



ADDIS ABABA UNIVERSITY

School of Commerce

**Practices and Challenges of Employee Relations
in Commercial Bank of Ethiopia**

By

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**A Thesis Submitted to Addis Ababa University School of Commerce
In partial fulfillment of the requirements for the degree of Masters
of Human Resource Management**

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May 18, 2018

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Declaration

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

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Acronyms

CBE –Commercial Bank of Ethiopia

CIPD-Chartered Institute of Personnel and Development

Acknowledgements

This paper would not have been completed without the help of Almighty GOD and next to Him many peoples who contributes to the successful completion of the thesis.

I would like to express my special gratitude to my advisor Abraraw Chane (PhD) for his unreserved support and advice from the start to end of the study.

My gratitude also goes to Commercial Bank of Ethiopia for providing the opportunity for covering my educational expense. I would also like to thank my colleagues Dawit Kassa and Yemarshet Tesfaye for their support in providing the necessary materials as well as ideas to carry out my study. Finally, I would like to thank Commercial Bank of Ethiopia employees and management members for giving me the necessary information relating to employee relations practice and challenges in the Bank.

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Abstract

This research work is designed to assess practices and challenges of employee relations of Commercial Bank of Ethiopia (CBE). It is assumed to provide the objectives of identifying the current practices and challenges of employee relations in order to create awareness among employees about employee relations as well as to look at gaps concerning communication gap, knowledge gap and fairness among employees in Commercial Bank of Ethiopia. The following questions were raised and addressed: what are the current practices and challenges of Commercial Bank of Ethiopia and major challenges that hinders effective relationship among employees, how much the management and employees understand the employee relations to the objectives of the bank. Descriptive research design was used to obtain precise and pertinent information based on current status. So, the researcher selected descriptive research design the most appropriate. Due to the nature of the research, it is useful to capture the best of both qualitative and quantitative approaches. Therefore, the mixed approach was used and the most appropriate for this study. In order to determine the sample size out of the total population of 1318 three of the sampling technics were used such as simple random sampling, stratified sampling and systematic random sampling technics in order to get the sample size of 172. To gather information for the study, both interviews and questionnaires with close ended as well as document analysis were used. On the basis of the data analysis, the majority of the respondents expressed their agreement on the practices of employee relations such as team work, trust and confidence, relationship between management and employees and communication between management and employees. Whereas, the majority of the respondents expressed their disagreement concerning fairness and adequate knowledge among employees as a major challenge in CBE.

Chapter One

Introduction

1.1. Background of the study

The relationship between employees working in an organization is called employee relationship. Every employee should ideally be comfortable with others to stay motivated and stress free. No conclusion has ever come out of disputes; instead it is just a mere wastage of time and lead to a negative environment at work. The employees should work together as a single unit to come out with more creative plans and accomplish the tasks at a much faster rate (Morley et al. 1988).

Edwards, (2010) tried to assess the fact that Employee relations can be understood as set of activities which deals with ensuring employer-employee relationships that aims at bringing satisfactory productivity, motivation, and morale. Basically, an employee relation is concerned with preventing and resolving problems involving individuals who arise out of work situations. In this relationship managers are expected to correct poor performance and shape employee misconduct. With this regard progressive discipline and regulatory and other requirements are essential for effecting disciplinary actions and in resolving employee grievances and appeals. It is very important for the management to provide information to employees so as to create better understanding of management's goals and policies. The employee relation practice will be more effective when feedback is forwarded to employee because it assists employees in correcting poor performance, and to address personal issues that affect them in the workplace.

Governments attempt to influence and regulate employee relations with laws, economic policy, rules and agreements. Labor-management relations appeared in the 19th century, as increasing industrialization in Europe and North America as the result of large workforces brought together. It developed as a response to significant economic, political and social changes. Initially labor management relations characterized all interactions between employers and employees and their challenges. This includes human resource management, employee relations and union-management relations (Fairris, 1997).

According to Edwards, (2010) employee relations involves the body of work concerned with maintaining employer -employee relation that contribute to satisfactory productivity, motivation, and morale. Management shall provide information to employees to create better understanding

of management's goals and policies to enhance harmonious employee relation and to minimize challenges. Feedback is a means to healthy employee's relation in correcting poor performance, and to address personal issues that affect them in the workplace. Employee relations are related to the three solutions to labor problems: personnel/human resource management; trade unionism and collective bargaining and government legislation. Labor-management relations aim to protect the interests of labor and management. It targets the highest level of mutual understanding among all party which takes part in the organization process. It seeks to prevent conflict and works for harmonious relations, a key factor in the productivity of the staff and to the organization progress. Among worker-management relations' objectives are:- increased productivity; enhanced worker efficiency; the establishment and promotion of work place democracy; the elimination or reduction of the number of strikes or lockouts via the provision of reasonable wages, enhanced living and working conditions and certain benefits; the improved economic conditions of workers in the existing state of industrial managements and political government (Fairris, 1997).

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

1.2. Background Information of Banking in Ethiopia

The agreement that was reached in 1905 between Emperor Minilik II and Mr. Ma Gillivray, representative of the British owned National Bank of Egypt marked the introduction of modern banking in Ethiopia. Following the agreement, the first bank called Bank of Abyssinia was inaugurated in February 16, 1906 by the Emperor. The Bank was totally managed by the Egyptian National Bank operates until its liquidation in 1931. Thus by 1931 Bank of Abyssinia was legally replaced by Bank of Ethiopia shortly after Emperor Haile Selassie came to power. The new Bank, Bank of Ethiopia, was a purely Ethiopian institution and was the first indigenous bank in Africa and established by an official decree on August 29, 1931 with capital of £750,000. Bank of Ethiopia took over the commercial activities of the Bank of Abysinia and was authorized to issue notes and coins. During the invasion, the Italians established branches of their main Banks namely Banca d'Italia, Banco di Roma, Banco di Napoli and Banca Nazionale del lavoro and

started operation in the main towns of Ethiopia. However, they all ceased operation soon after liberation except Banco di Roma and Banco di Napoli which remained in Asmara. In 1941 another foreign bank, Barclays Bank, came to Ethiopia with the British troops and organized banking services in Addis Ababa, until its withdrawal in 1943. In April 1943, the State Bank of Ethiopia commenced full operation and acted as the central Bank of Ethiopia and had a power to issue bank notes and coins as the agent of the Ministry of Finance. The Bank also functioned as the principal commercial bank in the country and engaged in all commercial banking activities. The Ethiopian Monetary and Banking law that came into force in 1963 separated the function of commercial and central banking creating National Bank of Ethiopia and give birth to commercial Bank of Ethiopia. Moreover it allowed foreign banks to operate in Ethiopia limiting their maximum ownership to be 49 percent while the remaining balance should be owned by Ethiopians. The National Bank of Ethiopia with more power and duties started its operation in January 1964. Following the incorporation as a share company on December 16, 1963 as per proclamation No.207/1955 of October 1963, Commercial Bank of Ethiopia took over the commercial banking activities of the former State Bank of Ethiopia. It started operation on January 1, 1964 with a capital of Eth. Birr 20 million. In the new Commercial Bank of Ethiopia, in contrast with the former State Bank of Ethiopia, all employees were Ethiopians. The first privately owned bank, Addis Ababa Bank Share Company, was established on Ethiopians initiative and started operation in 1964 with a capital of 2 million. There were two other banks in operation namely Banco di Roma S. C and Banko di Napoli S.C. that later reapplied for license according to the new proclamation each having a paid-up capital of Eth. Birr 2 million.

Subsequent to the demise of the Dergue regime in 1991, EPRDF declared a liberal economy system. In line with this, Monetary and Banking proclamation of 1994 laid down the legal basis for investment in the banking sector. Consequently, the first private bank, Awash International Bank was established in 1994. On December 31, 2013, there were 16 private and 3 government-owned banks operating in Ethiopia.

The Commercial Bank of Ethiopia (CBE) has more than 1,230 branches stretched across the country as of September 30, 2017. It has a total deposit of Birr 389.3 billion as on June 30, 2017 and plays a catalytic role in the economic progress & development of the country. CBE is the first bank in Ethiopia to introduce ATM service for local users. CBE has more than 14 million account holders as at June 30, 2017. It has strong correspondent relationship with more than 50

renowned foreign banks and a SWIFT bilateral arrangement with financial institutions and combines a wide human capital base with more than 33,000 skilled and committed employees. CBE is Pioneer to work with Western Union Money Transfer Services in Ethiopia (CATS Training manual of CBE, 2014).

Currently the Commercial bank of Ethiopia is striving to maximize its deposit mobilization and increase the satisfaction of its customers through expansion of local market share. The realization of deposit mobilization and customers' satisfaction demand motivated, engaged and committed staffs at all levels in the organization hierarchy through implementing harmonious employee relations based on team work, trust and confidence. Harmonious employee relations is crucial for employee engagement and commitment which is sign of productivity and motivation, moreover it enables cooperative and flexible bargaining, smooth communication between employees and management, between managers and subordinates, between trade union and management, and among employees (CBE especial Journal report June 2015).

1.3. Statement of the Problem

The great challenge of today's organizations is more interaction among people from diverse background and their relationship within organization. The success of any business organization depends on a great extent to the relationship between the employees and management. Some of the issues of relation are managing diversity in terms of age, class, race, ethnicity, gender, disabilities, salary pay, proper incentives, learning, carrier development, effective communication, the work environment, disputes, work schedules, grievances, health and safety, hours of work, social needs, production targets, productivity, profitability, growth, cost reduction, efficiency and effectiveness, involvement, fairness and justice (Bibhuti, 2010; Stephen et al, 2010; Morley et al., 1988)

When employees are satisfied with employee relation practices, it creates trust and confidence and this in-turn pave the way to cooperative and flexible bargaining, smooth communication, and realistic work arrangement. Harmonious employee relations contribute to employee engagement and commitment which is sign of productivity and motivation (Thomas et al., 2009; Bibhuti, 2010).

Essentially employee relations are concerned with preventing and resolving problems involving individuals which arise out of or affect work situations. The absence of good employee relation

between employee and management will result in dissatisfaction, that expressed in grievance, change in behavior, absenteeism, slow performance, loss of commitment, high turnover (Morley, and Stephenson, 1988).

In Commercial Bank of Ethiopia, a research which was conducted by Mulugeta Shiferaw concerning challenges of employee relations in the year 2012. This research shows that the elements of employee relations were focused on the employee to employer relationship of CBE. However this research indicates that there are problems of communication and knowledge gap among employee and employee to management relationship concerning fairness. There is also lack of communication among employees which leads to competency gap (CBE especial Journal report June 2015). So far this study is not enough to my knowledge; therefore this research is aimed on the relationship among employees and employees to management relationship which is the essential element of employees' relations. And the absence of the study among employee relation in the previous research inspired me to do this research. So that, the practices and challenges of employee relations are considerable input for this research study in Commercial Bank of Ethiopia and concentrate on practices and challenges of employee relations to identify organizational practices and challenges to enhance a good employee relation. Therefore, further study should be needed on its employee relations to help the organization to achieve its objective as well as to stay employees motivated and stress free and to describe the practices and challenges of employee relations for enhancing better understanding of employees each other as well as smooth communication among employees and employees with management at Commercial Bank of Ethiopia. Basic questions are designed and formulated to investigate the gaps which are communication gap, knowledge gap and fairness among employees. Therefore, with this objective in mind, the research set to answer the following basic questions:

1.4. Research questions

On the basis of the problem statement stated above, the research revolves around the following basic questions.

1. What are the current practices of employee relations in Commercial Bank of Ethiopia?
2. What are the major challenges that affect good employee relations among employees in commercial bank of Ethiopia?

3. Do the management and employees understand the importance of employee Relations?

1.5. General objective

The purpose of this study is to investigate the practices and challenges of employee relations in commercial bank of Ethiopia. With the above general objective, the study will have the following specific objectives:

1.6. Specific objectives of the study

The specific objectives of the study are the following:

1. To examine the current practices of employee relations of the bank.
2. To identify the major challenges that hinders effective relationship among employees.
3. To show the importance of employee relations for management and employees of the bank.

1.7. Significance of the Study

The results of this study help to create awareness among employees and management about the importance of employee relations for the achievement of organizational objectives. On the basis of the findings of the study, this research draws some conclusions and identifies associated problems with employee relation practice that contribute for high turnover, grievance and disciplinary measure and to lay grounds for the bank to take corrective action. It can also help the bank as a resource material to effectively manage the employee relation practice in order to improve motivation of employees and their productivity and searches appropriate strategies for enhancing employee relation practice, focusing on employees' satisfaction, motivation and productivity, trust, confidence, communications procedure, good interpersonal relations, realistic working agreements, effectively use conflict resolution methods, harmonious employee relations, minimize conflict and improve healthy relationship and ultimately committed, engaged and skilled competent work force. This research can also use as a reference for individuals to complete to their study regarding employee relation. Therefore, the researcher strongly believes that the findings of this study have the following contributions:

1. It will help to create awareness on the part of employee relations practice and the challenges they will face in their real world.

2. It will also serve as information source for the bank at different levels of the management hierarchy to identify the gaps existed in relation to the employees – employer relationship and address the problems in the future.

3. It will serve as stepping-stone for those who want to carry out in-depth research on the topic in the study area.

1.8. Scope of the study

Although the bank has more than 1,230 branches and 33,564 employees across the country under 15 district offices and head offices, due to various constraints the study is only focused on Addis Ababa at Head office, South Addis Ababa district office and selected grade 3 and 4 branches under South Addis Ababa district which is one of the 15 district offices in the country. The selected grade 3 and 4 branches in South Addis Ababa are Lideta, Gofa sefer, Nifas silk, Jemo, Gofa gebriel, and Mexico branches.

In order to have a focused approach to understand the research problem, this research exclusively focused on addressing practices and challenges of employee relations concerning team work, trust and confidence, communication, fairness and knowledge gap among employees.

1.9. Limitations of the Study

This study has a number of its own limitations. The first important limitation is lack of relevant local review literature on practices and challenges of employee relations. The researcher believes that it will be possible to provide information and evidence on practice and challenges of employee relation more, and come up with better work.

The second limitation is that the research is limited to only selected grade 3 and 4 branches of south Addis Ababa district, South Addis Ababa district office and Head office, as the result, it may affect generalization of the findings to all branches of CBE across the country. As the result of these above mentioned limitations, the outcomes of the study are not as complete as it is initially anticipated.

1.10. Operational definition of key Terms

Employee relations is concerned with building a professional relationship in the workplace so that problems can be recognized and handled in the right way and the company and the employee can both benefit from a positive aspect in the work atmosphere.

Bank is regulated by federal and state laws depending on how they are organized and the services they provide.

Commercial bank is a financial institution that is authorized by law to receive money from businesses and individuals and lend money to them.

Collective bargaining and agreement is a type of negotiation used by employees to work with their employers.

1.11. Organization of the Study

This study is organized into five chapters. The first chapter briefly discusses background of the study, statement of the problem and objectives of the study, significant of the study, scope and limitations of the study, definition of key terms and organization of the study.

The second chapter deals with the review of related literature and conceptual framework. The research design and methodology is stated and described in chapter three. Chapter four discusses the finding and data analysis. The fifth chapter deals with summary of findings, conclusions and recommendations.

Chapter Two

Review of Related Literature

2.1. Theoretical Concepts of Employee relations

Employee relations is a study of the rules, regulations and agreements by which employees are managed both as individuals and as a collective group, the priority given to the individual as opposed to the collective relationship varying from company to company depending upon the values of management. As such it is concerned with how to gain people's commitment to the achievement of an organization's business goals and objectives in a number of different situations.

Employee relations basically involves the body of work concerned with maintaining employee-employer relation, which contributes to satisfactory productivity, increase in employee morale and motivation." So, in essence employee relation is concerned with resolving problems and preventing them from occurring in the first place which may involve individuals who affect work situations. Supervisors are advised on how to correct poor employee performance and situations of misconduct by an employee. In such instances, regulation, discipline and other requirements are bound to be considered in effect of disciplinary actions to resolve employee grievances and appeals. Information is also provided to employees so that a better understanding of management's goals and policies along with company objectives is promoted in the right way. Besides that information on how to correct poor performance is also given to the employees as well as information on, off duty or on duty misconduct and addressing personal issues which may affect them and their work in the workplace. Employees are advised about applicable legislation, regulations and agreements as well as their rights when it comes to appealing, grievances, whistleblowing, discrimination and protection rights (Mike, 2007).

2.2. Industrial and Employee Relations

'Employee relations' is a term that has only in relatively recent years become commonly used to indicate a particular area of subject matter. Prior to this it is likely that you would have found the term 'industrial relations' in more common use. There are debates and differences of view as to the meaning of each of the two terms, employee and industrial relations. Some people argue that there are identifiable differences between them, that there are differences of a substantive nature

which justify the use and maintenance of each term, while others argue that the concepts and phenomena described are to all intents and purposes interchangeable (Mike, 2007).

Blyton and Turnbull (1994: 7–9) discuss this in explaining why they have chosen to use the term ‘employee’ as opposed to ‘industrial’. They begin by arguing that they see no hard and fast distinction between the two, the difference being in the tendency of each to focus the subject inside different boundaries, but in reviewing various contributions to the debate they do state some of the more common views. They point out that industrial relations:

- became inevitably associated with trade unions, collective bargaining and industrial action;
- had too strong a tendency to view the world of work as synonymous with the heavy extractive and manufacturing sectors of employment, sectors which were dominated by male manual workers working full-time and which are in decline in nearly all developed economies.

Using the term employee relations enables them to adopt a broader canvas and to:

- encompass the now dominant service sector which, in many developed countries, now employs more than 70 per cent of the workforce, and the changes in the composition of the labor force such as more women working and more part-time, temporary and fixed-term contracts;
- include non-union as well as union scenarios and relationships. Nevertheless, Blyton and Turnbull do not go as far as some others in that they choose to continue to focus their study of employee relations upon the collective aspects of the employment relationship. They suggest that in this they are maintaining a distinction between employee relations and those other areas of study: personnel management and human resource management (HRM), each of which, they suggest, focuses upon the individual as opposed to the collective elements of the relationship.

Marchington and Wilkinson, (1996: 223) also discuss this ‘difference’ and they suggest that the term employee relations have emerged for three main reasons:

1. Usage, fashion and slippage.
2. It is increasingly used by personnel practitioners to describe that part of personnel and development concerned with the regulation of relations (collective and individual) between employer and employee.

3. There are actual and real differences of focus, with employee relations tending to focus upon management and management issues alone and on contemporary rather than historical practices.

Marchington and Wilkinson have chosen to use the term employee relations principally for the second of these three reasons, though they also acknowledge that they use the terms interchangeably. A comparison of these two views indicates that both seek to argue that use of the term employee relations makes it easier to encompass change in the employment relationship, its environment and in the makeup of the labor force, and both explanations would appear to allow the term employee relations to encompass union and non-union relations. However, where Blyton and Turnbull are keen to maintain a collective focus and see this as the basis of a continuing distinction between employee relations and both personnel and HRM in which, they suggest, the focus is upon the individual and the individual employment relationship, Marchington and Wilkinson see employee relations encompassing both individual and collective relations. Another point of difference is that Marchington and Wilkinson seem to endow the term employee relations with a managerial focus, suggesting as they do that there is a tendency for the subject matter of employee relations to be dominated by a concern with managerial issues and a managerial perspective rather than being concerned with all parties and interests in the employment relationship. Arguably, another point of similarity is that both views tend to see employee relations as a wider concept than industrial relations, and the former can encompass the latter.

2.3. Employment

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

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

Edwards, (2010) asserted that although the 'clash of interests' is gradually decreased as compared to earlier period and that goals are today at least to some extent shared, it would be improper to assume that such a situation is inherent in the employment. Theory and practice asserted that even though employers and employee have good working relationship, they often want quite different things from employment. An essential tool for managing the deal is the contract of employment and making a contract presumes freedom of choice. Freedom of choice in employment is often limited for a number of reasons. Due to economical and other factors the employee has lower negotiation power as a result employee will take what work is available to them since they have to work in order to live. On taking up a job offer the employee agrees to assign the right to be directed and controlled towards particular ends. In employment it is the employer who possesses 'residual decision-making rights' – meaning the employer has final say over the actions or outcomes that were not specified at the outset of the contract. In addition, the 'work-wages bargain' theoretically privileges the employer's interests. Edwards, (2010) also bring in to light the idea of "psychological contract" that arise due to the peculiar nature that exists between employer and employee. The psychological contract refers to the perceptions of employer and employee about what their mutual obligations are towards each other. Notions of the psychological contract have the additional advantage of bringing to the fore the often neglected. It can be understood that, the employment relationship is changing, and has an individual psychological element that cannot be adequately captured in a written contract. The employment relationship extends beyond the 'psychological' and is embedded in wider social structures.

2.4. Legal framework for employment

In our country, the guiding legal framework of employment relationship for commercial entities is Labor proclamation No. 377/2003. Article No. 4 of this proclamation explain about employment relation. According to the article, employee relation is established between the agreement of employee and employer where by the employee agree to perform work for employer for definite or indefinite period or piece work in return for wages. The proclamation cautions that a contract of employment shall not be concluded for the program of unlawful or immoral activities. Furthermore Article No. 23 of this proclamation state that a contract of employment shall only be terminated upon initiation by the employer or worker and in accordance with the provisions of the law or a collective agreement or by the agreement of the two parties. The amalgamation or division or transfer of ownership of an undertaking shall not have the effect of terminating a contract of employment.

2.5. Team Work

Teams are groups of two or more people who interact and influence each other, are mutually accountable for achieving common goals associated with organizational objectives, and perceive themselves as a social entity within an organization. This definition has a few important components worth repeating. First, all teams exist to fulfill some purpose, such as assembling a product, providing a service, designing a new manufacturing facility, or making an important decision. Second, team members are held together by their interdependence and need for collaboration to achieve common goals. All teams require some form of communication so that members can coordinate and share common objectives. Third, team members influence each other, although some members may be more influential than others regarding the team's goals and activities. Finally, a team exists when its members perceive themselves to be a team (Stephen, 2013).

2.6. Trust and confidence among employees

According to CIPD report (2012) trust resides within relationships and it comes from seeing and experiencing behaviors which enable us to trust the other party. In organizations, these relationships are often complex. Building employer and employee relation on trust is crucial to positive employee engagement. Trust between middle and senior managers, and between the line and HR, in workplaces with employee or union representatives; trust is imperative between representatives, HR and the management team if you wish to have a constructive relationship which sup-

ports the business. Employee need to feel trusted by his manager and colleagues. Trust needs to be nurtured, developed and embedded within all of these relationships. Gennard and Judge (2002) described trust as “one of the most precious commodities a community or an organization can have”. He goes on to say “it lubricates relationships and the exchange of knowledge and is crucial to cooperation”. Trust helps to brings together employer and employee, and works together. Trust is both a byproduct and a necessary prerequisite for engagement. This loss of trust is a serious issue for organizations.

According to CIPD report (2012) there are many well documented economic benefits of developing trust within organizations. Employees who trust the organizations, their work demonstrate their trust behaviors such as sharing information and working well in teams. These employees also have higher levels of job satisfaction, are more likely to recommend their employer to others and are less likely to leave the organization. Employees are also less likely to resist change if they trust their employer. Gennard and Judge (2002) “Trust is at the heart of good employee relations and engagement and also leaders create the climate by their own actions and behaviors, and how they are perceived has a significant impact on trust in the organization as a whole.”

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

2.7. Relationship between Management and employees

The mentoring is used for development-orientation (Gennard, J. and Judge, G., 2002). When a supervisor provides mentoring, the relationship affects the employees' skill development and intentions to remain with the employer. On the other hand nonsupervisory mentor may increase mentee's confidence by providing access to outside organization. The immediate supervisor support is very important in organizational change. Although the support of supervisor is not very crucial in satisfaction but it has positive impact on satisfaction and perhaps the finest way in which supervisors can portray himself as a role model is to personally demonstrate proper techniques so that employee could understand how job should be done. Day, (2007) has examined the roles played by leadership in the process of knowledge acquisition and a survey was carried out on 227 persons who have been engaged in knowledge acquisition activities to examine the relationship between leadership styles and knowledge acquisition attributes. The results showed that the leadership styles that involve human interaction and encourage participative decision-making are related positively to the skills essential knowledge acquisition.

2.8. Relationship with Co-workers or Interpersonal Relationships

There are several studies that show that friendly and supportive colleagues enhance the rate of job satisfaction in a working environment (Gennard, J. and Judge, G., 2002). This area of satisfaction is measured by how well employees get along with each other and how well they look up to their fellow employees. Hayes, (1997) figured out that the close friendships quality was related to both job satisfaction and career success among employees. Hayes, (1997) finds a similar result after conducting a survey among 1250 Food Brand employees and a positive relationship among co-workers improves employee relations. Their research shows that friendship network among coworkers influence the outcomes of workplace and increases relationship among employees.

2.9. Communication

Effective communication among the team members is very important. It has been observed that poor communication leads to confusions and misunderstandings. The communication has to be precise and relevant. One should not play with words and be very specific about his expectations from his fellow workers as well as the organization. If the employees are not very happy with their colleague's proposal, they don't keep things by themselves. Voice their opinion and do ex-

press their displeasure. It will definitely prevent a conflict among employees later and improve the relations among them. Be straightforward. Don't pretend things just to please boss. If they find anything unacceptable, discuss with their superior but in a polite way (Gerald; 1957).

Written modes of communication must be promoted among the employees for better transparency. Verbal communication is not as reliable as written communication. The agendas, minutes of the meeting, important issues must be circulated among all through emails. Make sure that all the related employees are in the loop. Individuals should not be communicated with any of the employees as the other one might feel neglected and left out (Gerald; 1957).

2.10. Fairness

A fair reward system is one that operates in accordance with the principles of distributive and procedural justice. The assumption underpinning fairness concerning any reward must match the level of work and the capacity of the individual to do the job and any other activities for the organization. This felt-fair principle has passed into the common language of those involved in reward management. It is sometimes used as the final arbiter of how a job should be graded, possibly overriding the conclusions reached by an analytical job evaluation exercise (the so-called 'felt-fair test'). Such tests are in danger of simply reproducing existing prejudices about relative job values Richard Long; (2001).

2.11. Knowledge gap among employees

The lack of knowledge about an organization's products, services, policies, safety practices etc. is detrimental to employee performance and ultimately affects corporate results. Sometimes it is heard an employee say "I didn't know I was supposed to do it that way!" when something goes wrong. Companies need a way to identify knowledge gaps, especially in critical areas such as safety. It can seem like an overwhelming exercise, especially when you have hundreds of thousands of employees, located in different geographic regions, with different job functions and objectives (DelPoand, 2007).

2.12. Employee Relations Issue

According to Hewitt (2004) employee relations generally deal with avoiding and resolving issues concerning individuals which might arise out of or influence the work situation. Maintaining healthy employee relations in an organization is a pre-requisite for organizational success. Strong

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

2.12.1. Grievance procedures and internal dispute resolution

According to non-profit Risk Management Center report (2014) grievance handling procedure is an internal mechanism for resolving disputes without third party involvements. Internal conflict procedures provide an outlet for employees' to express their dissatisfaction at the workplace. The existence of internal conflict handling procedure gives chances of hearing for employees and feedback for the organization on the status of employee relation. Beyond resolving employee complaints internally without additional cost and time the procedure lesson the organization on ranking employee relation issues based on their severity as source of conflict. Employees will feel fairly treated if they have had an opportunity to lodge their complaints and participate in the conflict resolving process. Whatever the mechanism, an internal dispute resolution procedure is helpful because it provides an outlet for employees' concerns. According to (Marilyn, 2004) grievance or complaint procedure gives the employee room for hearing its complaints and to be part of the resolving process, and it can be helpful for management by exposing misunderstandings to be addressed before the conflicts spin out of control. The goal of internal dispute resolution is to solve the problems at the lowest level possible, so that workplace disputes don't escalate into legal actions. In any situation, as part of a manager/employee relationship, the potential for a clash of motivations, fears, competencies, and communication styles is always present.

More flexible working relationship between employer and employees requires trust and confidence among employees and between employee and employer.

2.12.2. Legal framework of employee relation in Ethiopia

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

- Wage and other benefit.
- Establishments of new condition of work.
- The conclusion, amendment, duration and invalidation of collective agreement.
- The interpretation any provision of this proclamation, collective agreement or work rule.
- Procedure of employment and promotion of worker.
- Matter affecting the worker in general and the existence of undertaking
- Claim related to the reduction of workers is important matters that required interference of the government to resolve the dispute. Accordingly Ministry of Labor and Social Affairs is responsible for the assignment of conciliator who works to bring settlement of the case.

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

2.12.3. Collective bargaining and agreements in Ethiopian context

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

work as well as relation of employers and there with workers organization may be determined by collective agreement.

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

Morley, et.al (1988) asserted that respect and appreciation of employees derived from their co-workers and employers helps to determine the internal work environment. The term work environment encompasses many different aspects such as: physical work environment, management's attitude toward employees, and relationship with colleagues, and working conditions. And also examined that productivity bargaining involves a situation where both sides to gain something. The assumption is that employees agree to make changes that lead to more efficient and effective working. Improved efficiency will lead to economic growth, which will in turn afford increases in employee income. This changes the nature of negotiation, which in the past involved trade-off that is, one concession against another gain. Productivity bargaining may involve the following considerations:

Flexibility – employees can be moved around as demand dictates as opposed to being routed to one machine or system, which may at times stand idle.

Nature of work – elimination of the practices of demarcation, that is, where no one could do the work defined as that of another group.

Overtime – overtime can be used to keep staffing levels down, achieves more flexibility on labor hours. However overtime can be costly by reorganizing hours of work, output can be maintained at lower costs

Unlike traditional bargaining, productivity bargaining cannot guarantee a fixed increase in standard of living in the face of inflation, because by definition it is based on results to be obtained in the future. Productivity bargaining is based on integrative (or cooperative) bargaining assumptions, whereby each side has a vested interest in the same proposals, both the employer and the

employee benefit from the flexibility agreement. Such negotiations necessitate more openness and more information on which to base decisions. Productivity bargaining also presupposes joint control of working practices via joint problem solving procedures with neither side assuming a position of greater power of dictation.

2.13. Conceptual framework

A conceptual framework is an analytical tool with many descriptions and contexts. It is used to make conceptual distinctions and organize ideas by using diagrams or charts and the like.



Source: - Developed by the Researcher.

Chapter Three

Research Design and Methodology

3.1. Research Design

This study is aimed at investigating the practices and challenges of employee relations in CBE employees of Head office, South Addis Ababa district office and selected branches of South Addis Ababa district. Based on the nature of the study, descriptive survey was employed. This method enabled the researcher to examine the present situation and to identify some of the major practices and challenges in employees' relations. According to Creswell 2003, descriptive research studies designed to obtain pertinent and precise information based on the current status of phenomena and to draw conclusions from the fact observed. Therefore the researcher selected descriptive survey method to be relevant. Furthermore, the descriptive survey enabled the researcher to find out the solution for the existing problems in resolving the challenges of employee relations.

For the achievement of the objective of the study, data was collected from key informants. Both primary and secondary data sources were utilized in order to get sufficient information as an input for this research.

3.2. Research Approach

Research approach was selected based on the research purpose, the nature of the research, the problem area, and research questions and there are three basic types of research approaches including quantitative, qualitative, and mixed approach (Creswell, 2003).

Qualitative research is an approach for exploring and understanding the meaning of individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures, data typically collected in the participant's setting, data analysis inductively building from particulars to general themes, and the researcher makes interpretations of the meaning of the data. The final written report has a flexible structure (Creswell, 2003).

Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (Creswell, 2003). Mixed methods

research is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks. The core assumption of this form of inquiry is that the combination of qualitative and quantitative approaches provides a more complete understanding of a research problem than either approach alone (Creswell, 2003).

A mixed approach is useful to capture the best of both quantitative and qualitative approaches. Thus, in order to achieve the objective of this study and answer the research questions, mixed research approach was used. The concept of mixing different methods probably originated in 1959, when Campbell and Fiske used multiple methods to study validity of psychological traits. They encouraged others to employ their "multi-method" to examine multiple approaches to data collection in a study. This prompted others to use mixed method recognizing that all methods have limitations; researchers felt that biases inherent in any single method could neutralize or cancel the biases of other methods. Additional reason for using mixed approach types of data is the methods can serve a larger, transformative purpose to change and advocate for marginalized groups, such as women, ethnic or racial minorities, members of gay and lesbian communities, people with disabilities (Creswell, 2003).

3.3. Population and Sample Size Determination

Commercial Bank of Ethiopia has more than 1,230 branches and 33,564 employees across the country under 15 district offices, due to various constraints the study was only focused on Addis Ababa at Head office, South Addis Ababa district office and selected grade 3 and 4 branches under South Addis Ababa district. In Addis Ababa there are 4 district offices, these are North, South, East and West district offices. Among these district offices the South Addis Ababa district office is selected through simple random sampling technique, particularly through lottery method with the assumption that all the district offices have equal chance of being selected and to obtain representative sample. Under South Addis Ababa district there are 88 branches of grades 1, 2, 3 and 4. Among 88 branches, there are 53 grade 1 and 2 branches. These 53 branches are deliberately excluded from the research study with the reason that they are newly established and started operation since 2013 and also they lack experience compared to the old branches of grade 3 and 4. Out of 35 grade 3 and 4 branches only 6 branches are randomly selected because the ideal sample size of 5%-20% of a population is considered acceptable for most research purposes as it provides the ability to generalize for a population (Cresswell, 2003; Sekaran, 2003) and used as

data sources. The selected grade 3 and 4 branches in South Addis Ababa district are Lideta, Gofa sefer, Nifas silk, Jemo, Gofa gebriel, and Mexico branches (Kothari, 2004).

The sample size will be determined from total population. The total population of head office (824), South Addis Ababa district office (154), Branches under South Addis such as Lideta (56), Gofa sefer (67), Nifas silk (64), Jemo (54), Gofa gebriel (46), and Mexico (53). To select the representative samples from the total population, a probability sampling method will be used based on the following formula (Kothari, 2004).

$$n = \frac{Z^2 \cdot P \cdot q \cdot N}{e^2(N-1) + Z^2 \cdot P \cdot q}$$

$$n = \frac{(2.005)^2 \cdot 0.02 \cdot 0.98 \cdot 1,318}{(0.02)^2 \cdot (1,318-1) + (2.005)^2 \cdot 0.02 \cdot 0.98} \quad n = 172$$

Where, n=sample size

p=proportion of the population containing the major interest (0.02)

q=1-p

z = number of standard deviation at a given confidence level ($\alpha = 2.005$)

e = acceptable error (precision= 0.02) and

N= the total population size (1,318)

Based on the above formula, the sample size calculated for this study was 172. The researcher deemed necessary to take independent sample for each data source to ensure equal representation because each office has different number of employees. Therefore, the sample size for each respondent was calculated using proportion. The study used proportionate sample allocation formula so as to make each stratum sampled is identical with proportion of the population. Therefore, proportional sample size from each stratum is calculated by using the following formula.

$$ni = \frac{n \cdot Ni}{N} \quad \text{where, } Ni = \text{total number of employees in Head Office}$$

N = total number of all selected employees
ni = total sample size of selected units

$$ni = \frac{n \cdot Ni}{N} = ni = \frac{172 \cdot 824}{1,318} = ni = 108$$

$$n_i = \frac{154 \cdot 172}{1,318} = n_i = 20 \quad \text{and} \quad n_i = \frac{340 \cdot 172}{1,318} = n_i = 44$$

Table 1: Proportionate sample for each stratum

No.	Data Sources	Population	sample size
1.	Employees of Head office	824	108
2.	Employees of South Addis district office	154	20
3.	Employees of Branches under South Addis district	340	44
	Total	1318	172

By taking the above table in to consideration, the researcher selected 172 sample respondents from the total member of the respondents using proportional methods. Having selected such number of sample respondents, the questionnaire were distributed by using systematic random sampling method to get each respondent from each respondent's position based on sample frame (list of employees). This sampling technique will be chosen as it gives each member of population equal chance of being selected and homogeneity of population characteristics. Therefore, the researcher employed stratified sampling technique to get sample respondents' from the target population.

Sample size for qualitative research approach included selected managers, directors and officers at head and district offices purposively.

3.4. Instruments of Data Collection

Multiple data gathering techniques were used to collect data from the study area. Thus, Questionnaires, unstructured interviews and document analysis were employed to gather data. The study uses both primary and secondary data in order to get a view on the practices and challenges of employee relations in the selected offices and branches of CBE.

3.4.1. Questionnaires:

For primary data collection, questionnaire was taken as a preferable data-gathering tool for this research because of two reasons. It allows the researcher to collect information on facts and attitudes from a wide range of sources. Moreover, it is one of the most important tools to guide the

respondent since it gives clear choices to check. Two types of questionnaires (coded 1 & 2) were designed in English language and then were distributed to 172 samples of systematic sampling techniques were drawn from directors and managers of head office, district office, branch managers and as well as all officers of the bank. The questionnaire was distributed to all 172 respondents and the assumption is that responses were obtained from 1,318 employees i.e. 100 %. However, it was assumed that the returned questionnaires are largely important.

3.4.2. Interview:

Though questionnaires are considered as the major data gathering tool, unstructured interview with key informants like directors of the bank and department Heads will be interviewed in depth using unstructured questions during the working hours. The participants were selected through judgmental method because of their closeness to execute the issues.

3.4.3. Document Analysis

The researcher reviewed human resource management directory, annual reports of the bank, self-evaluation document and other essential documents. This review is believed to substantiate the data collected through interview and questionnaire.

3.5. Validity and Reliability test

Validity

Validity is the extent to which differences found with a measuring tool reflect true differences among respondents being tested. The purpose of validity in the study has been to seek relevant evidence that confirms the answers found with the measurement device which is the nature of the problem. The items are revised and improved according to the employee's expertise and advisors.

Validity - refers to the degree to which available evidence supports inferences made from scores on selection measures.

Content validity - confirming the fact that the items measure the content they were intended to measure. Related with this research, efforts by authors (subject matter experts) to establish validity was done and they confirmed the instrument was valid.

Reliability

The reliability of the scale which is how the collected data is free from random error is checked. Collected data is worthwhile only if they are recorded in accurate ways. For any measurement to be valid, it must first demonstrate reliability Zikmund, W. (1994). Cronbach's alpha is a statistic and generally used as a measure of internal consistency or reliability of a psychometric instrument. In other words, it measures how well a set of variables or items measures a single, one-dimensional latent aspect of individuals. In order to be reliable, the Cronbach's alpha should exceed the threshold of 70%. This indicates that there is a high degree of internal consistency amongst the test items. As a result, Cronbach's alpha which is a measure of internal consistency of the items included in the questionnaire to show a satisfying reliability, which is above 70% Zikmund, W. (1994).

3.6. Data Analysis Methods

Data analysis refers to the computation of certain measures along with searching pattern of relationship that exist among data group. In data processing, after collection of data, the questionnaires were edited to determine the degree of response and the number of usable questionnaires. The data were coded and then entered into a computer data sheet for analysis. The data analysis was done in the computer application known as, the Statistical Package for Social Sciences (SPSS) whereby the results were presented in the form of tables and pictures.

3.7. Ethical Consideration

The study is conducted by considering ethical responsibility. The researcher provided information to the respondents about the purpose of the study and the use of the information as well. Information gathering held in strict confidentiality by the research Respondents' and anonymity kept so that participants felt free and safe to express their ideas.

Chapter Four

4. Data Presentation, Analysis and Interpretation

In order to obtain relevant data for the study, a questionnaire was distributed for employee and management members of Commercial Bank of Ethiopia. Thus, a total of 172 questionnaires were distributed and 166(96%) were properly filled and returned. And the rest 6(4%) of questionnaires were not collected due to various reasons.

Unstructured interviews were also conducted with directors and district managers of Commercial Bank of Ethiopia. The data presentation and analysis is primarily based on responses of the employees and management members obtained through questionnaires and unstructured interviews. After the presentation of the demographic characteristics of the respondents, the study deals with presentation, analysis and interpretation of data collected from the questionnaire and interview. The responses for the unstructured interview were almost similar with that of the questionnaires distributed to the sampled respondents. So the presentation, analysis and interpretation of data collected from questionnaire were assumed enough. Moreover, the valid percentage, the percentage based on the actual respondents rather than the total sample size is used for the analysis. The responses of the respondents for the variables were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

4.1 Demographic Characteristics of the Respondents

Table 4.1 below depicted the demographic characteristics of the respondents. For the sake of simplicity the demographic characteristics of respondents which include age of employees, gender of employees, educational background of employees, marital status of employees, monthly income of employees, current position of employees and years of experience are presented.

Table 4.1 demographic characteristics of sampled respondents

Demographic Characteristics of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Age of employee	18-25	53	31.9	31.9	31.9
	26-35	90	54.2	54.2	86.1
	36-45	21	12.7	12.7	98.8
	46-55	2	1.2	1.2	100.0
	Total	166	100.0	100.0	
Gender of employees	female	80	51.8	51.8	51.8
	male	86	48.2	48.2	100.0
	Total	166	100.0	100.0	
educational background	diploma	14	8.4	8.4	8.4
	bachelor degree	135	81.3	81.3	89.8
	master degree	17	10.2	10.2	100.0
	Total	166	100.0	100.0	
Marital Status	never married	92	55.4	55.4	55.4
	married	66	39.8	39.8	95.2
	others	8	4.8	4.8	100.0
	Total	166	100.0	100.0	
monthly income	<4000	1	0.6	0.6	0.6
	4001-6000	51	30.7	30.7	31.3
	6001-8000	62	37.3	37.3	68.7
	8001-10000	31	18.7	18.7	87.3
	10001-12000	14	8.4	8.4	95.8
	12001-16000	5	3.0	3.0	98.8
	>16000	2	1.2	1.2	100.0
	Total	166	100.0	100.0	
current position	non managerial	125	75.3	75.3	75.3
	lower level manager	16	9.6	9.6	84.9
	middle level manager	15	9.1	9.1	94.0
	top level manager	10	6.0	6.0	100.0
	Total	166	100.0	100.0	
years of experience	<4	59	35.5	35.5	35.5
	[4, 7)	56	33.7	33.7	69.3
	[7, 10]	31	18.7	18.7	88.0
	>10	20	12.0	12.0	100.0
	Total	166	100.0	100.0	

Table 4.1 shows that among the sampled employees, the age distribution confirms that a substantial number of respondents found in age groups 26-35 (54.2%) and 18-25(31.9%) which are young and motivated to work. As to gender of employees, 86(48.2%) are male and 80(51.8%)

are female. As to the educational level, the total figure shows 81.3% and 10.2% of the respondents have academic qualifications of BA/BSc and master degree respectively which helped them to understand practices and challenges of employee relations. While 8.4% of respondents are diploma holders. Concerning the marital status of the employees, the table shows that 55.4% of respondents are never married, 39.8 are married and the rest are others such that married and divorced. As it is shown in the above table, most of the employees (37.3%) salaries fall between 6,001-8,000. From the table above, sample employees current positions indicate, the majority of the respondents 75.3% are working as a non-managerial position. Concerning to employees' service, a high proportion of respondents 35.5% are employees who work less than 4 years as indicated in the table 4.1.

4.2 Practices of Employee Relations

4.2.1, Team work

Table 4.2.1 responses of sampled respondents on practices of team work in CBE.

Team work					
		Frequency	Percent	Mean	Std. Deviation
I enjoy working with my colleagues	disagree	1	.6		
	neutral	29	17.5		
	agree	72	43.3		
	strongly agree	64	38.6		
	Total	166	100.0	4.20	0.74
		Frequency	Percent	Mean	Std. Deviation
I wish I could work with my colleagues for a longer period of time	disagree	3	1.8		
	neutral	32	19.3		
	agree	78	47.0		
	strongly agree	53	31.9		
	Total	166	100.0	4.09	0.76
		Frequency	Percent	Mean	Std. Deviation
My colleagues cooperate to get the work done.	disagree	2	1.2		
	neutral	49	29.5		
	agree	65	39.2		
	strongly agree	50	30.1		
	Total	166	100.0	3.98	0.81
		Frequency	Percent	Mean	Std. Deviation
My colleagues listen to my opinions or suggestions.	disagree	2	1.2		
	neutral	43	25.9		
	agree	74	44.6		
	strongly agree	46	28.3		
	Total	166	100.0	3.98	0.78
				4.06	0.77
Average mean					

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

Table 4.2.1 shows 81.9% of the respondents are agreed on the practices of team work by enjoying with their colleagues. On the other hand, 0.6% of the respondents believed as contrary and the remaining are neutral. Similarly, 69.3% of the respondents agreed that the practices of cooperation to get the work done represents successful. On the other hand, 1.2% of the respondents disagree on the cooperation in the work place and the remaining are neutral. Similarly, 72.9% of the respondents stated that their colleagues agree to listen opinions and suggestions. On the other hand, 1.2% of the respondents believed on the contrary, the remaining are neutral. Concerning to work with their colleagues for longer period of time, 78.9% of the respondents agreed to work. But 1.8% of respondents disagree and the rest are neutral.

Table 4.2.1 shows that, majority of the respondents agreed on team work which reveals 4.06 average mean values.

4.2.2, Trust and confidence among employees

Table 4.2.2 sampled respondents on the practices of trust and confidence among employees.

Trust and Confidence among employees					
		Frequency	Percent	Mean	Std. Deviation
I can trust my colleagues.	strongly disagree	2	1.2		
	neutral	45	27.1		
	agree	70	42.2		
	strongly agree	49	29.5		
	Total	166	100.0	3.99	0.82
		Frequency	Percent	Mean	Std. Deviation
At branches of CBE there is a feeling of trust and confidence	disagree	3	1.8		
	neutral	31	18.7		
	agree	76	45.8		
	strongly agree	56	33.7		
	Total	166	100.0	4.11	0.77
		Frequency	Percent	Mean	Std. Deviation
Employees working with one another are willing to trust each other	strongly disagree	1	.6		
	disagree	4	2.4		
	neutral	35	21.1		
	agree	82	49.4		
	strongly agree	44	26.5		
	Total	166	100.0	3.99	0.79
Average mean				4.03	0.79

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

As shown on table 4.2.2 most of the respondents agreed on the practices of trust and confidence among employees by 71.7%. But 1.2% of the respondents strongly disagree and the rest of the respondents are neutral. Similarly, there is a feeling of trust and confidence at branches of CBE by 79.5%. However, 1.8% of the respondents disagree on the issues and the rest are neutral. On the same way, respondents or employees are willing to trust each other as shown on the table 4.3 by 75.9% of their agreement. Contrary to this 0.6% of the respondents strongly disagree & the rest are neutral.

Table 4.2.2, shows that, most the respondents agreed on trust and confidence which reveals 4.03 average mean values.

4.2.3, Relationship between management and employees

Table 4.2.3 respondents on practices of relationship b/n management and employees

Relationship Between Management and Employees					
		Frequency	Percent	Mean	Std. Deviation
Management and employees exchange information each other	disagree	4	2.4		
	neutral	46	27.7		
	agree	63	38.0		
	strongly agree	53	31.9		
	Total	166	100.0	3.99	0.82
		Frequency	Percent	Mean	Std. Deviation
Management gives adequate time to discuss on current problems	disagree	3	1.8		
	neutral	44	26.5		
	agree	65	39.2		
	strongly agree	54	32.5		
	Total	166	100.0		
		Frequency	Percent	Mean	Std. Deviation
Managers make regular follow-up and feedback to employees	strongly disagree	1	0.6		
	disagree	7	4.2		
	neutral	36	21.7		
	agree	64	38.6		
	strongly agree	58	34.9		
	Total	166	100.0	4.02	0.82
		Frequency	Percent	Mean	Std. Deviation
Employees make decisions regarding change in work environment	strongly disagree	1	0.6		
	disagree	6	3.6		
	neutral	39	23.5		
	agree	73	44.0		
	strongly agree	47	28.3		
	Total	166	100.0	4.03	0.89
		Frequency	Percent	Mean	Std. Deviation

I wish I could work with my manager for a longer period of time.	disagree	5	3.0		
	neutral	40	24.1		
	agree	68	41.0		
	strongly agree	53	31.9		
	Total	166	100.0	3.96	0.85
	Average mean			4.00	0.84

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

According to the data on table 4.2.3, 69.9% of respondents agreed that there is information exchange between management and employees. Contrary to this 2.4% of respondents disagree and the remaining respondents are neutral. Similarly 71.7% of the respondents agreed management gives adequate time to discuss on current problems but 1.8% of respondents disagree on this and the remaining respondents are neutral. Similarly, 73.5% of respondents agree that managers make regular follow-up and feedback to employees but 0.6% of respondents disagree and the rest are neutral. On the same way, 72.3% of the respondents are willing to agree that employees make decisions regarding change in work environment but there are also 0.6% of respondents contrary to this issue. On the other hand, 72.9% of respondents wish to work with their manager for long period of time but there are also respondents of 3% who disagree and the remaining respondents are neutral.

Table 4.2.3, shows that, majority of the respondents agreed on the existence of good relationship between management and employees which reveals 4.00 average mean values.

4.2.4 Communication among management and employees

Table 4.2.4, sampled respondents on communication among management and employees

Communication among management and employees					
		Frequency	Percent	Mean	Std. Deviation
Communication medias are well organized for information sharing	disagree	6	3.6		
	neutral	37	22.3		
	agree	63	38.0		
	strongly agree	60	36.1		
	Total	166	100.0	4.07	0.85
		Frequency	Percent	Mean	Std. Deviation
CBE communicates it's vision to all employees	disagree	9	5.4		
	neutral	36	21.7		
	agree	67	40.4		
	strongly agree	54	32.5		
	Total	166	100.0	4.00	0.87

		Frequency	Percent	Mean	Std. Deviation
My manager gives me useful and constructive feedback.	disagree	5	3.0		
	neutral	37	22.3		
	agree	71	42.8		
	strongly agree	53	31.9		
	Total	166	100.0	4.04	0.82
		Frequency	Percent	Mean	Std. Deviation
CBE creates opportunities for discussions among employees	strongly disagree	1	0.6		
	disagree	8	4.8		
	neutral	44	26.5		
	agree	71	42.8		
	strongly agree	42	25.3		
	Total	166	100.0	3.87	0.87
		Frequency	Percent	Mean	Std. Deviation
My manager keeps me up-to-date on working procedures.	disagree	2	1.2		
	neutral	38	22.9		
	agree	77	46.4		
	strongly agree	49	29.5		
	Total	166	100.0	4.04	0.76
		Frequency	Percent	Mean	Std. Deviation
My manager listens to my suggestion.	strongly disagree	1	0.6		
	disagree	7	4.2		
	neutral	36	21.7		
	agree	75	45.2		
	strongly agree	47	28.3		
	Total	166	100.0	3.96	0.85
Average mean				4.00	0.84

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

According to the data on table 4.2.4, 74.1% of respondents agreed that communication Medias are well organized for information sharing. Contrary to this 3.6% of respondents disagree and the remaining respondents are neutral. Similarly, 62.9% of the respondents agreed CBE communicates its vision to all employees but 5.4% of respondents disagree on this and the remaining respondents are neutral. Similarly, 74.7% of respondents agree that their managers give them useful and constructive feedback but 3% of respondents disagree and the rest are neutral. On the same way, 68.1% of the respondents are willing to agree that CBE creates opportunities for discussions among employees but there are also 0.6% of respondents contrary or strongly disagree to this issue. On the other hand, 75.9% of respondents agree that their managers keep them up-to-date on working procedures but there are also respondents of 1.2% who disagree and the remaining respondents are neutral. Besides these, 73.5% of respondents agree that their managers listens their suggestions. There are also respondents of 0.6% 4.2%, who strongly disagree and disagree respectively and the rest of respondents are neutral.

Table 4.2.4, shows that, a large number of the respondents agreed in that there is good communication among management and employees which reveals 4.00 average mean values.

4.3 Challenges of Employee Relations

4.3.1, Fairness among employees

Table 4.3.1, sampled respondents on fairness among employees

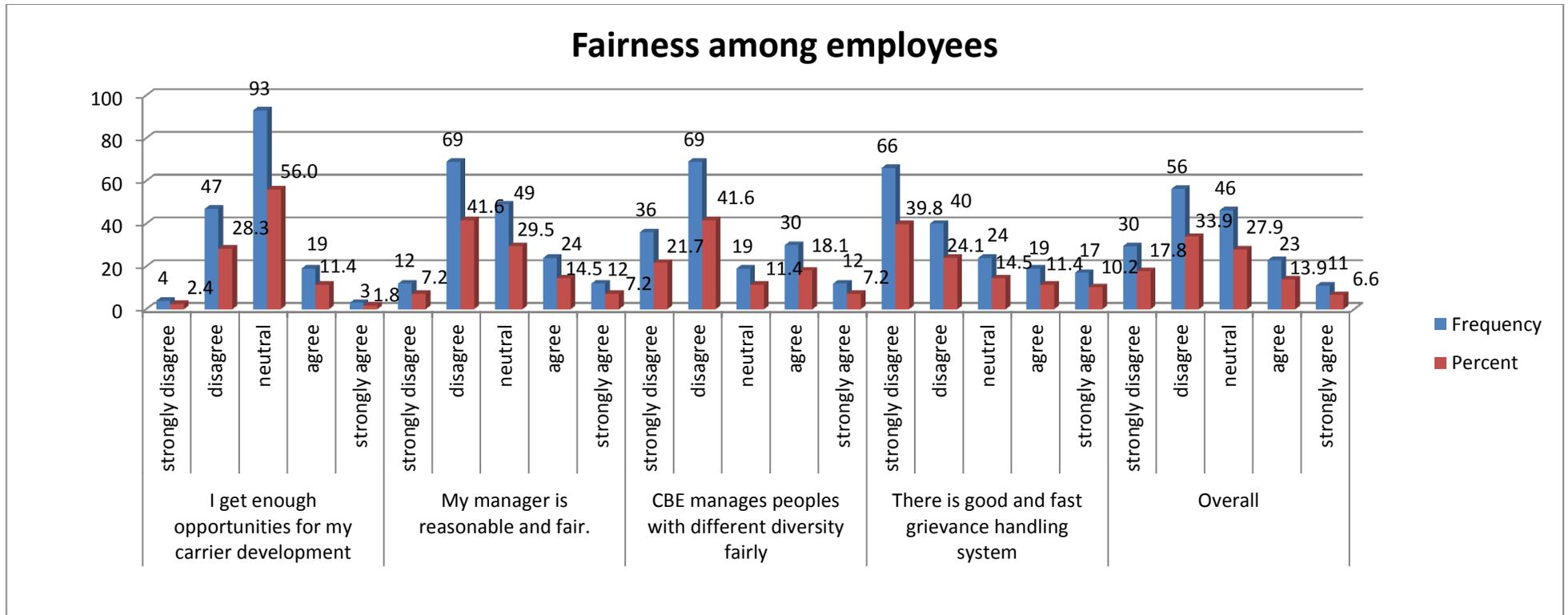
Fairness among employees					
		Frequency	Percent	Mean	Std. Deviation
I get enough opportunities for my carrier development	strongly disagree	4	2.4		
	disagree	47	28.3		
	neutral	93	56.0		
	agree	19	11.4		
	strongly agree	3	1.8		
	Total	166	100.0	2.82	0.73
		Frequency	Percent	Mean	Std. Deviation
My manager is reasonable and fair.	strongly disagree	12	7.2		
	disagree	69	41.6		
	neutral	49	29.5		
	agree	24	14.5		
	strongly agree	12	7.2		
	Total	166	100.0	2.73	1.04
		Frequency	Percent	Mean	Std. Deviation
CBE manages peoples with different diversity fairly	strongly disagree	36	21.7		
	disagree	69	41.6		
	neutral	19	11.4		
	agree	30	18.1		
	strongly agree	12	7.2		
	Total	166	100.0	2.48	1.22
		Frequency	Percent	Mean	Std. Deviation
There is good and fast grievance handling system	strongly disagree	66	39.8		
	disagree	40	24.1		
	neutral	24	14.5		
	agree	19	11.4		
	strongly agree	17	10.2		
	Total	166	100.0	2.28	1.36
				2.58	1.09
Average mean					

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

Table 4.3.1 shows 13.2% of the respondents assure that they get enough opportunities for their carrier development but contrary to this 56% of the respondents assure their neutrality and 30.7 of the respondents revealed their disagreement. On the other hand, about 21.7% of the respond-

ents confirmed that their managers are reasonable and fair but 29.5 % of the respondents replied that they are neutral on these issues and 48.8% of the respondents expressed their disagreement. Furthermore, about 25.3% of the respondents only agree that CBE manages peoples with different diversity fairly but 11.4% revealed their neutrality and 63.3% of the respondents expressed their disagreement. Beside these, only 21.6% of respondents expressed their agreement about good and fast grievance handling system but 63.9% of the respondents revealed their disagreement and the rest of the respondents are neutral as shown in the table 4.3.1.

Table 4.3.1, shows that, majority of the respondents disagreed on fairness among employees which reveals 2.58 average mean values.



Graph 4.1 shows the overall frequency and percent of respondents based on fairness among employees.

Table 4.3.1 and graph 4.1 are similar; as it is described in the table above there is no need to interpret the graph again. The only difference is the overall presentation of respondents. As it is shown in the graph 4.1, the overall scenario in the four factors of fairness showed 51.7% of respondents revealed their disagreement. On the other hand, 27.9% of respondents expressed that they are indifferent or neutral. The rest 20.5% of respondents showed their agreement.

4.3.2, Adequate knowledge among employees

Table 4.3.2, sampled respondents on adequate knowledge among employees

Adequate knowledge among employees					
		Frequency	Percent	Mean	Std. Deviation
Management strives to alleviate knowledge gap among employees.	strongly disagree	30	18.1		
	disagree	97	58.4		
	neutral	30	18.1		
	agree	3	1.8		
	strongly agree	6	3.6		
	Total	166	100.0	2.14	0.86
		Frequency	Percent	Mean	Std. Deviation
Managers provide the relevant information at the right time and place	strongly disagree	27	16.3		
	disagree	85	51.2		
	neutral	42	25.3		
	agree	8	4.8		
	strongly agree	4	2.4		
	Total	166	100.0	2.26	0.87
		Frequency	Percent	Mean	Std. Deviation
Knowledge and skills are acquired through team information sharing	strongly disagree	19	11.4		
	disagree	92	55.4		
	neutral	37	22.3		
	agree	12	7.2		
	strongly agree	6	3.6		
	Total	166	100.0	2.36	0.91
		Frequency	Percent	Mean	Std. Deviation
I know the statement of the vision, mission and objectives of the Bank	strongly disagree	25	15.1		
	disagree	82	49.4		
	neutral	43	25.9		
	agree	7	4.2		
	strongly agree	9	5.4		
	Total	166	100.0	2.36	0.97
				2.28	0.90
Average mean					

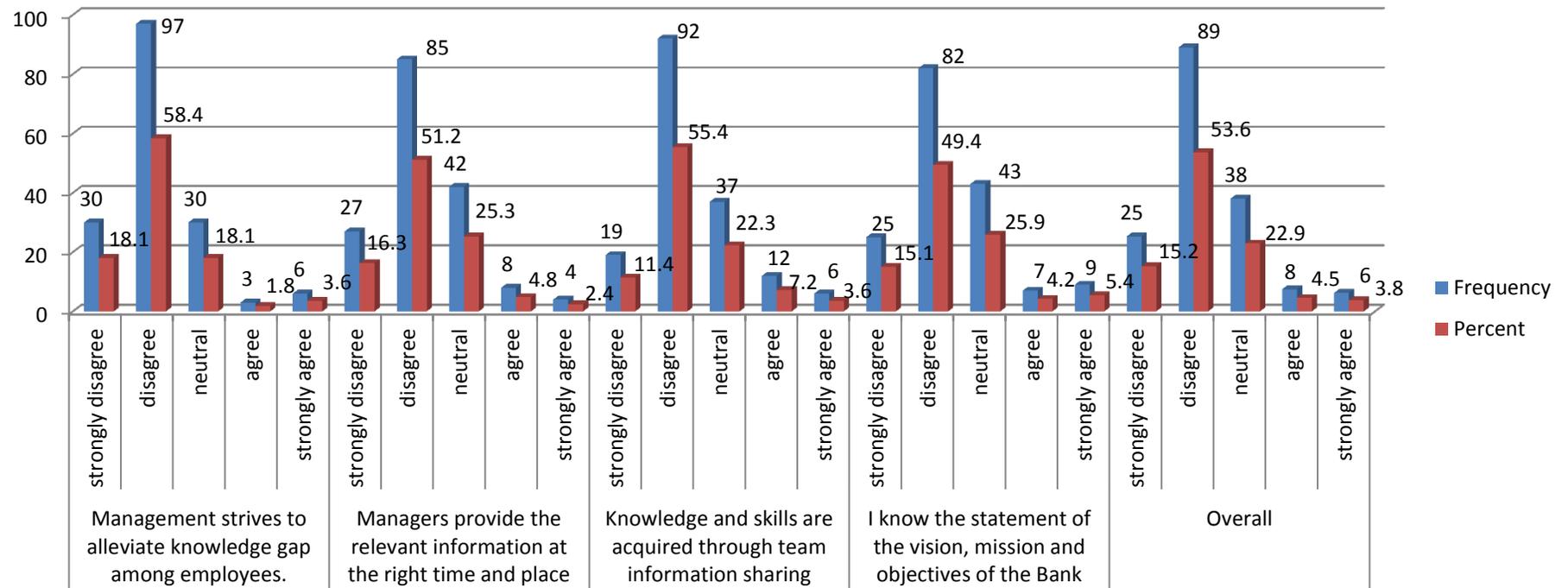
1=Strongly disagree, 2=Disagree, 3= Neutral, 4=Agree, 5=Strongly disagree

Table 4.3.2 shows 5.4% of the respondents assured that management strives to alleviate knowledge gap among employees but 18.1% of the respondents assured their neutrality and contrary to this 76.5% of the respondents revealed their disagreement. Likewise, about only 7.2% of the respondents confirmed that managers provide the relevant information at the right time and place but 25.3 % of the respondents replied that they are neutral on these issues and 67.5% of the respondents expressed their disagreement. Furthermore, about 10.8% of the respondents only agreed that knowledge and skills are acquired through team information sharing but 22.3% revealed their neutrality and 66.8% of the respondents expressed their disagreement. Beside these, only 9.6% of respondents expressed that they know the statement of the vision, mission and ob-

jectives of the Bank but 64.5% of the respondents revealed their disagreement and the rest of the respondents are neutral as shown in the table 4.7.

Table 4.3.2, shows that, majority of the respondents disagreed on adequate knowledge among employees which reveals 2.28 average mean values.

Adequate knowledge among employees



Graph 4.2 shows the overall frequency and percent of respondents based on adequate knowledge among employees.

Table 4.3.2 and graph 4.2 are similar; as it is described in the table above there is no need to interpret the graph again. The only difference is the overall presentation of respondents. As it is shown in the graph 4.2, the overall scenario in the four factors of adequate knowledge showed 68.8% of respondents revealed their disagreement. On the other hand, 22.9% of respondents expressed that they are indifferent or neutral. The rest 8.3% of respondents showed their agreement.

4.4 Employee relations among management and employees

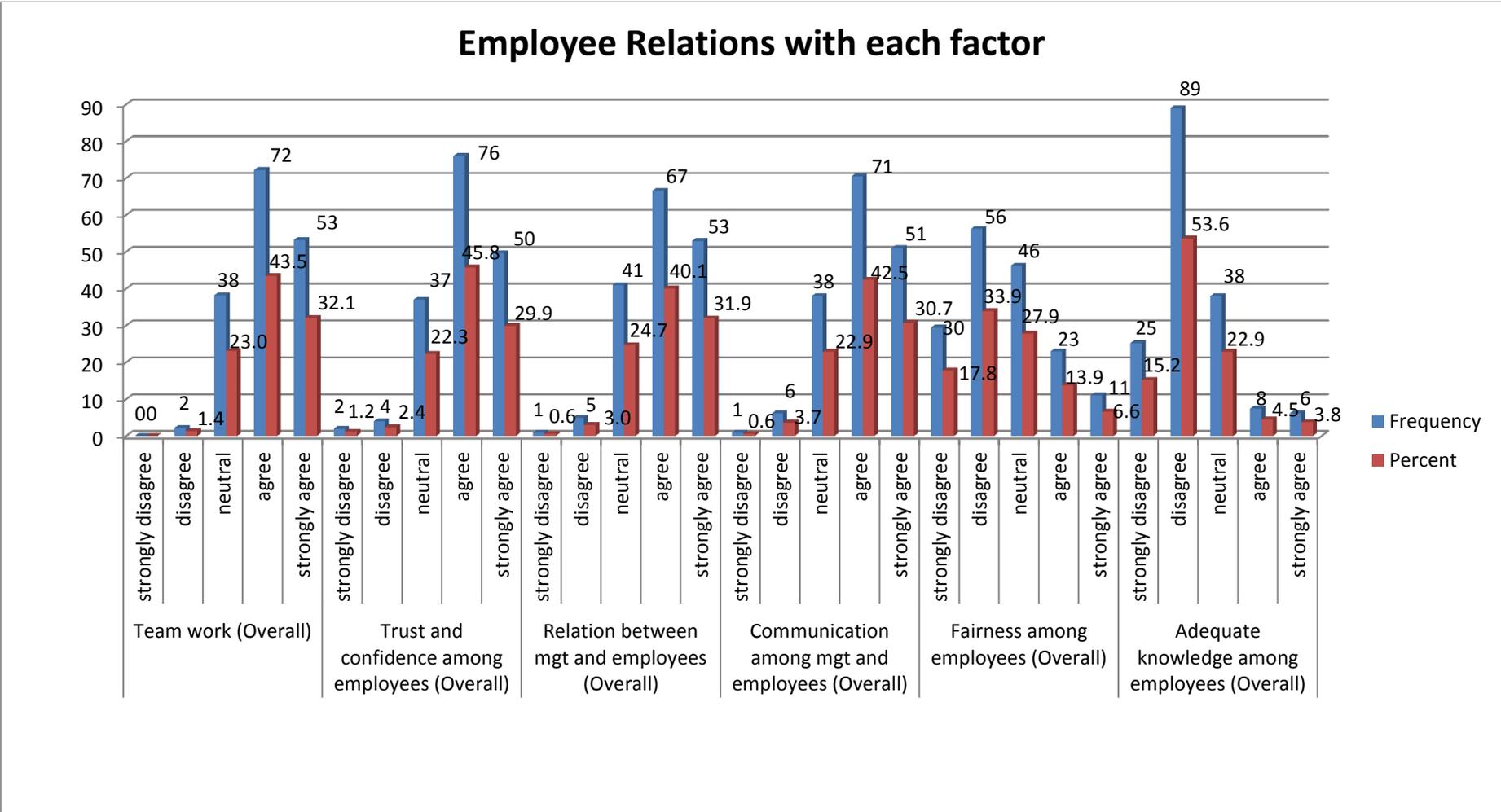
Table 4.4.1, sampled respondents on Employee Relations among employees & mgt

Employee Relations					
		Frequency	Percent	Mean	Std. Deviation
Managers create positive environment in which good relationship exist.	strongly disagree	1	0.6		
	disagree	12	7.2		
	neutral	51	30.7		
	agree	64	38.6		
	strongly agree	38	22.9		
	Total	166	100.0	3.76	0.91
		Frequency	Percent	Mean	Std. Deviation
Policies and procedures guide me in accomplishing my job in the bank.	strongly disagree	2	1.2		
	disagree	6	3.6		
	neutral	52	31.3		
	agree	66	39.8		
	strongly agree	40	24.1		
	Total	166	100.0	3.82	0.88
		Frequency	Percent	Mean	Std. Deviation
CBE holds meetings with employees for the purpose of improvement	strongly disagree	3	1.8		
	disagree	10	6.0		
	neutral	44	26.5		
	agree	60	36.1		
	strongly agree	49	29.5		
	Total	166	100.0	3.87	0.97
		Frequency	Percent	Mean	Std. Deviation
Employees sign collective agreement at the time of employment.	strongly disagree	2	1.2		
	disagree	13	7.8		
	neutral	56	33.7		
	agree	54	32.5		
	strongly agree	41	24.7		
	Total	166	100.0	3.72	0.95
		Frequency	Percent	Mean	Std. Deviation
Employees participate in work not directly related to their job	strongly disagree	8	4.8		
	disagree	3	1.8		
	neutral	55	33.1		
	agree	67	40.4		
	strongly agree	33	19.9		
	Total	166	100.0	3.69	0.97
				3.77	0.94
Average mean					

As depicted on table 4.4.1, 61.5% the respondents agreed that management create positive environment in which good relationship to exist but 7.8% revealed their disagreement and 30.7% of the respondents expressed that they are neutral. Similarly, 63.9% of respondents agreed that poli-

cies and procedures guide them in accomplishing their job in the bank but 4.8% of respondents showed their disagreement on the issue and the rest said they are neutral. In addition to these, 65.6% of respondents expressed their agreement about the meeting with the employees for the purpose of improvement but 7.8% of the respondents revealed their disagreement for holding regular meeting for the purpose of improvement and the rest of the respondents expressed that they are indifferent or neutral. On the other hand, 57.2% of the respondents agreed that they sign collective agreement with the bank for mutual benefit but 9% of the respondents expressed their disagreement that they didn't sign their collective agreement for their mutual benefit and the rest of the respondents such that 33.7% of respondents showed their neutrality. Furthermore, 60.3% of respondents agreed that they participate on the job which is not directly related to their job for the purpose of generalization of the job which means job rotation is effectively implemented in the bank for the generalization of the work but 6.6% of respondents are not agreed on this issue in the belief that they are working in the specific job for a longer period of time and 33.1% of the respondents are neutral in this scenario.

Table 4.4.1, shows that, majority of the respondents agreed on the existence of good employee relation between management and employees which reveals 3.77 average mean values.



Graph 4.3 shows the overall frequency and percent of respondents based on employee relations with each factor.

According to the data on graph 4.3, 75.6% of respondents agreed that there is team work collaboration among employees but only 1.4% of respondents disagree and the remaining respondents such that 23% of respondents are neutral. Similarly 75.7% of the respondents agreed that there is trust and confidence among employees working together in the bank but 3.6% of respondents disagree that there is no trust and confidence among employees and the remaining respondents such that 22.3% are neutral. On the other hand, 72% of respondents agree that there is relationship between management and employees in every aspect of the job for successful accomplishment but only 3.6% of respondents disagree in the relationship between management and employees and the rest of the respondents are neutral. On the same way, 73.2% of the respondents are expressed their agreement that communications among management and employees are well organized but there are only 4.3% of respondents are contrary or disagreed that there is no communication among management and employees for information sharing and the rest of the respondents are neutral in this issue. On the other hand, 51.7% of respondents expressed their disagreement on fairness among employees for their carrier development and related issues and there are also respondents of 27.9% respondents who are neutral to express their ideas concerning fairness and the remaining respondents such that 20.5% of the respondents are in agreement that there is fairness among employees working in the bank. Similarly, 68.8% of the respondents expressed their disagreement by saying that there is knowledge gap among employees to perform their job effectively within the specified time by everyone equally and 22.9% of the respondents are neutral about the adequate knowledge among employees but the rest of the respondents such that only 8.3% are indifferent or neutral on this issue.

In unstructured interview directors, district managers and other officers were asked about the practices and challenges of employee relations regarding team work, trust and confidence, relationship between management and employees, communication among management and employees, about fairness and knowledge gap among employees. They replied as most of them similar with questionnaires described above in the analysis part.

Chapter Five

5. Summary of findings, Conclusions and Recommendations

This chapter deals with the summary of major findings, the conclusion drawn from the findings and recommendations that the researcher suggests and assumes to be improved in Commercial Bank of Ethiopia.

5.1 Summary of Major Findings

The main purpose of the study was to assess the practices and challenges of employee relations in Commercial Bank Ethiopia. To this end, an attempt has been made to assess the dimensions of practices and challenges of employee relations in the Bank. Finally, the study made an effort to come up with suggestions and forwarded recommendations. In order to achieve the objective of the study, the following basic questions were stated and answered.

1. What are the current practices of employee relations in Commercial Bank of Ethiopia?
2. What are the major challenges that affect good employee relations among employees in commercial bank of Ethiopia?
3. Do the management and employees understand the importance of employee Relations?

The survey study with both quantitative and qualitative research approaches were employed in the study and the related literature was reviewed. In order to get answers for the above basic questions, among the target population of 1,318, the study was incorporated a total of 172 respondents by using simple random and stratified random sampling techniques. All the questionnaires were distributed to the respondents of non-managers, lower level managers, middle level managers and top level managers at branches and head office. Out of the distributed questionnaires more than 96% were completed and returned to the researcher. In addition, to supplement the information gathered through questionnaire, the unstructured interviews were undertaken with supervisors and directors at head office randomly, and also information from document analysis is used as supplementary as planned. Finally, the data were carefully collected, coded, and presented for analysis.

The researcher has come up with the following findings.

1. The largest proportion of the employees was composed of males with an age group that belongs to a young age group who are considered to be energetic and committed for the duty they are assigned to work. Most of them were found having first degree that is at least they are able to understand and explain clearly the practices and challenges of employee relations. The years of experience on the job is also found important in unveiling employees' exposure for different kinds of practices and challenges in the bank. The job status of the study showed that Non-managerial position holds the large share of the bank and the large majority of the employees are paid more than an average monthly salary which will in turn is found having a positive attitude on their employee relations.
2. The prevailing current practices of employee relations of Commercial Bank of Ethiopia are quite the same as hypothesized by the researcher. In these case, the majority of the respondents confirmed that they enjoy working with their colleagues and they wish to work with their colleagues for a longer period of time. In addition to these, they cooperate to get the work done and they also listen to their opinions and suggestions each other.
3. Majority of the respondents asserted that they trust their colleagues when working together in the bank and they have a belief of feeling of trust and confidence with each other. Furthermore, they are willing to trust each other when accomplishing their task.
4. Most of the respondents are in agreement that they exchange information with their manager in order to solve the current problems and they believed that their managers give adequate time to discuss on current problems. Similarly, they believed that their managers make regular follow-up and feedback to them and as well as they can make decisions regarding the change in their working environment. Furthermore, they are willing to work with their managers for a longer period of the time.
5. Most of the respondents expressed that communication Medias are well organized for information sharing and they believed that the bank also communicates the vision to all employees. The respondents also asserted that their managers give them useful and constructive feedback on time and the bank creates opportunities for discussions among the employees. In addition to these, they expressed that their managers keep them up-to-date in their working procedures and they believed that their managers listen to their opinions and suggestions.

6. Only about 13.2% of the respondents assured that they get enough opportunities for their carrier development and on the other hand, about 21.7% of the respondents confirmed that their managers are reasonable and fair. Furthermore, only about 25.3% of the respondents agreed that CBE manages peoples with different diversity fairly. Beside these, only 21.6% of respondents expressed their agreement about good and fast grievance handling system and the majority of the respondents revealed their disagreement and neutrality in good and fast grievance handling system.
7. The majority of respondents are in disagreement and neutral that the management of CBE strives to alleviate knowledge gap among employees and more than half of the respondents are indifferent or neutral and in disagreement that managers provide relevant information at the right time and place. In addition to these, still the majority are in disagreement that knowledge and skills are acquired through information sharing and again more than half of the respondents are in different or neutral and in disagreement that all of them know about the statement of vision, mission and the objectives of the bank.
8. Majority of the respondents agreed that management create positive environment in which good relationship to exist and similarly, more than half of respondents claim that policies and procedures guide them in accomplishing their job in the bank. In addition to these, almost all of respondents expressed their agreement about the meeting with the employees for the purpose of improvement with their managers. Besides these, the majority of the respondents agreed that they sign collective agreement with the bank for mutual benefit and still the more than half of the respondents claimed that they participate on the job which is not directly related to their job for the purpose of generalization of the job which means job rotation is effectively implemented in the bank for the generalization of the work.

5.2 conclusions

Based on the findings of the study, the researcher is able to conclude the following main points.

1. Effective employee relation calls for developing and putting best practice of employee relation and minimizes challenges of employee relation. Accordingly, CBE has good employee relation as it has been seen from the findings. In addition, the bank has also placed

the importance of employee relation for the management as well as the employees and these also created awareness of employee relations among employees as well as management.

2. Employee relation concerning individuals might arise out of the work situation. Understating employee relation practices might cause conflict and will adversely affect development of workable employee relation practice. Employee relation practices like team work, trust & confidence, relationship between management and employees are considered very important for employees' performance as well as satisfaction. In this case CBE has good employee relations practice according to the data collected.
3. Employee relation practice such as team work and collaboration has great contribution for the success of the bank. Good employee relation paves the way for the employees to solve their common problems and to come up with creative thinking as well as improving their performance and finally meeting the objectives of the bank. According to the data, CBE has the best team work and collaboration.
4. Addressing good employee relation will benefit an organization a lot. With this regard, CBE has good employee relation practice and its manifestation which includes team work, trust and confidence & relationship between management and employees and smooth communication as well as openness in the relationship between employees and management. In this case, the level of trust among employees and as well as management with employees in CBE is satisfactory according to the collected data.
5. Well organized communication Medias are the most important thing for information sharing among employees. Communication medias such as CBE portal, oracles, outlook, GIEOM, and others are very essential in order to grasp up-to-date information. CBE is well developed in all these channels of communication. As it has been seen from the findings, communication flow between employees and managers and also the existence of participatory meetings and discussions are found to be quite good and which created conducive environment in the day to day activities of the employees of CBE.
6. Fairness among employees in CBE is disagreed by a considerable number of respondents. A significant number of respondents indicated that they could not easily get enough opportunity for their carried development. According to the analysis of the findings, it is considered as employees challenge in employee relations such as carrier development, promotion, equal treatment of every employee have great contribution for the success of

the bank. Employee relation is the outcome of contract of employment and it has two parts; the rights and obligations of both parties. Placing less importance to either of them could be potential causes of conflict.

7. Adequate knowledge among employees is enhanced through providing relevant information to the employees at the right time and place. To this end, employees are also required to search for information which are useful to alleviate knowledge gap among themselves. From the response of the respondents it was understood that the level of adequate knowledge among employees was not in a good status. It has been seen that there is knowledge gap among employees to perform their job effectively within the specified time by everyone equally. It is revealed from the findings that there is no evenly distribution and provision of relevant information which is received by managers in order to alleviate knowledge gap among employees.
8. Organizations are working in a competitive and dynamic business environment. In this changing and competitive environment effective employee relation enables organizations to enhance common understanding about organizations strategies and objectives through aligning the employees to the organization (CBE especial Journal report June 2015). The Commercial Bank of Ethiopia (CBE) understanding the importance of effective employee relations develops various platforms to smooth the relationship, thereby creating a shared vision among staff. The relationship continuum indicates whether it is effective and based upon the positive values it has described and is characterized by the challenges. The relationship continuum in CBE is positive but there are limitations or challenges in the employee relation practice which are expressed by fairness among employees and adequate knowledge among employees.

5.3 Recommendations

Depending on the findings of the study and the conclusion derived so far, the following recommendations were forwarded to improve the practices and challenges of employee relations in Commercial Bank of Ethiopia.

1. Team work and collaboration which have been seen as good employee relations practice in CBE should be maintained and sustainable in order to achieve the objectives of the bank and to meet the needs of the bank effectively.

2. Trust and confidence play pivotal roles in effective employee relation practice. Thus, CBE has to exert maximum effort in maintaining and enhancing the current employee trust and confidence about their employment relationship with the bank.
3. Employee relation like working together, cordial work and council-management relationship is very essential in today's working environment. In this case, it has been seen from the findings, employees of CBE have access to the top management at every point of time and efforts are made to get good employee relation among employees. So, this good relationship between management and employees should be maintained.
4. Communication among employees within a particular organization is a crucial thing in the current environment. To this end, the respondents of CBE were in full agreement that the outlook and other on-line communication system have improved the communication and feedback system of the bank. This communication Medias are useful for the bank in to strengthen the electronic communication system for a better implementation of strategies of the bank. So this communication system need to be sustainable and maintained for the sake of the effective implementation of its plan and for the achievement of the strategic objectives CBE.
5. Identify and address gaps on internal communication for better understanding about their jobs and relevant bank procedures in order to alleviate knowledge gap among employees.
6. As it has been seen from the analysis of findings, fairness among employees needs to be improved for employees to get enough opportunity for their carrier development, for fair and reasonable promotion, for equal and fair treatment with different diversity and for their good and fast grievance handling system. As it is revealed in the findings, it is a big challenge for the employees of the Commercial Bank of Ethiopia to get promotion.
7. Adequate knowledge among employees is an important thing for employees working in a particular organization because now a day we are living a continuously changing and dynamic environment that directly or indirectly affect the organization. Particularly, banking institutions are affected by the rapidly changing information technology. Thus, the bank need to update its employees skills and knowledge through providing relevant information at the right time and place to alleviate knowledge gap among employees and to cope the employees with technological advancement and competitive environment and to achieve its pre stated short and long term goals. In order to alleviate knowledge gap among employees CBE must ensure the proper and timely accessibility of information to

employees working on various positions and provide regular short briefings on new updates and work related encounter for mutual learning. CBE should provide continuous induction to new entrants to have adequate knowledge among employees and also revise responsibility of each process or person in charge of handling and delivering required information to others.

8. As we have seen from the research findings, the employees CBE are comfortable with each other, share a good rapport and work in close coordination towards a common objective. They feel responsible and motivated to do good work and enjoy their work rather than taking it as a burden. It is important that the management of CBE should maintain and sustain these healthy employee relations at workplace to extract the best out of each individual. Competition is essential but it should not promote negativity or any kind of enmity among the employees.

5.4. Further Research Direction

- The coming researcher can study on the practices and challenges of employee relations in other organization like other banking industry, educational institution and manufacturing sector, because these sectors have huge investment towards team work, trust and confidence, relations between management and employees and communication.
- The coming researcher can give a better attention on fairness and adequate knowledge among employee because throughout this study these two factors are the major challenges that affect the overall performance of the bank.

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Appendix

Appendix I: Questionnaire for Employees of Commercial Bank of Ethiopia

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

MA-HUMAN RESOURCE MANAGEMENT

This questionnaire is designed to collect first-hand information for the Research conducted in partial fulfillment of Master degree in Human Resources Management under the title of **Practices and Challenges of Employee Relations in Commercial Bank of Ethiopia**. The completion of the research substantially depends on your cooperation and the information you give in this questionnaire. Furthermore, the information you provide will be solely used for academic purpose. Therefore, you are requested to give a genuine response to the questions. The survey will be confidential and will not be used for any other purpose other than this paper. Thank you for taking your treasured time to fill out the questionnaire. I appreciate your collaboration in advance.

PART 1: Personal Information

Please mark tick (√) on the box.

1. Age

18 - 25	<input type="checkbox"/>
26-35	<input type="checkbox"/>
36-45	<input type="checkbox"/>
46-55	<input type="checkbox"/>
55+	<input type="checkbox"/>

2. Gender

Male	<input type="checkbox"/>
Female	<input type="checkbox"/>

2. Educational Background

High School	
Diploma	
Bachelor degree	
Master degree	
Above Masters	

3. Marital Status

Never married	
Married	
Others	

4. Monthly Income you earn (Ethiopian Birr) (all extra allowances included):

Less than 4,000	
4,001 – 6,000	
6,001 – 8,000	
8,001-10,000	
10,001-12,000	
12,001- 16,000	
Above 16,000	

6. Current Position: _____

7. Specify how long you have been working with this organization: _____ years.

PART 2: The Following Questions are presented on a five point Likert Scale. Such as

SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Please circle the number on the box that closely represents your feelings.

NO.	Items	SA	A	N	D	SD
A. Team work						
1.	I enjoy working with my colleagues.	5	4	3	2	1
2.	I wish I could work with my colleagues for a longer period of time.	5	4	3	2	1
3.	My colleagues cooperate to get the work done.	5	4	3	2	1
4.	My colleagues listen to my opinions or suggestions.	5	4	3	2	1
B. Trust & Confidence among Employees						
5.	I can trust my colleagues.	5	4	3	2	1
6.	At branches of CBE there is a feeling of trust and confidence	5	4	3	2	1
7.	Employees working with one another are willing to trust each other	5	4	3	2	1
C. Relationship between management and employees						
8.	Management and employees exchange information each other	5	4	3	2	1
9.	Management gives adequate time to discuss on current problems	5	4	3	2	1
10.	Managers make regular follow-up and feedback to employees	5	4	3	2	1
11.	Employees make decisions regarding change in work environment	5	4	3	2	1
12.	I wish I could work with my manager for a longer period of time.	5	4	3	2	1
D. Communication among management & employees						
13.	Communication medias are well organized for information sharing	5	4	3	2	1
14.	CBE communicates it's vision to all employees	5	4	3	2	1
15.	My manager gives me useful and constructive feedback.	5	4	3	2	1
16.	CBE creates opportunities for discussions among employees	5	4	3	2	1

17.	My manager keeps me up-to-date on working procedures.	5	4	3	2	1
18.	My manager listens to my suggestion.	5	4	3	2	1
E. Fairness						
19.	I get enough opportunities for my carrier development	5	4	3	2	1
20.	My manager is reasonable and fair.	5	4	3	2	1
21.	CBE manages peoples with different diversity fairly	5	4	3	2	1
22.	There is good and fast grievance handling system	5	4	3	2	1
F. Adequate knowledge among employees						
23.	Management strives to alleviate knowledge gap among employees.	5	4	3	2	1
24.	Managers provide the relevant information at the right time and place	5	4	3	2	1
25.	Knowledge and skills are acquired through team information sharing	5	4	3	2	1
26.	I know the statement of the vision, mission and objectives of the Bank	5	4	3	2	1
G. Employee Relations						
27.	Managers create positive environment in which good relationship exist.	5	4	3	2	1
28.	Policies and procedures guide me in accomplishing my job in the bank.	5	4	3	2	1
29.	CBE holds meetings with employees for the purpose of improvement	5	4	3	2	1
30.	Employees sign collective agreement at the time of employment.	5	4	3	2	1
31.	Employees participate in work not directly related to their job	5	4	3	2	1

Part 4: Interview prepared for Directors and District Managers.

1. What efforts have been made to improve the current practice?
2. What are the challenges that CBE might face with respect to employee relations?
3. What feasible approaches do you suggest to resolve employee relations challenge?
4. What are the prevailing current practices concerning employee relations?