, misunderstanding between management and labor are reduced to a minimum; they agreed also that the management avoids disputes with the labor, discrimination and unfair actions by applying rules and regulations equally.
- The unions don't totally agree with the fact that it ensures personal development of all employees, raise living standard through improved terms and conditions of employment and emphasize labor employment relationship to establish and maintain industrial democracy; they believe that the management's role in employment and job security and increased employment opportunity is not significant.

Based on the questionnaire and interview the researcher came with the following conclusions:

- There is a lack of interest in participating in the activities of the Union which can be explained due to the majority not attending meetings and the lack of knowledge which can be explained by the fact that most union members are well aware of their benefits these problems can be related to the union's weakness in giving sufficient information and holding unsuccessful meetings.
- The management as well as the union focus more on the harmonization of the working environment rather than the development of the employees this is proved by the fact that the majority of the members agreed on most of the issues related to discipline and dispute settlement and judged effective the unions activity on these similar issues.
- Even though the effectiveness of the trade union is almost average the members are satisfied with the work of the union this may be due to the different changes and improvement brought by the Union as seen in the interview with the Union leader.

5.1 Recommendations

- The union should prepare an information system which enable to give sufficient information and should conduct successful meetings to increase the interest of members in participating in the activities of the Labor Union.
- The management as well as the union should focus more on the development of the employees and should work together on how to raise the living standard of the employees.
- Changes are brought by the union on the industrial relation nevertheless the union should continue to address the enquiries of the members on issues needing changes.

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I. The management position toward industrial relation

To what extent do you agree with the following statements regarding the industrial relation in your organization? Please put “✓” in the box representing your choice

	Strongly agree	Agree	Indifferent	Disagree	Strongly disagree
6. Ensure the personal development of all employees					
7. Raising living standards through improved terms and conditions of employment.					
8. Misunderstandings between management and labor are reduced to a minimum.					
9. Emphasize labor employer partnership to establish and maintain industrial democracy					
10. Avoid disputes between management and labor, and create a harmonizing relationship between the groups so productivity can be increased.					
11. Protect management and labor interests by securing mutual relations between the two groups					
12. Employment and job security and increased employment opportunities.					
13. Avoid discrimination and unfair actions by applying rules and regulations equally to all employees					

14. How do you describe the environment in your organization?

15. Is there anything that needs to be improved?

II. The effect of the Trade Union and members awareness

How effective is the trade union in: 1-“very strong” 2-“ strong” 3-“moderate” 4-“ weak” 5-“ very weak”*Please put “✓” in the box representing your choice*

	1	2	3	4	5
16. maintaining labor discipline and productivity					
17. meeting the agenda during meetings					
18. giving a pertinent information system and keeping the mem1`2bers aware of the activities of the union					
19. persuading employers so that Employees exercise their rights to engage in collective activity and bring changes					
20. resolving disagreement and conflicts					
21. Protecting employees from unlawful practice by the management					
22. stating clearly the benefit get from being a member					
23. giving attention towards attendance of meetings					

24. How do you describe the effectiveness of the union in your organisation?

Appendix 2

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF HRM

The intent of this interview is to assess the role of Labor Union in the Industrial Relation in the case of Lycée Guebre Mariam.

1. What are the requirements to join the union?
2. What kind of service and benefits does the union provide to the union members?
3. What are the main challenges faced by the Union?
4. What does peaceful industrial relations means to you? How do you describe the industrial relation in Guebre Mariam School?
5. What are the changes brought by the union trough negotiations?
6. How cooperative is the management toward the union?
7. Is there anything you suggest for improvement?