

LABOR AND MANAGEMENT RELATIONSHIP  
IN THE ETHIOPIAN EVANGELICAL CHURCH MEKANE YESUS  
DEVELOPMENT AND SOCIAL SERVICES COMMISSION

BY

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ADDIS ABABA UNIVERSITY

JUN 2014

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**APPROVED BY THE BOARD OF EXAMINERS**

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## **ABSTRACT**

*The main purpose of this study was to assess factors that affecting labor and management relationship in the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission central office. Therefore to achieve objectives of the study descriptive method was used in this study. The organization has twenty two branches four area cluster offices and one head quarter. Among which the researcher selected the head quarter using purposive sampling because, all directive and manuals derived from this office and the composition of labor force can represent the branches and clusters as well. The head quarter has a total of 95 employees and this study included 55 employees in the organization which is 57.8%. These are 5 department directors, 37 employees at different levels of the head quarter and 13 respondents at two project sites. 6 questionnaires were not collected due to failure to respond by respondents in a given time frame. Questioner, Semi-structured interview, observation and document analysis were used to collect data. The data gathered through questionnaires, interview, observation and document analysis were analyzed using frequency and percentage in a table. Number of male and female employees' data in different level and positions of the organization were collected. Salary and wage condition, supervisory subordinate relationship and benefit package provision by the organization were major findings in this study. Based on the finding, less female participation particularly on top level decision making body, incompetent salary of the organization, good supervisory subordinate relationship and poor benefit package are drawn in the conclusion. The need to improve woman participation in top level position, the need to improve salary, the need to enhance supervisor subordinate relationship and benefit package reconsideration are recommendations to alleviate the current gap in relation to labor and management relationship in the organization.*



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## ABBREVIATIONS AND ACRONYMS

AAU	Addis Ababa University
EECMY- DASSC	The Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission
CO	Central Office
HR	Human Resource
HRM	Human Resource Management
G.C	Gregorian Calendar
POS	Perceived Organizational Support
TS	Trust in the Supervisor
LMX	Leader-member exchange
RS	Reward Systems
MRT	Mutual Reward Theory
EdPM	Educational planning and Management

## CHAPTER ONE

### 1. THE PROBLEM AND ITS APPROACH

#### 1.1 INTRODUCTION

Labor and management relationship concerns with key issues like employee contractual agreements, emotional and psychological contact. This relationship has direct association with wage and salary, supervisory behavior, gender and benefit facilities provided by the organizations and organization culture as well. On top of these, the overall organizational culture and working environment of a given organization have undeniable impact on labor and management relationship. In fact organizational culture is the major component that can influence labor and management relationship matter either negatively or positively. This relationship depends on different aspects and responses of both parties i.e. labor and management. The parties i.e. labor and management expected to take steps on issues that sustainably maintain good relationship and have to be free from act that spoil relationship negatively. Good relationship between labor and management contributes for the advancement of objectives of an organization and improves efficiency and productivity as well.

*Employee-organization relationship is an overarching term that describes the relationship between the employee and the organization. It encompasses psychological contracts, perceived organizational support, and the employment relationship. Lynn M. Shore, (2012:618).*

As Lynn M. Shore (2012) clearly stated employee organization relationship is highly connected with psychosomatic emotion and integrated when two parties sign contractual agreement to abide and respect the rule, laws and principles of the organization.

There are good or bad relationships among people, groups, organizations and countries to meet their objectives. Relationship can be maintained using good communication if parties work hard with the aim of peace and constructive move. Relationship emerges at individuals, people or groups level because, it is people in the organization that communicate with each other to exchange their experience, exposure, skill, attitude and what they have in general. However culture of the organization also matters a lot to relationship. Each organization has its unique

nature and one is quite different from the other and every organization has its own unique character.

Relationship between management and labor of an organization matters a lot and contributes to the performance and development of that organization. This Relationship can be manifested either positive or negative way among parties. Management should play great role in the maintenance of good relationship with the organizations necessarily. However the task is not totally left for management but also, labor of an organization has its own responsibility too. Individual's contribution, Labor-union, Workers association and or other form of labor organizations are some alternatives among several to maintain relationship in an organization.

Labor and management are inseparable in an organization and one is vital to other for the accomplishment of task and to reach to the goal of the organization. There is no organization in the world that is able to perform the goal of organization without participation of labor and even strong management can't make miracle by itself. On the other hand competent labor can do nothing unless otherwise supported and assisted by management. Therefore, we can say that one cannot be effective and productive without the contribution and participation of the other.

There are numerous definitions of management; probably the most popular and often quoted is "getting things done through other people." This and most other definitions have merit and draw attention to important aspects of management according to different scholars. Management also has different activities and responsibilities in it. Various scholars have drawn their different definition of management in their literatures and set their outlook. Managers also have major task while dealing with their job. Decision making and risk taking are also some among several major tasks (activities) of management and managers. However, these are not the only tasks of management and managers. *Management is a distinct process consisting of activities of planning, organizing, actuating, and controlling performed to determine and accomplish stated objectives with the use of human beings and other resources (Terry and Franklin, 1988:4).*

According to Terry and Franklin (1988) emphasis, unlike other things like financial and material resources it is very difficult to manage labor in an organization because, due to the complexity of human nature. Management is extensive and comprehensive task and sometimes faces certain

difficulties during implementation. As the reality in the ground varies from theory in literature, management is concerned with labor (people) whose behavior is highly unpredictable and irregular in its nature. So that, management of the organization should pay attention to labor and manage relationship which is very important and valuable matter to accomplish organizational objective. And yet “management is a young developing disciplining whose concepts are continually changing”. VSP RAO and PS Narayana (2000) 18.

Due to problems in managing labor and management relationship efficiency, productivity and competitiveness decline particularly in an organization that no proper employee and management relationship. According to different authorities Labor of the organization can be classified in different categories i.e. professional, semi-professional or non-professional on the other words can be expressed skilled, semi-skilled and unskilled which have knowledge, special training and skill, experience, attitude, and abilities which contribute to the development and growth of an organization. It is very difficult to imagine productivity without active participation and involvement of human resource in an organization and that force is called labor/employee of an organization. Therefore, the role of labor/employee in this regard in the current competitive and dynamic situation is very vital and critical.

Policies and principles are set by organizations to guide and manage relationship in accomplishment of tasks in the organizations and be implemented by labor and management of the organizations. Thus labor and management relationship should be in a way that can serve organizations to achieve the expected and anticipated result maintaining organizational peace.

Labor relations are the study and practice of managing unionized employment situations. In academia, labor relations is frequently a subarea within industrial relations, though scholars from many disciplines including economics, sociology, history, law, and political science also study labor unions and labor movements. In practice, a labor relation is frequently a sub-area within human resource management. Courses in labor relations typically cover labor history, labor law, union organizing, bargaining, contract administration, and important contemporary topics. In the United States, labor relations in the private sector are regulated by the National Labor Relations Act. Public sector labor relations are regulated by the Civil Service Reform Act of 1978 and

various pieces of state legislation. In other countries, labor relations might be regulated by law or tradition”.

**Source** ([www.google.com](http://www.google.com) Wikipedia, the free encyclopedia 16/11/2013).

In the Ethiopian context, we are using two basic legal procedures, like labor Law (Proclamation 377/2006) and collective agreement (which is legally accepted within the procedure set by the law). However, most organizations have no union or association. Most managers of our countries look workers associations’ suspiciously because of their bad past experience.

With regard to maintenance of relationship, Commitment of management body to the organization matters a lot “management who decide to be permanent members of the organization can contribute better than those who are always ready to leave the organization”. Terry and Franklin (1988).

In this regard committed management body worries about the matter relationship and maintenance mechanisms of relationship with labor of the organization. Managers of the organization have commitment to the organization if and only if they decided to stay and contribute in their occupation.

## **What is relationship?**

Measurement of labor and management relationship is a complex phenomenon since it involves the human element. Labor-management relations are the interacting relations between labor (employees) and management (employers). 'Management and labor' is the English term used in EC law to refer to organizations representing workers and employers.

The equivalent term used in other language versions is 'social partners' Based on expounding, the essence of labor-management relation confliction and cooperation. Relationship between employers and employees and their dealings with each other can be maintained in most organizations, wages and conditions are determined by free collective bargaining between employers and trade unions. Some European and American countries have worker participation through profit-sharing and industrial relationship.

(Global journal of management and business, 2012 Inc)

Even though the above explanation says wage, salary and benefit packages are determined by collective agreement between employer and employee association, however in our context the situation is not open for the above stated conditions. Experiences show that there is strong resistance in the side of the organization unions or workers associations in the organization. Workers also scare their management in most organizations to different reasons likes' job security and fear of their managers' revenge up on them.

Another solution is co-ownership, in which a company is entirely owned by its employees. The aim of good industrial relations is to achieve a motivated, capable workforce that sees its work as creative and fulfilling. A breakdown in industrial relations can lead to an industrial dispute where one party takes industrial action. A 1947 federal law signed to protect employers, employees, and the public. It governs union activities and provides an arbitration mechanism for strikes that cause national emergencies. Demand for experts in labor-management relations continues to grow as new legislation and court rulings continuously update standards for employment conditions. Acquire the practical skills and knowledge essential to constructive labor-

management relations. Examine the most current regulations, and learn to prepare information for use during negotiations. There have been several attempts to make the study of human relations more scientific. Human behavior changes too much from one period to the next, to permit scientific, exact prediction.

Human behavior can be studied only by other human observers, and these always distorts fundamentally the facts being observed, so that there can be no objective procedures for achieving the truth. Human behavior thus becomes the study of infinitely variable, unique and non-measurable situations, rather than the investigation of repetitive, simplify able and observable behaviors. Thus, physical sciences cannot serve as a model for social sciences. Several attempts have been made to measure the attitudinal framework of humans in a scientific manner. Concepts, premises and procedures have been re-examined so that measurement could be possible through empirical research and use of quantitative techniques.

The literature review is divided into three parts, each to cover an issue raised by their search questions. The purpose of the literature review is to discover what has been published about the issues. In “Labor and Management Bridging the Gap,” Daniel Law (1994) stated, “Since the beginning civilization, the relationship between those who direct the work and those who accomplish it has been fraught with conflict and resentment”. As it relates specifically to the fire service, the purpose of the labor organizations has been to enhance the compensation, benefits and working conditions of the members through collective unity. Richard Earle writes, “Public sector management has traditionally dealt with organized labor unions with their employers.

**Source:** Global Journal of Management and Business Research Volume XII Issue VIII Version I,  
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## **Background of the organization**

Ethiopian Evangelical Church Mekane Yesus – Development and Social Service Commission (EECMY-DASSC) is a non-government (NGO), non-political and non-for-profit organization established as an arm of EECMY to promote socio-economic development in all regions of Ethiopia. It was legally registered with the Ministry of Justice in 2000 and re-registered under new legislation of “Charities and Societies Proclamation No. 621/2009” in November 2009 with a registration number 0397 as “Ethiopian Resident Charity”.

EECMY understands human beings are in constant search for satisfactions of spiritual and material/economic needs for holistic life and development. To address the economic aspect of needs of Ethiopian communities EECMY-DASSC was established to operate under the umbrella of EECMY.

To achieve the intended ultimate goal, it works in collaborative partnership with the target communities all over Ethiopia, local and international professionals, government agencies, counterparts, and international donor organizations.

EECMY-DASSC realizes an urgent need for having manuals that guide its multi-faceted dimension of functions in the day to day operations as well as its interactive processes with different partners and stakeholders. Among such desired guidance tools the human resource policy and procedures manual that was developed and has been in use is one of them. This document is an update and revision of the manual that has been in use. In essence it includes relevant changes that took place since it was designed and put into practice, and takes into consideration the strategic plan (2012 – 2016) that DASSC posed to implement.

As the organization EECMY-DASSC is one of the organization’s that share this common problem and suffering from related issue mentioned earlier and assumed that not free from such of problem. Therefore, this research will try to see the matter in the organization EECMY-

DASSC. Along with, the study and explores in depth analysis the topic stated under, “labor and management relationship” with regard to goal of the organization.

Thus the researcher believes that;

- ✓ Properly equipped and entertained labor can deliver his/her skill and knowledge to the organization in a manner that is anticipated if minimum conditions fulfilled satisfactorily.
- ✓ Motivated labor with good organizational culture are assumed to produces more than anticipated and will deliver what he /she have willingly in a manner that expected. Therefore, to build trust, and as a result to raise efficiency proper labor and management relationship practices and implementation process is substantial.

The aim was to find out workers wage satisfaction, workers satisfaction with supervisory behavior, and worker satisfaction with benefit provision by the organization. This cross sectional study was conducted from December 2013 to May 2014. A group of about of 55 employees out of a total 95 workers of the organization was participated in this study through a predesigned questionnaire which consists of three parts to meet the objectives, from the organization. There is a dilemma of weak relationship between labor and management in the organization. Thus, relationship can be strong and improved if every stack holder or parties take action towards positive move in work places. Key words: wage satisfaction, supervisory behavior and benefit package and related issues were investigated in this study exhaustively using data gathering tools.

Therefore this research tried to see problems associated with the topic and the challenges in the real practices of labor and management relationship in detail as much as possible in The Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission Central Office (EECMY/DASSC-CO). It includes the definition of labor, management and what relationship means, the meanings and purpose of employee management relationship and its outcome.

Even though no scientific research done in the organization however, strategic plans were done different times in 2004, 2009 and 20014 concerning the overall direction but while discussion with the organization’s labor union leaders the researcher obtained information regarding

relationship between labor and management of the organization. Therefore the researcher focuses on the cause and probable suggestion for the problem seen during the study

## 1.2 Statement of the problem

The most important and very valuable resource among any other resources for every organization is human resource. However, this resource i.e. human resource is scarce in relation to the demand of every organization as compared to supply in the market. The main cause for this scarcity is the unbalanced nature of demand and supply exhibiting in the market.

Most organizations in the world are in a very difficulty of lack of these resources to their specific work nature. The output they want to produce and the reality in the ground to effect their expectation sometimes doesn't meet due to shortage of this labor. On top of this because of wrong management of labor and management relationship by management due to problem in salary/wage, supervisor subordinate relationship and benefit package employee dissatisfaction manifested in unusual employee turnover. Increase in employee turnover in organization leads for unnecessary expense. On other hand, hiring costs like, induction and familiarization, employee development cost, socialization and other costs are very significantly affecting organizations in a situation where high employee turnover. Such a kind of costs creates organizational instability confusion and irregularities as well.

## 1.2.1 Basic questions

This study attempts to answer the following research questions.

- 1) How does compensation plan of the organization affects the relationship between labor and management?
- 2) How does supervisor subordinate relationship affects organizational achievement?
- 3) How does benefit packages of the organization affects the relationship between labor and management?

## 1.3 Objective of the study

### 1.3.1 General objective

The objective of this study generally is to assess the practices and implementation of “labor and management relationship” and challenges of the organization.

### 1.3.2 Specific objectives

- To investigate compensation plan of the organization
- To diagnose supervisor subordinate relationship
- To investigate the benefit packages of the organization
- To recommend plausible solution for gaps between the current practices and the ones to be improved regarding labor and management relationship expectations in the organization of the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission (EECMY/DASSC) head quarter, Addis Ababa.

## 1.4 Significance of the study

Result of this investigation on administrative practices, financial exercise, and subordinate supervisory relationship in the organization show that the current condition of (EECMY/DASSC). The researcher believes that the findings of the research and its recommendation are valuable. Hoping that obtain result help as input to the organization for further investigation.

In addition to that the outcome of this study will be highly valuable for the, organization and other researchers who want to make further study in the topic or related topics in the organization.

### 1.5 Delimitation of the study

There are many factors that can possibly affect the success of the organization EECMY/DASSC either positively or negatively. However the scope of this study is “labor and management relationship.” All Policies, directives, manuals and etc emanate from this office and composition of labor force represents other branch offices.

Therefore, it was found to logically delimit the study, geographically. Based on this ground and the research was confounded with the organization’s central office where the researcher had the information on the commonness of the problem. In addition to the above reason all branches of the organization are governing by the principles and manuals that formulated and amended by the central office. Both HR and Accounting manuals are uniformly applicable to all the down structure of the organization equally except some contextual application. This application does not include major changes in the manual.

### 1.6 Organization of the study

This research paper was organized in five chapter and these are;

Chapter one deals with introduction and the second chapter discusses with the review of related literature, Chapter three deals with research design and methodology. The fourth chapter is about data, analysis presentation and interpretation. Finally the fifth chapter presents about data summary, conclusion and recommendation.

## CHAPTER TWO

### 2.1 REVIEW OF RELATED LITERATURE

This chapter deals with review of related literature on various issues of the relationship in general and on factors affecting labor and management relationship in particular. It addresses major issues in labor and management relationship definition, magnitude of the problem, factors contribution to relationship and intervention strategies

### 2.2 Management

Ethiopia has long term practice of management in traditional and later modern system to keep relationship among society, group and individuals as well. Different groups still continued doing in their own way of management system during different times. Traditional way of management is also practical currently in combination with the modern science in most part and has contributed a lot in conflict transformation of the country's. However managing society is quite different from managing people in the organization due to difference in their objectives. Assefa Hizkias, 1999:35.

Management has different activities in it to realize the work of organization and overall goal. Management is both art and science that helps to get things done through others. The role of managers in this regard is vital and indispensable and has special authority and responsibility to make decision and take risk. Management also has different styles that can be applicable according to the situation, situation and urgency of the problems. There are conditions that need to be autocrat, democrat or laissez-faire depending on the situation. Therefore currently most scholars agree that management is situational.

### 2.3 Employer and Labor Relations

Employer and labor relations assists with general management regarding developing, maintaining and improving employee relationships via communication, performance management, processing grievances and/or disputes as well as interpreting and conveying organizational policies. Essentially, Employee and Labor Relations is concerned with preventing

and resolving problems involving employees which stem out of or affect work situations. In addition, Employee Relations recognizes employees for service contributed to the community and provides assistance with professional growth. Finally, Employer and Labor relations are responsible for negotiation and administration of the Collective Bargaining Agreements for the two employee Unions on campus. Managers, supervisors and staff experiencing difficulty in their work environment are encouraged to contact their designated employee relations manager or labor and employee relations manager for further assistance and guidance. Pace University promotes fostering positive professional involvement that contributes to satisfactory productivity, motivation and morale. Sharm, 2012:249

## 2.4. Line and staff relationship

The concept of line and staff is one of the major contemporary puzzles in the field of organization. It is tightly knotted with the cords of incomprehension and confusion. There is not always a clear demarcation between line and staff. Though the distinction is relatively easy to make on paper in practice, it is hard to separate direct and supportive activities. For example in a university, teachers are line. But what about people who are committed to research work? In a manufacturing firm, we generally conceive of personnel as a staff function but in an employment agency, the same personnel activities are of a line nature. In a hospital, do nurses enjoy line or staff authority? How to integrate staff responsibilities with the parallel responsibilities of the line manager? What are the respective responsibilities at the point where the two sets do in fact converge? Who has the right of, or responsibility for, interpretation or adjudication if the two views should be found to differ in any matter at the point of convergence? The more one endeavors' the line and staff concept analytically, the more one comes to the conclusion that it is an arbitrary and artificial notion whose implication have never been thought through.

### **Clearing the misunderstanding**

The traditional concept of staff is aid to the executive without disturbing the formal command relationship in the hierarchy. It is an attempt to superimpose on the traditional command structure the advantages of specialization and expertise. Activities that consists mainly of assistance, advice or services cutting across several unites are generally set up as staff

departments. Staff work is essentially an intellectual process consisting of such activities like planning, thinking, studying, recommending, persuading and suggesting. "It is a means to an end, and not an end in itself. In the decision making process it is a means for putting information in perspective for those who must make and effectuate management decisions. The staff role is thus a role of service to managers." Staff is characterized by two important features: it provides service to the line; it is devoid of the right to command. Thus staff man is an adviser, aside with no authority his sole authority is authority of ideas. In fact the term staff authority is actually a misnomer, for the person or department operation in a staff relationship has no authority to issue orders to other departments and no right to demand accountability.

Line authority is the heart of the relationship between supervisors and subordinates because it entitles a manager to direct the work of a subordinate. It is the ultimate authority to command, act, decide, approve or disapprove all the organizational activities. Line authority is responsible for achieving the objectives of the organization and, naturally, has the right and power to issue commands, to exert accountability and to discipline for violations. Line authority is characterized by two important features: the right to decide and the right to direct. Terry and Franklin 1988:140

## 2.5 Peculiarities of line and staff relationship

The principles enunciated by the traditional theorist have been under attack for years either because they are too generally or too specific for organizational application. In this section we will examine the peculiarities of line - staff relationship.

Principal Distinction between Line and staff authority

<i>Line manager</i>	<i>Staff manager</i>
---------------------	----------------------



<ul style="list-style-type: none"> <li>- Generalist</li> <li>- Directs others</li> <li>- Delegates</li> <li>- Trains subordinates</li> <li>- Exerts control</li> <li>- Uses sanctions</li> <li>- Has veto power</li> <li>- Makes operation decisions</li> <li>- Bears final responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- myopic provincial fellow</li> <li>- Assists</li> <li>- Serves</li> <li>- Investigates</li> <li>- Plans</li> <li>- Solve special problems</li> <li>- Supports line effort</li> <li>- Provides ideas</li> <li>- Has special expertise</li> </ul>
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**Source:** adapted from D. McFarland, Management, New York, Macmillan 1979, p 364

(a). One center of authority

It is one of the basic features of classical organization structures to have one and only one center of authority. This is often vested in the role of the head (line manager) of the organization. He is the ultimate authority in the internal structure and is finally responsible for organizational activity. As such it is believed that line people are more committed or loyal to the organizational goals. Staff experts are more oriented toward their professional reference and membership groups; they are thought to make a narrower, occupational view of the firm's problems.

(b). Peculiar subordinate relationship

It is the leader who has the power to make decisions that guide the actions of all including staff officers. but at the same time "there entries into this very decision making process the contribution of the staff specialist in his area of competence" the president of a company, for example, may issue orders regarding the production schedule which becomes binding on the operating departments but before the schedule is validated by the president and issued as a directive, the staff specialists in marketing, production, purchasing etc. may have influenced the contents in the schedule. The concept of extending the ling executive by advice, counsel appears to be the key stone of the staff idea. V.S.P RAO & P.S NARAYANA ,1987:162.

## 2.6 Communication

Communication is the meaningful interpersonal exchange of information and ideas. Humankind engages in continuous and dynamic interactions. These interactions may involve verbal and non verbal or written forms of communication. Such interactions may be social in nature or of therapeutic value. Regardless of its form or type, effective communication is essential for the development of relationship. Stephen R. Balazac, 2011:157-158.

The abilities of human being to send and receive information extend beyond verbal, nonverbal and written communication. Information processing involves the use of technological systems to obtain the information needed to solve problems encountered

## 2.7 Engaging with people in organization

Today's world of changing business circumstances organizations need people who are motivated, responsible to change and fully trained. Nothing much ever happened unless people are motivated and responsive and helping people to understand the benefit of a particular course of action is very important. People will only give their best if they fully understand the decision arose and how their contribution can make difference. Michael A. Hitt, 2007:96.

Training and communication failures can lead to costly errors and breaches of environmental regulation .failure can be measured not only in terms of hours lost or times but also by the loss of cooperation between staff and manager and stock holders perception. A sound understanding of responsibilities is crucial important for all staff with a role of play in the implementation of an environment initiatives. Training and communication are key to this. They allow skills to be transferred to staff. They include motivation, change attitude and aloe people to acquire a deeper understanding of the issues. Gary .N 2006:402.

Training and communication can help in the following ways: these are,

- ✓ Equip all employees with the skill to perform their jobs more effectively
- ✓ Provide and maintain knowledge to enable staff to understand with their actions matter.
- ✓ Increased an employee's commitment and motivates and promote identification within the organization and without staff engagement a positive outcome is extremely unlikely.

Staff involvement is vital and a sustainable change in individual behaviors can only be achieved through effective training and communication

## 2.8 The supervisor-employee relationship

The new supervisor soon learns that a constant stream of additional and unexpected time-consuming duties filters down from above. Most supervisors occasionally feel that they need more arms and legs and a twenty-four-hour workday to give full attention to their growing list of responsibilities. But no matter how many or how urgent your multiple responsibilities may be, one must take priority over all others: your responsibility to build and maintain a productive relationship with each employee under your immediate supervision. No other single responsibility demands the same degree of attention.

Building a good relationship with an employee is the best way to close the employee's productivity gap. It also promotes your own personal effectiveness and productivity as a manager because when you take the time to develop these relationships and guide employees in their work you are better able to produce more quality work through their efforts with less need for you to perform these tasks so that you can focus on broader managerial goals. Only through good relationships combined with strong, sensitive leadership can a cohesive department be built. MM Kabir 2011: 83.

The quality of relationships constitutes the fabric of the department. If relationships fall apart, the whole operation is weakened. If you do not learn to build and maintain these relationships skillfully, your days as a supervisor will be full of turmoil,

The Supervisor–Employee tacit Relationship and you will not reach your potential as a manager. Building interpersonal relationships is the key to success as a team leader. What is the all-important relationship that exists between the supervisor and each employee? What is its function? How can a productive relationship be built?

Taken in all cases where the employee has made a sincere effort to be productive. If neither of the two previous suggestions solves the problem, you may have to consider ending the employment relationship. This option should be utilized only when it becomes clear that the

employee is unable or unwilling to hold up his or her part of the agreement with you or another supervisor to which he or she was transferred. This option may be the most difficult thing you are called on to do as a supervisor, but sometimes it is inevitable. More often than not, such action is best for both the employee and the organization. If you choose to take this action, be sure that all company procedures and policies are honored. In most cases, this means checking with the human resources department to make sure that the rights of the employee have been protected and that no laws have been violated. A variety of supervisory jobs are available. Some supervisors direct large numbers of employees, others only a few. Some work with highly technical equipment, others with customer services. But no matter what the supervisor's scope or the complexity of the job, a supervisor faces no greater challenge than building and maintaining healthy relationships with those who look to her or him for leadership. To accept the challenge fully means to plunge deeply into human relations. It means taking a deep, clear look at your own behavior, for one thing is certain: You get back the kind of behavior you send out. Michael A. Hitt, 2007:123.

### 2.8.1 Building Sound Relationships

**See the relationship first and the employee second:** The previous discussion invited you to view the employee through a relationship channel in order to become more objective and professional in dealing with employees. By concentrating more on the relationship, you will become less involved in the personality of the individual and will probably be less motivated by any unconscious prejudices that you may have. You will also be more scientific in your approach to problems, more aware of your own responsibilities, and more successful in achieving the productivity seeks. This approach also provides insulation against unwise personal investments.

**Don't play games with relationships:** A relationship is not a toy or game with which the supervisor is free to experiment. Relationships should be honored and treated with deep respect and sensitive consideration. If you hurt the relationship between you and your employee, you may lower productivity. Naomi Stanford, 2005:120.

**Keep all relationships on a business basis:** In most cases, it is best to keep your business and personal lives balanced. You may find it hard to have both a working and a personal relationship with the same person (regardless of gender) without losing your objectivity and hurting both your careers. For some people in some situations, a working and a social relationship can be combined. However, if either you or those you supervise cannot handle this kind of closeness without a distortion of the on-the-job relationship, do not try to blend the two. Ibid: 123.

**Don't build one relationship at the expense of another:** The goal of the supervisor should be to build and keep relationships with all employees equally. Like the parent of several children, the supervisor should show no favoritism, despite the fact that one employee may need more help than another. In building one relationship, it is easy to neglect others, resulting in increasingly negative reactions from the other employees. It is similar to the problem faced by the stagecoach driver who attempts to get each of six horses to pull an equal share of the weight at the fastest possible speed over the long haul.

It is difficult to hold the reins with just the right touch. To avoid imbalances, the supervisor must occasionally review the state of relationships with all employees in the department. If one relationship has been built at the expense of another, immediate repair work should be the first priority. The following checklist can assist you in equalizing communications and rotating assignments. Naomi Stanford, 2005:124.

#### Supervisor's Checklist

Talk to employees with the same frequency. Pay as much attention to employees whose interests are different from yours as those with whom you have more in common. Find something to appreciate about each employee. Rotate less desirable tasks. When assigning new tasks it, needs to follow a certain criteria clearly defined and known to the entire employees who engaged in the given task. Furthermore, while assigning a new task, a manager is supposed to keep in mind opportunities for cross training and skill building. The need to communicate expectations of what is a fair workload for all employees is to build relationship with a new employee quickly and carefully.

When a new employee comes into department, the supervisor has a good opportunity to build a healthy, lasting relationship from scratch. What necessary to make new employees feel at home are; giving them a confidence needed to be productive, help them to build sound working relations with the other employees, orientation to new employees their new surroundings and taking time to introduce them to their co-workers. Stephen R. Balazac, 2011:234.

### Effects of Supervisor-Employee Relationship on Job Performance

Employee job performance is one of the most important factors within business analytics for maintaining and increasing productivity for companies (Elangovan, & Xie, 1999; Spreitzer, 1995). Employee job performance is operationally defined as the extent to which an individual completes the duties that are required in order to occupy a given position, which s/he assumes within an organization. Some of the most common responsibilities of supervisors are to delegate work, and to give information or advice to subordinates. In acknowledging that it is the duty of supervisors to ensure that employee job performance is at maximum potential, it would be advantageous for managers in all trades and industry sectors worldwide to understand what types of employee-supervisor interactions are associated with employee job performance. Knowledge regarding the possible association between supervisor-employee relationship and job performance would enable the implementation of more effective systems for management, and subsequently, better productivity for the company through increased job performance. This assessment seeks to evaluate examples from current research to understand the relationship between four dimensions of employee-supervisor interaction [perceived organizational support (POS), trust in the supervisor (TS), leader-member exchange (LMX), and reward systems (RS)], and employee job performance. Research on the associations of these variables shows varied results because of the difficulty in ruling out extraneous variables in the workplace. However, researchers generally agree that POS can act as a foundation for interaction with supervisors that allows other beneficial constructs, such as trust, to begin to develop. Elangovan,& xie,1999:243.

### Perceived Organizational Support

Perceived Organizational Support (POS) is operationally defined as: the extent to which an employee believes that his/her company cares about them and appreciates his/her contributions

to the company (Eisenberger, Huntington, Hutchison, & Sowa, 1986). Moreover, employees tend to measure interactions with their superiors as positive or negative to create a global POS assessment of how they rank at their company (Rhodes & Eisenberger, 2002). An organization is really a complex system that has no physical body of its own, so if an employee is to feel a sense of support, it will result from interactions with other individuals within the company. Supervisors act as the face of the organization, giving employees feedback and advocating on behalf of their company. High POS is established when an employee feels that she/he has more desirable interactions with their supervisors than non-desirable ones (e.g.: more compliments than complaints). In this respect, Rhodes and Eisenberger (2002) stated that favorable treatment from a supervisor is synonymous with support from the organization, which raises POS among employees. They continued to explain that increasing POS is generally achieved through better treatment of employees in areas such as fairness, support, rewards, and favorable job conditions, and that extending these gestures seems to be recognized as a sign of high POS by the employees who receive them, regardless of the reward or managerial system in place at that organization (Rhodes & Eisenberger, 2002). In other words, whether the company has an organizational hierarchy, team management, positive reinforcement, or negative reinforcement method of management, employees tend to view fairness, support, rewards, and favorable job conditions as signs of POS.

When employees feel that they are appreciated and receive rewards for service to their company, their motivation to continue receiving rewards increases, and levels of job performance increase (Rhodes & Eisenberger, 2002). POS acts as an emotional reward to employees for their continued loyalty and high job performance. These effects are exaggerated if the employee feels that the reward/support was voluntarily given to them (eg: a promotion for accomplishment in work duties), and reduced if the employee feels that such reward or support was simply a matter of policy e.g.: government imposed mandatory pay increases; Rhodes & Eisenberger,(2002).

In this respect, the psychological state of employees acts as a moderator in the POS to job performance relationship. Furthermore, current mood often affects the way support is received. For example, an employee that is usually grateful to receive help from a supervisor may see the help as annoying or unnecessary if the employee were in an unsociable mood.

Additional benefits of POS include a, positive relationship between POS and organizational commitment (Eisenberger, Fasolo, & Davis-LaMastro, 1990; Shore & Tetrick, 1991; Shore & Wayne, 1993), in-role performance (Eisenberger, Huntington, et al., 1986; Eisenberg, Fasolo, et al., 1990), organizational and citizenship behavior (Moorman, Blakely, & Niehoff, 1998; Shore & Wayne, 1993; Wayne, Shore, & Liden, 1997) and a negative relationship with absenteeism (Eisenberger et al., 1986 as cited in Coyle-Shapiro & Conway, 2005, p. 775). Furthermore, research concludes that high POS is a predictor of happier, more productive employees, and when high POS is present, employees report higher levels of perceived established trust (Rhodes & Eisenberger, 2002; Eisenberger, Rhoades, & Cameron, 1999).

### 2.8.2 Trust in the Supervisor

Trust is defined by Rousseau, Sitkin, Burt, and Camerer (1998) as, a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another (p. 395). To operationalize the definition of trust in a way that is directed specifically toward the supervisor, we will simply replace the word ,another' with the words ,a supervisor' (i.e. trust in the supervisor is: a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of a supervisor). Trust is an essential factor in the acceptance of duties and information from supervisors. Generally, whether an action was performed on an employee's own volition, or it was requested by a superior, an employee is expected to ,know better' than to act in ways that are unfavorable to the company and will be held accountable for any resulting consequences. If an employee feels that his/her supervisor may give incorrect information or a task that will not benefit the company, the employee may take extra precautions and/or be reluctant to perform when working (Elmuti, 1997). This behavior could result in slower task completion (Elmuti, 1997). In this scenario, the lack of trust established acts as an impediment to employee productivity, and consequentially results in losses for the company in the form of wasted employee time. McAllister (1995) stated that trust is ,a variable seen as critical to organizational coordination' (as cited in Gómez & Rozen, 2001, p. 57). When TS is very low subordinates may disregard directives from their supervisors out of fear that the information given to them is unreliable. In order to optimize the efficiency of the delegation of duties, it is important for supervisors to gain the trust of their employees.



Showing competence is one of the first and most important things that a supervisor can do to begin establishing trust with subordinates. Elangovan and Xie (1999) reported that perception of supervisors has an impact on many employee outcomes related to production. They went on to explain that perception of a supervisor has a positive correlation with motivation and a negative correlation with stress in employees (Elangovan and Xie, 1999). The hiring process is the first sign of trust and acceptance of an employee by a manager, and it is generally expected that trust will be reciprocated by the employee. Quinn, Reed, Browne, and Hiers (1997) explained, 'When one moves into the managerial structure of the large corporation or firm, one is not just moving into a 'job' but into a bureaucratic setting that contains its own social and cultural environment and rules of behavior' (p. 1426). Employees are allowed to take on responsibilities that are important to the company, and acquire roles within the social framework of the organization, but they are expected to always act with the best interests of the company in mind. The supervisor is responsible for insuring that work performed by subordinates effectively adds to the productivity of the company, so if the employee fails in his/her duties, so does the supervisor. As trust in an employee increases, supervisors tend to respond by providing the employee with job enlargement, the intentional increase in the duties and responsibilities of the employee. To ensure that employees recognize job enlargement as a sign of trust, the assigned work must be given with a corresponding increase in responsibility. When employees are given more work duties without increased responsibility, it may indicate to the employees that they did not do enough work or that they are being punished. On the other hand, if more work is delegated and responsibility is increased, employees are likely to see it as a sign of appreciation and trust in their performance, which translates to a boost in self-esteem and motivation to perform (Gómez, & Rosen, 2001). In assessing the necessary factors for trust in the workplace, it is apparent that trust accumulates over time through events that allow the respective parties to evaluate and reevaluate each other based on their actions. The goal for the supervisor is to keep the employees' interest in remaining a part of this system, and the goal of the employees' is to gain more power within it (Henderson, Wayne, Shore, Bommer, & Tetrick, 2008). In the organizational hierarchy, the only way to gain power is through empowerment bestowed by a supervisor.

Hierarchical structuring of a company keeps power situated within individuals who maintain higher ranking. When a superior feels that a subordinate employee can be trusted to take on more responsibility, more duties may be delegated to that employee, thus s/he becomes empowered through the corresponding increase in power and authority. Elmuti (1997) explained how allowing employees a level of control and authority within an organization improves ,both individual motivation and organizational productivity' (p. 237). Additionally, Gómez and Rozen (2001) stated that ,The LMX theory builds in the constructs of managerial trust and subsequent employee empowerment,' and went on to explain that empowerment is born of a combination of trust and LMX, and (p. 54).

### Leader-Member-Exchange

Leader-member exchange (LMX) is operationally defined as the degree to which an employee feels that he/she is in the manager's in-group, and has a quality relationship with their manager(s) (Gómez & Rozen, 2001). Due to the fact that the method of rating LMX and the way in which one views his/her manager's in-group relies on personal opinion that differs across individuals, for the purpose of this paper it will be operationally defined as: an employee feeling that s/he is accepted by his/her supervisor, and is given preferential treatment. The implication here is that managerial trust in employees gives those employees special treatment in the form of information and a certain level of autonomy (Gómez & Rozen, 2001). Research shows that employees are selected to be a part of managerial in-groups based on managers' assessments of employees' skills, motivation, and the level of trust that the managers feel the employee deserves (Liden & Graen, 1980). Once LMX has begun to be established, the supervisor will delegate more responsibility to the employee, which is associated with an increase in employee empowerment. Empowerment is a key factor in creating innovation within a company (Spreitzer, 1995) because it serves as an indication to employees that they are responsible for and have the right to control certain aspects of his/her company. If employees are motivated to increase company productivity or make systems more efficient, empowerment will serve as a license to innovate. Managers use empowerment as a method of increasing organizational effectiveness (Conger & Kanungo, 1988; Kanter, 1989) and quality of exchange (Spreitzer, 1995, 1996).  
Without LMX:

Employees and managers at lower levels perceived senior management as distant and formal in their communications with employees. This was thought to impede motivation and make communications more difficult..." (Winter & Jackson, 2006, p. 429)

Effective managing involves the issuance of the proper responses to actions performed by employees and effective communication to insure that employees understand supervisors' instructions and intentions. When employees misunderstand supervisors' intentions, managerial efforts can become ineffective, or even counterproductive.

In order to use leader management exchange in management techniques, it is important to know how they operate from the employee's perspective. Research has shown that perceptions of LMX among subordinates are subject to the frog-pond effect, or the effect that referents have on an individual's perception. In other words, individuals may engage in comparisons and may use social information derived from referents when evaluating the fulfillment of their PCs' (psychological contracts; Henderson et al., 2008). The more variation of leader management exchange (LMX) within a group, the more subordinates with high leader management exchange will feel that they are treated special in comparison to their peers (Erdogan & Liden, 2002). Therefore, a pleasant interaction with a superior holds extra significance if other employees did not receive the same level of interaction. Henderson et al. states, "Frog-pond effects and their associated comparison processes engender a positive relationship between RLMX leader management exchange relative to a within-group average and PC fulfillment" (2008). It is important to note however, that LMX must first be established by creating a relationship with a give and take nature. The exchange element in LMX is fundamental because it allows for the conceptualization of mutual trust and respect, which encourages information exchange. In this respect trust and LMX are intertwined, acting as both source and product of the other. When a subordinate is accepted into a manager's in-group, it can be perceived as a reward because it is typically the result of good job-performance and fulfillment of the psychological contract on behalf of the employee (Henderson et al., 2008).

Research shows that most Reward System methodology has a positive correlation with job productivity in employees (Elangovan and Xie, 1999). Employees can be rewarded in a variety of ways that stimulate their intrinsic and/or extrinsic desires, and an effective RS is built from a

combination of knowing which rewards are most effective for which employees and distributing those rewards properly. The primary forms of rewards are psychological (e.g.: compliments); material/tangible (eg: pay increases, bonuses); and intangible (e.g.: preference in receiving company perks, privilege of using company property such as cars, boats, houses, etc., promotions), but a reward can be anything that employees enjoy, which their companies can supply to them in exchange for good employee performance. Rewards act as both a way for organizations to show their gratitude to employees for work well done and as motivational factors for those employees to produce at high levels (Elangovan & Xie, 1999).

In order to increase company productivity, it is common for managers to implement a system in which employees receive more rewards for a corresponding increase in job productivity; however, this system is only effective under certain circumstances, usually dictated by the psychological state of the employee.

This tends to be where Industrial/Organizational practices are preferred over typical managerial methods because of their effectiveness in accounting for psychological factors. Elangovan and Xie (1999) found that RS had a positive correlation with motivation, but self-esteem served as a moderator. Moreover, participants with low self-esteem were motivated more by the implementation of an increased RS ( $R^2 = 0.029$ ;  $F(1,150) = 5.02$ ,  $p < 0.05$ ), but those who had high self-esteem did not have increased motivation when rewards were increased (Elangovan, & Xie, 1999, p. 366).

This data demonstrates that familiarity with subordinates, particularly with regard to the self-esteem construct, is imperative for implementing effective RS. The bare essentials for implementing an RS involve: designing a system, the process of distributing information about the new system, supplies and processes for distributing the rewards to employees, and a method of tracking the completion of certain tasks that are to be rewarded. Setting up these features within a company can be a costly enterprise, and if the reward system does not cause a significant increase in employee production, the system will simply serve as a loss to the company. For this reason, LMX, and employee testing procedures are invaluable in allowing superiors to gain critical information about their subordinates, so that the RS can be designed with high confidence of leading to increased revenue for the company.

In addition to the direct effects of reward system on employees, Elangovan and Xie (1999) demonstrate how employees also benefit from feeling empowered through receiving rewards. They posit that rewards are part of the five bases of social power (i.e. reward, coercive, legitimate, expert, and referent), which implies that as rewards are distributed, employees' social power is raised. They continued to explain that rewards also had a significant positive correlation with motivation, and work effort, which are predictors of employee job performance (Elangovan, & Xie, 1999).

Supervisors that maintain high levels of positive interaction and support for their subordinates will increase POS, which acts as a reward for employee fulfillment of occupational obligations, and the psychological contract. (Rhodes & Eisenberger, 2002). Trust is mutually established through significant interactions, and acts as the foundation for building POS and LMX in the employee-supervisor relationship, and that relationship is rated more positively when employees feel that they have more positive interactions with supervisors than negative interactions.

According to LMX theory, those employees who are considered part of a manager's in-group have a high-quality exchange (Dansereau, Graen, & Haga, 1975 as seen in Gómez & Rozen, 2001, p. 54), and LMX has a significant impact on employee in-role (within the expected range of job requirements) and extra-role (outside the expected range of job requirements) behaviors (Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007), which translates to increased company productivity.

Although studies have shown a positive correlation between reward system and job performance, psychological states of employees, particularly with regard to self-esteem moderate the relationship. In order to have a high degree of confidence in a Reward System; Line management exchange and superior's knowledge about subordinate's psychological states must first be established. Then reward system serves as another form of supervisor-employee interaction upon which POS, LMX, and TS can continue to be built.

Although evaluations of employee performance are highly correlated with Line Management exchange (Bauer & Green, 1996), research has not yet determined cause and effect, which suggests the possibility that managers who have good relationships with their employees tend to

rate their performance higher due to the managers' feelings toward those employees. Furthermore, this positive rating may be independent of actual employee performance levels. Future studies would benefit from a cross-lagged panel design that could use time as a quasi-experimental variable in order to derive statements that imply cause and effect between the variables LMX, and employee job performance.

## 2.9 The Relationship channel

Perhaps a supervisor–employee relationship is best perceived and understood as a line that exists between the two, a kind of psychological channel through which all communications, reactions, and feelings must flow back and forth. Through this relationship channel, each party views, interprets, and reacts to the other. The openness the amount of freedom or naturalness of this line contributes to the quality or tone of the relationship, which, in turn, is the essence of the working arrangement. Here are three characteristics found in most relationships, which apply to the relationship itself and do not describe the individuals themselves. Supervisor Relationship Channel Employee relationship channel and institutional relationship channel as well. M.M Nurul Kabir, 2011:117.

Two-way communication.

Two-way communication is the lifeblood of the relationship line in any communication. You keep a relationship alive and healthy through an input of words and non verbal signals from both ends. Just as all parts of the human body must receive a constant supply of fresh blood to survive, a relationship is kept alive with an exchange of ideas, given strength by words, and kept in good repair through talking. Parties at both ends of the line must contribute. An open dialogue keeps the relationship healthy. In management parlance, the operative word is feedback and both parties in the supervisor–employee relationship need it—continuously, even desperately at times. To repeat: feedback is two way, including employee to supervisor, and not just supervisor to employee as is commonly assumed. Ibid:210.

## 2.10. Mutual Reward Theory (MRT).

Mutual Reward Theory states that the relationship between supervisor and employee is enhanced when a good reward exchange occurs between them. For example, the supervisor may provide the employee with the freedom to work with minimum supervision, personal recognition, and involvement in decision making. In return, the employee may provide high personal productivity, dependability, and cooperation with co-workers.

When such an exchange takes place, both parties benefit. The employee is happy with his or her job, and the supervisor's reputation is enhanced due to his or her ability to direct and support employees. Without a reasonably good reward exchange, a healthy, productive, long-term relationship is difficult to achieve. Trust is also violated when either person in the relationship fails to honor his or her part of the agreement in the exchange. Steven. C Currell,2005:68.

The presence of emotion.

The relationship line can become emotionally charged. Extreme emotional feelings of either the employee or the supervisor can sometimes enter the line and make it difficult to handle. Therefore, you must often take special care in dealing with a highly charged situation. You must go about the work in a quiet, sensitive way. Sparks generated by un-controlled emotions are dangerous to the supervisor-employee relationship. Although both parties share this responsibility, it is the supervisor who must keep the line under control, managing to control his or her own emotion and responding appropriately, when employees' emotions run high. Supervisors, are primarily responsible for the condition of any given employee relationship. They must take the initiative to keep it healthy. If it fails, they cannot blame the employee. They need the cooperation of the employee and must assume the responsibility for getting it. Steven. C Currell, 2005:85.

What happens when, despite your best efforts, the employee doesn't meet his or her end of the agreement to build a workable relationship? You may have a problem employee. When faced with this situation, you have at least three possible solutions.

- 1) Involve the employee by asking for suggestions on how to improve the relationship. Perhaps some aspects of the relationship concern the employee, and you can manage differently if you better understood these concerns. Perhaps there are differences in learning or communication

styles or in your personalities that you can address. If nothing comes of this approach, you may have to:

(2) Initiate action to transfer the individual to another supervisor who has a different leadership style and personality, which might be more successful than yours. Ibid 93.

## 2.11. Occupational pension schemes

The reason for having a worthwhile pension schemes are that it demonstrate that the organization is a good employer attracts and retain high quality people by helping to maintain competitive levels of total remuneration indicates that the organization is concerned about the long term interests of its employees.

An occupational pension scheme is an arrangement under which an employer provides pension for employees when they retire, income for families of members who die and deferred benefit to members who leave. A group of scheme is the typical scheme which provides for a number of employees. Raymond A, 1999:210.



## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

This chapter deals with research method; data sources; sampling and sampling techniques; mechanism of data gathering from the respondents; data gathering tools; procedure for data collection; and methods of data analysis that employed to analyzed data gathered.

#### 3.1. Research Design

This study is about research on people. While undertaking the study, both quantitative and qualitative research design is used. Descriptive method is employed to investigate the problem and that enabled the researcher to describe factors that affect labor and management relationship in the organization in a wider and broader magnitude. Moreover according to Best and Kahn (2003) it is recommended and the method enables the researcher to examine and investigate the present facts and situation and helps to identify some major problems in the area of the study in the organization.

#### 3.2. Data Sources

Data were collected from two sources, namely primary and secondary sources through questionnaire and document analysis. This approach helped the researcher to get relevant and appropriate data related to the study at hand from this key source in addition to the first hand information from respondents in the questionnaire.

### 3.2.1 Primary Source of Data.

For this study purpose data were gathered from respondents of the organization that have adequate and first hand information about labor and management relationship in the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission. Accordingly the primary data obtained from employees, management and previous workers of the organization and labor union leaders.

### 3.2.2 Secondary Data Sources

To accomplish this study the researcher used secondary data sources namely reports, published and unpublished materials directives and human resource manual of the organization were reviewed and used as secondary source of data.

## 3.3. Sampling and Sampling Techniques

Out of 22 branches and one head quarter the researcher purposively selected the head quarter because, all directives emanates from the central office and represents other branches. And yet the researcher selected sample population according to availability sampling at two project sites of Addis Ababa but, exhaustively in the head quarter during questionnaire distribution.

With regard to this research, out of the total 95 employees of the organization 55 both female and male respondents were participated in. 50 employees of EECMY/DASSC and Leaders of the Workers Association, 5 management members of the organization participated exhaustively in this study. To fill the gap of information the research conducted face-to-face and telephone interviews for some cases with 4 management members and 3 leaders of workers association. Questionnaire which was adapted from journal of global management and business

research volume 12, May 2012 polished and distributed to respondents and then collected according to the schedule of the research.

Adequate time i.e. one week was given to all respondent to fill the questionnaire and respond rationally and responsibly.

### 3.4 Mechanisms of Getting the Respondents

As it was clearly stated in the above section the sample of this study was availability sampling particularly at the project site but in the organization head quarter used purposive sampling. For this reason the researcher identified the number and names of employees with the help of the organizations record (particularly payroll of the organization)

### 3.5. Data Collection Instruments

In this regard to collect relevant information and data, four instruments namely questionnaire, interview, observation and document analysis were used.

#### **Questionnaire**

The researcher used and preferred questionnaire as the main data gathering tool thinking that questionnaire is the most appropriate means to involve the large sample population respondents to collect necessary data or information within a given time frame. In supporting this Wilkinson and Birmingham (2003) have argued that the questionnaire is a preferable data gathering tools which enable to effectively collect data in a planned and manageable ways. Furthermore, the questionnaire can be very detailed, help to cover many subjects and issues, and can be easily and quickly analyzed once filled data gathering work completed. Questionnaire was developed based on the information obtained from literature review and experience of the researcher. Most inquiry in the questionnaire was closed ended and supplemented with few open ended items.

Different kinds of inquiry included for all respondents in the questionnaire. The first part four questions in the questionnaire constructed to collect data about background information of the respondents. This helped the researcher to get information about background regarding gender, academic qualification, job position, and service year of the respondents in category. The second part nine questions of the questionnaire ask employees their satisfaction level in relation to salary / wage. The third part nineteen questions of the questionnaire was about attitude of the respondents regarding to their supervisors behavior. Finally the last part i.e. part four six

questions was about employees' satisfaction regarding provision of benefit packages to employees by the organization. Employees of the organization, workers union leaders, management members and ex-employees are respondents of in this study.

#### Interview

Semi structured Interview were developed by the researcher and reviewed by the research advisor to fill the gap between those other data collection instruments. In this interview five items were included and total of 10 people these are three management members, two union leaders and five ex-employees who resigned their job within three years time were incorporated. The rational to select the people in the interview is, to see the matter from different perspective participating various stack-holders. Management of the organization, the union leaders as well as ex- workers view who have no interest and clam in the organization is collected in the study. The aim of interview is to cross check information from various sources and to obtain data or information which is not discovered by another instrument for data collection purpose

#### Observation

In order to evaluate how far the organization environment is conducive to labor of the organization observation was used as one of data gathering instrument. Office spaces, cafeteria services, transport facility and other related matters were observed.

#### Document Analysis

Documents analysis was also made to gather necessary formation about the present environment of labor and management relationship in the organization under the study. Data for document analysis was obtained from the organization EECMY-DASSC-CO. Reports of the organization which was produced different times, strategic plan of the organization 2014-2016, HR and financial manuals and draft collective bargaining document are in the document analysis .

### 3.6 Procedure of Data Collection

Questionnaires were prepared in English, and reviewed commented by the researcher's advisor to find out if there were incorrect statements and missing issues in the questionnaire on labor and

management relationship topic. And also the tool was consulted to the organizations experts to be comment the nature of questions along with the organization's value. Having feedback from the experts the questionnaire reviewed and polished.

After checking the reliability of the questionnaire, the questionnaire was distributed to the respondents by the researcher assisted by some employees of the organization. In addition to that, the researcher made him available during the period to make necessary assistance to clarify the purpose of the study and to avoid probable misunderstanding. Finally the questionnaires distributed were collected within pre set time frame of one week.

### 3.7 Methods of Data Analysis

Data collected through the above instruments were tailored, tabulated and organized properly and analyzed on basic questions the basis of the research. For further analysis percentage, frequency, and cross tabulation was employed and used. SPSS data analysis software was used to examine characteristics of various responses on factors those affect labor and management relationship in relation to salary/wage, supervisor behavior and benefit package of the organization, Depending on the results of the analysis, interpretation and necessary discussions were made to clarify the issue. Finally major findings of the study were reported, conclusion was arrived at and plausible recommendation were given

## CHAPTER FOUR

### DATA PRESENTATION ANALYSIS AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretation based on data collected using questionnaire, interview, observation and document analysis. In this study a total of 55 questionnaires were distributed to the employees of the organization, the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission central office (EECMY-DASSC-CO), out of which 49 questionnaires were collected in a given time and its representation is 57.8% of total population.

Data also was obtained from interview and this interview involved ex-employees of the organization who resigned the organization different times.

#### 4.1 Data presentation

##### 4.1.1 Personal characteristics of the respondents

**Table 1**

**Respondents by educational level**

<b>Educational level of the respondents</b>	<b>Frequency</b>	<b>Percent</b>
Below high school	1	2
High school	5	10.2
College diploma	13	26.5
BA/BSc/BTH	11	22.4
Post graduate diploma	1	2
MA/MSc/MBA	16	32.6
Missing	2	4
Total	49	100

As it is shown in the table above regarding educational level of employees of the organization, the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission Central office, most respondents i.e. 32.6% are Masters Degree holders, subsequently 26.5% are college diploma, 22.4% have BA and the rest 10.2% are high school complete. This implies that the organization is equipped with educated and professional personnel. The sum aggregates both BA and MA holders is about 55% and implies that the organization has good portion of well educated employees for its mission. As education is a base for all development activities and its engagement in development and social services, the proportion is good and but, response during interview with some key management members, indicated that the organization needs more staff for its vacant positions due to employee turnover.

**Table 2. Educational Level of the Respondent \* Years of Service Cross tabulation**

Educational Level of the Respondent	Years of Service			Total
	1-5 years	5-10 years	10 or above	
High School Complete	0	0	5	5
College Diploma	2	0	11	13
BA/BSc/BTH	1	2	8	11
MA/MSc/MBA	0	4	12	16
Other	0	1	0	1
post graduate diploma	0	0	1	1
Missing	-	-	-	2
	3	7		
Total			37	49

Cross tabulation to Educational Level of the respondents with Years of Service result indicates that in the above table 2 that, significant numbers of employees i.e. 79.6 % have served the organization for 10 or above years of which, most of them MA holders i.e. about 24.5%. Consequently 22.4% are college diploma, and the rest 16.3% are BA holders respectively. From



this situation we realized that the organizations employees' turnover is stable particularly for well educated personnel or MA holders. Most employees about 79.6% among the respondents have served the organization over 10 years as shown in the above with good educational background. From this we understand that more or less employee turnover of the organization is stable.

**Table 3. Sex of the respondent \* Job Position Cross tabulation**

Sex of the respondents	Job Position			Total
	Top level	Middle level	Lower level	
Female	0	7	8	15
Male	3	13	16	32
Total	3	20	24	47

Table 3 above shows that, 68.3% respondents are male while the rest 31.9% are female 4.1% respondents didn't put their sexual category. There is high disparity regarding gender proportion in the organization according to data collected and analyzed. Women participation is not charity to an organization but also a right issue as long as they are capable. In this regard there is gap in proportion of gender balance. Data about job position of the respondents tells that major portion of the respondents i.e. about 49%, and 44.9 % are lower and middle level job position holders as indicated in the above table 4 correspondingly along with 6.1% are top level. However there is no any woman in top level according to table 3 above even if they hold MA degree. In fact educational background only is not enough to hold or assigned in positions but also, there are other things too. However, the organization can have alternatives to incorporate the involvement of women better in other technique.

**4.2. Table 4. Workers attitude towards their salary/ wage condition**

	Yes		No		I don't know		No answer		Total
	Freq	%	Freq	%	Freq	%	Freq	%	
Do you think that increase in salary can improve worker's satisfaction?	27	55.1	17	35	1	2	4	8.2	49
Is your organization wages competitive with those similar faith based organizations?	14	28.6	19	38.8	16	32.7	0		49
Is same wage rate adopted for senior & new employees at the time of employment and/or salary increment?	10	20.4	26	53.1	8	16.3	5	10.2	49
Is your salary fair for your responsibilities in your organization?	11	22.4	36	73.5	2	4.1	0	0	49
Is salary increment according to merit /performance/?	11	22.4	29	59.2	6	12.2	3	6.1	49
Are you satisfied with your present wages?	9	18.4	38	77.6	1	2	1	2	49
Should wage rate to be changed according to salary scale of the organization?	27	55.1	8	16.3	6	12.2	8	16.3	49
Is wage rate most important element for raising employees' performance?	26	53.1	16	32.7	4	8.2	3	6.1	49
<b>Total</b>	<b>135</b>	<b>276</b>	<b>189</b>	<b>386</b>	<b>44</b>	<b>89.7</b>	<b>24</b>	<b>48.9</b>	
<b>Percentage</b>	<b>34.4 %</b>		<b>48.2 %</b>		<b>11.2%</b>		<b>6.1</b>		

As shown in table 4 above, majority respondents believe that, increase in salary improve workers satisfaction in the organization. These respondents in %age are about 55.1% where as 34.7 % respondents' don't integrate work satisfaction with the rise of salary. Whereas, they argue contrary, factors that can bring or improve workers satisfaction is other issues like work atmosphere, training, motivation and good governance etc. This implies that there is still good opportunity to the organization to bring workers satisfaction through improvement of work place

environment by creating good governance to employees who don't connect their performance with salary increase.

In addition to that, most respondents believe that, their organization salary is not competitive compared with those other similar organization salary/ wage condition. To present the level of degree in connection to satisfaction level individually majority respondents which are about 73.5% are not happy or not satisfied by the organization salary but only 22.4 % enjoy in their current earnings. The rest 4% don't know and didn't want to reply to the question. Furthermore, employees individually are not satisfied the current salary/ wage they are paid by the organization EECMY-DASSC even though salary increase every year.

On the other hand, this salary increment is not based on considering performance result of employees whereas, applies in the same way to all. As the researcher, this approach can't bring competition on work performance in the organization among workers. For this reason the organization EECMY-DASSC has to consider performance based salary increment practice to create competition among its employees so as to achieve its objective. Generally, most times employees give priority to their salary because; it is highly attached with their livelihood. Even if there are employees who decide to stay in the organization considering other factors but the issue of salary needs attention of the organization. However the organizations salary should be competent in relation to each employee's responsibilities. If this situation can't improve it leads employees to look for another option to satisfy their needs.

**Table 5. What are other reasons for you to stay in the organization other than salary and Benefit Packages?**

Responses of the respondents	Frequency	Percent
The job its self	10	20.4
Working environment	7	14.3
To serve church	19	38.8
Training and bonus	4	8.2
Belongingness	2	4.1
No answer	7	14.3
Total	49	100.0

The above table 5 indicates that 38.8% employees are in the organization just to serve the church because the organization is faith based. 20.4% respondents also enjoy the job itself, and 14.3% are there because of favorable working environment. As commitment has greater factor to increase productivity, many managers seek for employees who belong themselves to the organization. In this regard the organization has good opportunity to retain its employees since some employees of the organization are dedicated and committed.

### 4.3. Table 6 Supervisor related factors

	Yes		No		I don't now		no answer		Total
	Frq	%	Frq	%	Fre	%	Fre	%	
Supervisor makes me feel valued.	24	49	10	20.4	14	28.6	1	2	49
Supervisor gives me undesirable job assignments	15	30.6	27	55.1	4	8.2	3	6.1	49
Supervisor communicates to me all information of work related matters in time.	22	44.9	21	42.9	3	6.1	3	6.1	49
Supervisor is transparent to me in connection to all work related matters.	28	57.1	15	30.6	4	8.2	2	4.1	49
Supervisor gives me good technical suggestions.	26	53.1	19	38.8	3	6.1	1	2	49
Supervisor makes my work difficult for me.	8	16.3	39	79.6	1	2	1	2	49
Supervisor shares with me his/her considerable experience and trainings.	19	38.8	25	51	2	4.1	3	6.1	49
Supervisor provides with sound job related advice.	31	63.3	14	28.6	2	4.1	2	4.1	49
Supervisor gives me the feeling that I have responsibilities to fulfill.	36	73.5	8	16.3	2	4.1	3	6.1	49
Supervisor makes a fair and balanced decision?	24	49	18	36.7	6	12.2	1	2	49
Do you trust and depend on your supervisor?	23	46.9	20	40.8	4	8.2	2	4.1	49
Supervisor set an example to do things ethically?	25	51	16	32.7	5	10.2	3	6.1	49
Supervisor personally inclined to help me in solving problems of my work?	27	55.1	17	34.7	3	6.1	2	4.1	49
Work relationship with your supervisor effective?	30	61.2	13	20.5	4	8.2	2	4.1	49
Confidence in supervisor that you would defend and justify his/her decisions in his /here absence?	27	55.1	14	28.6	5	10.2	3	6.1	49
Supervisor considers suggestions for change?	29	59.2	11	22.4	6	12.2	3	6.1	49
Supervisor gives me assignments and tasks in advance with sufficient time	29	59.2	17	34.7	3	6.1	0	0	49
Supervisor provides chance to participate meetings/sessions and gives me ample time to get prepared.	21	42.9	21	42.9	3	6.1	4	8.2	49
Does your supervisor give a chance to speak	34		13		2		0	0	49
Total	478		338		76		39		
Percentage	51.3		36.3		8.1		4.18		

Regarding employee perception in the above table 6 in relation to supervisory behavior, 49% employees feel that they are valued by their supervisors, 20.4% don't feel and 28.6% even don't know whether they are valued by their supervisors or not. In this regard the matter needs attention because almost 50% employees either don't think that they are valued by their supervisors or don't know their supervisors' perception up on them.

Supervisors have vital role to people under their supervision in creating trust and sense of respected by them. For this reason, supervisors have to make effort to create confidence on their subordinates in work place because it has direct impact on productivity. The above table 6 however doesn't give enough confidence to say on the topic. Only 49% respondents in the sample think that they are valued by their supervisors and not satisfactory. In this regard the organization needs to do lot to develop its employees confidence through good communication and discussion to narrow the gap among its employees.

The above table also indicates also, 27 respondents among 49 in the sample (55.1% respondents) in the sample think they are assigned desirable job by their supervisors, but, 30.6% respondents in the sample are assigned undesirable job by their supervisors. The rest 8.2% and 6.1% don't know or didn't want to answer respectively. It is difficult to expect efficiency from person who assigned out of his or her desire. This shows that there is high discrepancy among supervisors and subordinates as well. The fact that put in the table ultimately harms the organization in connection to employee satisfaction and productivity as well.

the same table in relation to work related communication shows that, almost close to similar percentage like 44.9% respondents believe that their supervisors communicates them properly work related matter whereas, 42.9% respondents replied that their supervisors don't communicate them work related matters. Communication is indispensable and has role to avoid misunderstanding in the organization particularly in a situation where there is close work related relationship. A number of disagreements arouse in organizations because of misunderstanding and eventually leads for unnecessary conflict. Good communications maintain relationship and develop trust and confidence between supervisors and subordinates. Therefore the above data confirms that there is still big task to be done by all stake holders of the organization.

The role of supervisors regarding technical assistance to their subordinates in the work place is essential. This in turn increase performance, improve productivity and builds confidence both sides. There are some people in work places that make work difficult to their subordinates. Some do this deliberately to challenge subordinates to test whether their subordinates are able to overcome the challenge or not. Others are also making work difficult to find fault on subordinates. These types of supervisors are not positive and always wants to blame and insult people under their supervision. In this regard the organizations supervisors are doing better and encouraged to continue. As in the table 6 above 79.6% respondents believe that their supervisors don't make their work difficult, but 16.3% respondents think that their supervisors make work difficult to them and the other 2% respectively don't know and didn't react for the question.

As shown in the above table 6, Supervisors have to share their considerable experience, trainings and have to give sound job related advice to their subordinates in their work place. This leads subordinates to be skilled, confident and effective in their work. In this regard only 38.8% respondents witness that their subordinates give them support like experience sharing and job related advice , 51% respondents doesn't get any support or advice from their supervisors, the rest 10% don't know or did not respond to the question. The role of supervisor on top of others is mentoring and coaching his/her subordinates to enhance efficiency of their subordinates providing necessary support. In this regard any supervisor has to try to provide his/her considerable value to his/her subordinate to sustain good relationship.

The role of manages includes decision making in his /her work. In this regard supervisors are expected to make rational decision. Decision has significant role or effect in work and workers as well. Therefore as much as possible subordinates have to be satisfied by the timely decision made by their supervisors. If this not realized consequently it harms work and productivity. In connection to this 49% respondents believe that their supervisors make balanced decision, 36.7% also replied their supervisors make unfair decision, 12.2 %respondents don't know whether their supervisors make balanced decision or not and 2% respondents didn't want to react to the question. It is only less than 50% respondents from the sample respondents accept that their supervisors make balanced decision. If employees cannot get fair decision from supervisors in work place in turn difficult to think to get better result.

Table 6 shows that, 46.9% respondents in the sample trust their supervisors whereas, 40.8 % almost close to the above percent don't trust their supervisors in the organization, 8.2% also don't know whether they trust their supervisors or not but, 4.1% didn't reply to the question. Subordinates have to trust and depend on their supervisors in relation to work related matter. This creates strong bond among them and develops good relationship. As a result, the link between supervisors and subordinates enables to achieve good result. Therefore in relation to this matter there is also a lot to be done because it is only 46.9% employees' has trust and depend on their supervisors. This is poor result leads subordinates for job dissatisfaction.

According to table 6, besides job knowledge, different skill and interpersonal skill supervisor have, they need also to be exemplary to his/her subordinates. In connection to this only 51% respondents believe that their supervisors are exemplary to them, 32.7% respondents answered that their supervisors are not exemplary to theme in their life, 10.2% and 6.1% don't know and didn't want to react to the question whether their supervisors are exemplary to them or nor respectively. The above 51% positive response by itself is not sufficient for the questionnaire. Because as religious and development organization, supervisors in the organization has to be exemplary to their subordinates in a manner expected to be more and more since it has direct link and contribution to subordinates.

Supervisors should have an inclination to solve problem of their subordinates in their work. The problem can be work related or personal to the subordinate. However, employees having problem obviously known that can't be expected to perform task properly or as required. In this regard according to table 6 above, 55.1% respondents believe that their supervisors solve problems in connection to their work, 34.7% also don't think their supervisors problem solving inclination to them in their work. The rest 6.1% and 4.1% respondents don't know and didn't want to react to the question respectively. However the figure mentioned above 55.1% is insignificant in relation to the seriousness of the matter.

Effective relationship in work area is vital between supervisors and subordinates because, relationship matters in performing assigned task and have contribution to efficiency. Without effective relationship either vertically or horizontally is impossible to register expected outcome. In connection to this topic the above table 6 shows that, 61.2% respondents replied that they have



effective work relationship with their supervisors and 26.5% do not have good relationship with supervisors. 8.2% also don't know whether they have good relationship or not. The rest 4.1% respondents didn't want to respond to the question. Although difficult to measure effectiveness of relationship and more subjective, however respondents put their level of relationship with their supervisors. In this regard 61.2 % respondents have effective communication with their supervisors but this amount is also low as rest of the others above. Because without proper and effective communication in work place difficult to perform good result.

Supervisors have to equip their subordinates in decision making abilities like other capacity. It is subordinates that take over the work and responsibilities in the absence of supervisors. These enhanced capabilities help supervisors themselves and they get reduced work load and stress. Subordinates also develop confidence to make decisions and to perform tasks confidently in the absence of their supervisors. These ultimately increase/enhance confidence in subordinates and trust among them. Confidence is result of knowledge, skill, attitude, education and training as well. There are times and situation that need the decision of subordinates in the absence of supervisors. These times if subordinates have no confidence in their subordinates decision may delayed or wait to supervisors until they are back to work place. This in turn will hammer the organization efficiency and as a result reduces the overall productivity as well.

Table 6 above indicates in connection to this matter 55.1% respondents have confidence to decide in the absence of their supervisor. 28.6% respondents do not have confidence to decide in the absence of their supervisor, 10.2% respondents also don't know whether they have confidence on their supervisors the rest 6.1% didn't want to respond any. In a situation where only 55.1 % that have confidence to make decision in the absence of their immediate supervisors it is visible and one can understand how work tough.

Subordinates need enough time to get prepared to assignments given by their supervisors. This help subordinates to be careful and certain in their job assigned. It is not only to subordinates but also it helps supervisors too. Because, it helps them to receive exhausted and well done product or service. However in this regard, 59.2% respondents agree that their supervisors give sufficient time to them and 34.7% respondents replied that their supervisor doesn't give sufficient time the

rest 6.1% don't know whether their supervisors provide them sufficient time to accomplish their task. In this regard some supervisors don't give sufficient and enough time to their subordinates to accomplish work related assignments. In this regard about 60% respondents get enough and sufficient time but however the figure is not adequate as compared to the matter and its importance.

There are lots of meetings and discussion sessions organized by organizations inside or outside the organizations. These chances are one of capacity development activity to the organizations. Using these chances help both employees and their supervisors to perform tasks in a better way. In addition it also motivates subordinates and develops good relationship among them. In this regard the above table 5 shown that, 42.9 % respondents get chance to different kind of meetings and similarly 42.9% believe that they never get this chance, 6.1% respondents don't know and the rest 8.2 % respondents didn't want to respond in this regard. Employees also want to participate in different meetings and sessions in connection to their work and that is part of capacity development. For this reason supervisors have to provide and create chance to their subordinates. In this regard only 42.9% employees of the organization have the chance to participate in meetings and sessions. In this regard immediate supervisors of each employee in the organizations have to think and work hard for this alarming.

Supervisors have to encourage their subordinates to speak their mind in a group meetings and individual discussion. This helps subordinates to steam out their feelings and wants to be implements and in the mean time it will help those to be matters clarified any unclear and avoids misunderstandings. In the mean time supervisors will benefit from the process in getting in formations and different perception. Therefore regarding to the subject 69.4% respondents think that their supervisors give them chance to speak in a group meetings or informal discussion, 26.5% respondents replies that they have no chance to speak formally and informally and the rest 4.1% didn't answer to the question. Regarding employees' response in relation to whether chance given to speak in group meetings or informally, better figure exhibited in the data collected. Generally it is good to encourage subordinates to speak and steam out their feelings and thinking. However the above percentage has to be improved.

**4.5 Table 7 Benefit Related Factors**

	Yes		No		I don't know		No answer		Total
	Freq	%	Freq	%	Freq	%	Freq	%	
Satisfied with the medical benefit facilities.	36	73.5	9	18.4	2	4.1	2	4.1	49
Satisfied with the cafeteria service facilities	10	20.4	28	57.1	7	14.3	4	8.2	49
Satisfied with the transport service facilities	21	42.9	24	49	1	2	3	6.1	49
Does Education and on-Job training essential for workers to enhance performance?	22	44.9	24	49	1	2	2	4.1	49
Does employee old age benefits have substantial impact in the current employees' performance and productivity?	21	42.9	9	18.4	13	26.5	6	12.2	49
Organization maintains benefits that are well compare to other similar faith based organizations.	8	16.3	23	46.9	14	28.6	4	8.2	49
<b>Total</b>	<b>118</b>		<b>117</b>		<b>38</b>		<b>21</b>	<b>42.9</b>	
<b>Percentage</b>	<b>40.14</b>		<b>39.7</b>		<b>12.9</b>		<b>7.1</b>		<b>0</b>

Organizations provide different kinds of benefit packages to their employees. However these benefit items are not to be distributed to all equally. But there are some benefit packages that can be offered to all. In this regard question formulated to respondents of the organization to check whether they are satisfied the provision of benefit package not. However the above table 7 data shows that 73.5% respondents are happy by the medical benefit, 18.4 % respondents are not. Facts above show that most employees are happy by the provision of medical benefit package by

the organization. This level of satisfaction helps both the organization and employees to maintain good relationship among them.

However the organization provides cafeteria services to its employees majority of the respondents are not happy the cafeteria service provided by the organization. This service as most people agrees has use and benefit to the organization as well as employees of organizations by facilitating socialization and informal discussion and can serve as one source of information to the management and serves as social bondage. Therefore in this regard the organizations cafeteria service is not as expected to be.

There is transport facility to the workers of the organization EECMY-DASSC from different direction. In relation to this matter questioner were developed to the respondents to test their views. To this question 42.9% respondents replied that they are happy by the transport facility. 49% are also are not happy by this provision. The provision of transport facility by the organization didn't make sense for most respondents of the organization.

Education and on job trainings are very essential to the organizations and contributes to lift up performance of employees and as a result, increases product and productivity. In this regard Respondents asked to reflect their views on the usefulness of education and on job trainings to employees' performance. However table 7 surprisingly shows that 49% respondents doesn't connect their performance with the provision of education and on job training by the organization. But, 44.9% employees in the sample agree that education and training enhance their job performance.

Many organizations provide different kinds of benefit packages to their employees including after retirement benefits. This kind of provision gives to employees' job security and confidence in their life. These facilities include pension, endowment, medical coverage, and etc after retirement. The reason why organizations establish the above package is to compensate their employees for their effort and contribution they made to the organization. Furthermore it encourages the existed employees and creates sense of ownership and belongings. In relation to this matter table 7 above shows that, 42.9% respondents said that benefit packages has impact in employees performance, 18.4% also believe that the provision of after retirement benefit has no

impact on employees performance, but 36.7% don't know whether these benefit package has impact on employees performance or not. However significant number of respondents believes that these benefit package has no effect in their current job performance.

Forms of benefit packages are also different from organization to organizations and vary depend on area and positions as well. However this provision has to be comparable with similar organizations. Otherwise, it will be cause for employee turnover. In this regard respondents in the sample reflected their view. Based on their response 16.3% respondents agree that their organizations benefit packages are competent with other similar organizations,46.9% believe that their organization benefit packages are not competent with other similar organizations provision but 38.8% respondents do not know whether it is competent with similar organization or not. However, according to the respondents' the overall organizational benefit package is not competent enough with those other similar organizations benefit package.

**Table 8 Job Position \* Are you satisfied with your present wage? Cross tabulation**

Job Position	Are you satisfied with your present salary?			Total
	Yes	No	I don't know	
Top level	0	3	0	3
Middle level	4	18	0	22
Lower level	5	17	1	23
Missing	-	-	-	1
Total	9	38	1	49

Cross tabulation job position with salary satisfaction result of the study shows that almost 77.5% of the respondents are not satisfied in their salary in relation to their position. In this regard 3 top level managers out of five, 18 middle level employees out of 22 and 17 lower level employees out of 23 are not happy the salary that they earn currently. When represented to percentage 6.12% top level, 36.73% middle level and 34.69 % lower level employees are dissatisfied by the organizations salary.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this chapter major findings of the study summarized and conclusions are drawn based on findings of the research. It also includes recommendations on the assumptions that they could be remedial actions to be needed for problems investigated in the study.

#### 5.1. Summary of major findings

Relationship begins with communication whether in work place or social life of human beings. Good communication avoids misunderstanding and any unclear among people. In fact there are several factors that harm relationship in that of social life or work places. It also requires wisdom to keep relationship and or to adjust broken. In many places relationship broke from lack of handling problems at the time of occurrence. This happening ultimately can be cause for disagreement and conflict as well. In a situation where there is no good communication, difficult to expect relationship and achieve result.

The main purpose of this study is to investigate on factors that push to harm relationship in the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission (EECMY-DASSC).

To meet objectives mentioned above in chapter one the study was guided by the following basic questions.

- 1) How does compensation plan of the organization affects the relationship between labor and management?
- 2) How does supervisor subordinate relationship affects organizational achievement?
- 3) How does benefit packages of the organization affects the relationship between labor and management?

*This study employed descriptive method to investigate the above stated issues in the organization. In this regard to address the research questions rose in the tool, the investigator reviewed different relevant related literatures in connection to the subject. In addition questionnaires, observation and interview prepared to collect necessary data from sample employees of the organization (EECMY-DASSC-Co).*

*questioner after having been evaluated and checked by the thesis advisor and commented, it was distributed to sample respondents by giving dead line to return it back. Effort has been made to avoid some ambiguity in order to keep away from irrelevant and unclear statements in the questioner. In the study 55 employees were included using purposive sampling out of 95 employees of the organization at Addis Ababa. All department directors are included in the sample purposefully. The structure of questioner was close ended and few open ended. The data obtained were analyzed and interpreted using percentage and table.*

*Accordingly major findings are summarized as follows.*

#### *Characteristics of the respondents*

- 1. The personal Characteristics of the respondents' show that majority of the respondents in the organization have served the organization for over 10 or above years and their educational level are second degrees that are about 34%. The sum aggregate of first and second degree holders in the organization is about 57.4%. This indicates that the organization has good number of educated staff for its purpose even if there is still some vacant positions to be filled as key management person in the organization say at the time of interview.*
- 2. Regarding gender composition of the respondents, majority respondents in the organization are male and their proportion is 68.3%. There is no female staff in top level management place in (EECMY-DASSC-CO). The role of female is vital and indispensable in any aspect and places of the world. In this regard this global concept seems ignored in the organization particularly at top level managerial position. Circumstances with no woman participation in decision making, it probably leads the decision making body to irrational conclusion particularly in matters that requires special consideration for its female labor force.*

#### *Salary/wage related factors*

*According to the research findings, the mean average of salary/wag condition, 48.2 % of the respondents are not satisfied where as 34.4% are satisfied with the current salary wage they earn. If this dissatisfaction level is not changed there will be employee turnover in the organization even if some*



*group of the respondents have served for 10 or above years served the organization. This matter ultimately leads the organization for unnecessary employee turnover and hiring cost as well. Hiring has its costs and time consuming. In this regard, the time from advertisement to induction, familiarization and development is long and time taking process.*

#### *Supervisor related matter*

*Findings of the research indicates that 51.3% of the respondents are happy with the relationship they have with their supervisors but 36.3% respondents believe that they have no good relationship with their supervisors. The above percentage demonstrate that majority of the respondents have good supervisor subordinate relationship. However, the organization needs to improve the level and degree of relationship among supervisor and subordinates so as to sustain the level of confidence in this regard.*

#### *Benefit related factors*

*The researcher's finding shows that it is almost similar or equivalent percent exhibited in this study regarding benefit related issues. 40.14% respondents are satisfied by the benefit package of the organization but 39.8% are not satisfied the benefit provided by the organization. Transport facility, cafeteria service, training, education and after retirement benefit are points mentioned by respondents in the study. Due to that employees are dissatisfied and the working environment was not attractive to workers. Ex- employees of the organization also expressed the upper stated problems to the researcher during interview. Observation also made to transport and cafeteria service of the organization having check list. Accordingly cafeteria of the organization has no adequate space and sit in relation to the number of employees. However the organization provides transport service to its employees but employees wait long hours to get it.*

## *5.2. Conclusion*

*The following conclusions are drawn from the findings of the research study.*

*Relationship among labor and management was a common before and forever as long as employees and employer are exist. Therefore there is and will be labor and management relationship in the organization EECMY-DASSC too. High magnitude of labor and management relationship problem exhibited during survey in the study. If this problem continues it will be cost incurring and wastage to the organization unless otherwise solved early. Labor and management relationship is material to the organizations in the process and performance of the organization. In organizations there are several factors that affect*

*relationship however, for this study purpose four things down these are; gender salary/wage, supervisory behavior and benefit packages.*

*Conclusion from survey showed that, there is no gender balance in the organization particularly on top level management position while the organization is running development work. In fact the organization might work better to improve the life of poor community in the ground. These poor communities are a mixture of male and female and also there are both genders in the organization EECMY-DASSC-Co too. There are particular matters that need knowledge and experience of female while making decisions. At that point of that, the involvement of female is vital to avoid wrong decisions with following reconsiderations of decisions. The knowledge and information each sex category have, cannot substituted by any other gender. Therefore, In this regard the organization has high deficiency and weakness.*

*Salary is the most important and vital to organizations to retain the existing and to attract potential applicants. Salary were one and major issue rise again and again during this study. Majority respondents are not happy by salary they get currently. For that matter this study conducted few months after salary adjustment but, it is tough to collect such information right after salary change. In fact people are not only for salary in organizations but, also there are intrinsic factors that keep people to stay in their work places. However employees to overcome recurrent increasing demand of human being and ever changing market, employees needs to be rewarded. Otherwise, they look for better income out of the organization. If this situation cannot be changed, it will lead the organization for unnecessarily employee turnover and costs as well. In this regard the organizations EECMY-DASSC CO salary have defect and not competitive with other similar organizations.*

*The role of Supervisors is vital and decisive in work places in job performance and efficiency. Supervisors have to provide to their subordinates their considerable experience and trainings. This helps subordinates highly and supervisors too, because it increases productivity and reduces time and ultimately the organization will be productive. Subordinates should have communication and enough confidence with their supervisors as long as they work together. This situation develops trust and good relationship among supervisor and subordinates. Supervisors should not give to their subordinated undesirable work rather; they have to make work attractive enjoyable. However, according to the study in this regard there is some how good relationship between supervisors and subordinates. This good relationship still needs to be increase to the level of improved percentage*

*Organizations provide different kinds of benefit packages to their productive work force. These packages help organizations to keep from unnecessary expense from employee turnover. It also indicates*

*that the organization is concerned about the long term interests of its employees. However these packages are not for all equally, but also, it differs from job to job and position as well. It is very strange to organizations to resign their experienced labor force because of dissatisfaction by the organizations benefits. Because, experienced employees have various advantages to the organizations. Their loyalty, job knowledge, belongingness and so forth are some among several benefits of existing experienced employees. Therefore the organization has to work to keep these labor force improving its compensation plan and benefit packages compared to similar organizations so as to meet its long term goal.*

### **5.3 Recommendations**

*Based on findings of the study and conclusion drawn, the following recommendations are forwarded.*

- 1. Gender equality; the role of female in every activities is vital. There are particular issues left for each sex categories during decision making and cannot be replaced by any other gender. Therefore there should be gender balance in the organization particularly at top level management position. These helps the organization at the time of decision to keep from prejudice and as a result protects from reconsideration of decisions.*
- 2. Salary is the most important and decisive factor in the organizations. If salary is not competent enough it will lead workers to find another alternative. Therefore the organizations salary has to be reviewed so as to retain the current employees and to attract others to the vacant places of its positions.*
- 3. Good communication keeps relationship better and as a result enhances performance. To do that there should be proper communication, transparency and trust among subordinates and supervisors. Therefore supervisors and subordinates should build their relationship through communication. The role of management in this regard is crucial in facilitating conditions and situations for open discussions and meetings. In this regard in the organization supervisor subordinate relationship is good in relation to other factors. Even though there is good relationship between supervisors and subordinates in the organization however it needs more effort to strengthen.*
- 4. Benefit packages helps organizations to retain their employees by providing different types of packages as much as the organizations affordability. However these benefit packages should be fare for all employees of the organization. Therefore there should be equal benefit treatment to all employees who contributing to the growth and development of the organization at different*

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# Appendices





## **APPENDIX A**

**Addis Ababa University**

**College Of Education and Behavioral Studies**

**Department of Educational Planning and Management:**

**A Questioner to Be Filled By Employee of The Ethiopian Evangelical Church Mekane Yesus Development And Social Services Commission Central Office (EECMY DASSC-CO)**

The main objective of this questioner is to collect the necessary data for the study of labor and management relationship in the Ethiopian Evangelical Church Mekane Yesus Development and Social Services Commission for academic purpose. This study tries to assess and investigate the situation exists and practices in the organization in relation to the topic. In this regard the outcome of this study will highly depend up on your responsible and timely response. Your responses are strictly confidential and will not be shared with anyone

Therefore, you are kindly requested to fill in the questioner carefully as per the instruction and respondents are not required to write /state their names in this format.

**Thank you in advance for your cooperation**

**Part: One; back ground personal information**

**Years of services, level of education, Gender and Job position.**

**For the given multiple choice circle the alternative you think the best answer and write on the blank spaces either in English or Amharic**

1. Level of educational qualification

- a) High school complete    b) College diploma    c) BA/B.Sc    d) MA/MSc  
e) Other \_\_\_\_\_

2. Years of services.

- a) 1-5 years    b) 5-10 years    c) 10- or above years

3. Gender.

- a) Female                      b) Male

4. Job position.

- a) Top Level (commissioner, Director)                      b) Middle Level (senior officer  
Coordinator, Manager,                      c) Lower level (Officer, Clark, Support staff,

**Part: Two; Salary and Wage Satisfaction and Respondents' Feedback:**

1. Do you think that increase in salary can improve worker's satisfaction?

- a) Yes                      b) No                      c) I don't know

If your answer is no what are the other factors that can bring satisfaction?

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2. Is your organization wages competitive with those similar faith based organizations?

- a) Yes                      b) No                      c) I don't know

3. Is same wage rate adopted for senior & new employees at the time of employment and/or salary increment?

- a) Yes                      b) No                      c) I don't know

4. Is your salary fair for your responsibilities in your organization?

- a) Yes                      b) No                      c) I don't know

5. Is salary increment according to merit /performance/?

- a) Yes                      b) No                      c) I don't know

6. Are you satisfied with your present wages?

- a) Yes                      b) No                      c) I don't know

7. Should wage rate to be changed according to salary scale of the organization?

- a) Yes                      b) No                      c) I don't know

8. Is wage rate most important element for raising employees' performance?

- a) Yes                      b) No                      c) I don't know

If your answer is no, what are the other necessary elements that can raise performance?

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9. What are the other reasons for you to stay in the organization other than salary wage and benefit packages?

**Part:-Three**

**Regarding Supervisory Behavior respondents' feedback:**

1. My supervisor makes me feel valued.  
a) Yes                      b) No                      c) I don't know
2. My supervisor gives me undesirable job assignments?  
a) Yes                      b) No                      c) I don't know
3. My supervisor communicates to me all information of work related matters in time.  
a) Yes                      b) No                      c) I don't know
4. My supervisor is transparent to me in connection to all work related matters.  
a) Yes                      b) No                      c) I don't know
5. My supervisor gives me good technical suggestions?  
a) Yes                      b) No                      c) I don't know
6. My supervisor makes my work difficult for me?  
a) Yes                      b) No                      c) I don't know
7. My supervisor shares with me his/her considerable experience and trainings.  
a) Yes                      b) No                      c) I don't know
8. Is your supervisor providing with sound job related advice.  
a) Yes                      b) No                      c) I don't know
9. My supervisor gives me the feeling that I have responsibilities to fulfill.  
a) Yes                      b) No                      c) I don't know
10. Does your supervisor make a fair and balanced decision?  
a) Yes                      b) No                      c) I don't know

11. Do you trust and depend on your supervisor?  
a) Yes                      b) No                      c) I don't know
12. Is your supervisor set an example of how to do things ethically?  
a) Yes                      b) No                      c) I don't know
13. My supervisor personally inclined to help me in solving problems of my work?  
a) Yes                      b) No                      c) I don't know

14. Is your work relationship with your supervisor effective? s

- a) Yes                      b) No                      c) I don't know

15. Do you have enough confidence in your supervisor that you would defend and justify his/her decisions in his /here absence?

- a) Yes                      b) No                      c) I don't know

16. My supervisor considers my suggestions for change?

- a) Yes                      b) No                      c) I don't know

17. My supervisor gives me assignments and tasks in advance with sufficient time

- a) Yes                      b) No                      c) I don't know

18. My supervisor provides me chance to participate in relevant and important meetings/sessions in connection to my work and gives me ample time to get prepared.

- a) Yes                      b) No                      c) I don't know

19. Does your supervisor give a chance to speak your mind in group meetings or informally?

- a) Yes                      b) No                      c) I don't know

Please write your feeling in relation to supervisory behavior in a space provided below in English or any convenient local language to you.

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**Part:-Four:**

**Satisfaction with benefit Items and employees' response:**

1. Are you satisfied with the medical benefit facilities provided by the management?

- a) Yes                      b) No                      c) I don't know

2. Are you satisfied with the cafeteria service facilities provided by the management?

- a) Yes                      b) No                      c) I don't know

3. Are you satisfied with the transport service facilities provided by the management?

- a) Yes                      b) No                      c) I don't know

4. Are other benefits like education and on-job training essential for workers to enhance performance?

- a) Yes                      b) No                      c) I don't know

5. Are the provision of after-retirement benefits like pension funds and employee old age benefits have substantial impact in the current employees' performance and productivity.

- a) Yes                      b) No                      c) I don't know

6. Does your organization maintain benefits that are well compare to other similar faith based organizations?

- a) Yes                      b) No                      c) I don't know



## **APPENDIX-B**

**Addis Ababa University**

**College Of Education and Behavioral Studies**

**Department of Educational Planning and Management:**

Interview Guide For Study of Labor and Management Relationship in The Ethiopian Evangelical Church Mekane Yesus Development And Social Services Commission Central Office to management team members.

1. Do you think that salary /wages are determinant factor to enhance employee performance in the organization?
2. How the organizations salary is condition and is it competitive?
3. Is there employee turnover due to salary/wage condition of the organization?
4. How can supervisors play role in maintaining labor and management relationship?
5. How is the organizations benefit condition? Is it comparable with other similar organizations?



## **APPENDIX-C**

### **Observation guide line for the organization**

1. Name of the organization
2. Availability and conditions of facilities
  - Office condition
  - Transport facility
  - Cafeteria service
  - Others