



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE ROLE OF LABOR UNION ON EFFECTIVE INDUSTRIAL
RELATIONS: THE CASE OF EQUATORIAL BUSINESS GROUP**

BIRUKTAWIT LULE

ID No- SGS/0137/2013A

July, 2022

Addis Ababa, Ethiopia

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DECLARATION

I, the undersigned, declare that this thesis represents my ideas in my own work, under the guidance of Dr. Taye Amogne. The thesis have adequately acknowledged, cited and referenced the original sources, for the included ideas or words of others. I have also declared that this thesis has not been presented for a degree in any other university.

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July, 2020

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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July, 2022

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Acronyms

EBG -	Equatorial Business Group
SPPSS -	Statistical Package for Social Science
ISO -	International Organization for Standardization
CELU -	Confederation of Ethiopian Labor Unions
AETU -	All Ethiopia Trade Union
AATU -	Addis Ababa Trade Union
HRM -	Human Resource Management

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Abstract

Labor union are expected to have a great role in safeguarding employees interest and creating effective industrial relation, However in most cases they fail to achieve this and encounter many challenges in their functioning. The main objective of this thesis is to assess the role of labor union in creating effective industrial relation in the case of Equatorial Business Group PLC and provide critical recommendation for improvement. A descriptive research by using both quantitative & qualitative methods were done. 211 employees (member & nonmember of the union) were taken as a sample by using stratified sampling methods and were asked to complete a self-administrated questionnaires with 45 Likert scale questions. A face-to-face interview was conducted with the labor union leader and the organization managers. The internal consistency and reliability of the questions were tested and showed a strong consistency. To analyze quantitative data descriptive statistics such as percentages, frequencies and mean were employed by using SPSS software. Based on the major finding the role of labor union in creating effective industrial relation is found to be weak and basically fails to protect and promote employees' interests, the collective agreement is not effective in playing its function and the knowledge and attitude of employees and management towards both the labor union and industrial relation is moderately good. The major challenges of the labor union are found to be management influence, lack of strong and skilled union managers as well as manpower and the lack of support from the employees. The research conclude that the union is not playing its role properly and face a considerable amount of challenges and recommended future directions to improve the union and its challenging situations. Therefore, the researcher recommends the responsible bodies to use the findings of the research to further enhance the practice of the union to create effective industrial relation.

Key words: Labor Union, Industrial Relation, Collective Bargaining, Collective agreement

Chapter one

Introduction

1.1. Background of the Study

Industrial relations is based on a tripartite relationship, that is, between employers, Labor unions (workers), and government. According to Ethiopian Labor proclamation law employer means a person or an organization who employs one or more person according to the sated contract of employment while employee means a person who has an employment relationship with an employer. The employment relationship start with an agreement by an employee to provide skill and effort to the employer in return for a salary or a wage provided by employer on a legal contract. Relations between employer and employees center on negotiation process, while the government provides the enabling environment for the purpose of economic growth and industrial peace in the form of legislation, administrative directives and providing supervisory board. (Eneya, A. N., 2013)

In this relation it is the employer that has the power to dictate the contractual terms unless they have been fixed by collective bargaining. Individuals have little scope to vary the terms of the contract imposed upon them by employers, which leads to conflicts of interest between employers that want to control all types of employees and the employees who want to maintain their rights to ‘a fair day’s pay for a fair day’s work’. (Armstrong, M., 2009)

To manage the conflict of interest between the employer and employees and as a way to gather the voice of the individual employee’s labor unions have been formed as legal representatives of workers. Their roles are to represent the interests of their members in the workplace, negotiate employment wage ranges, annual pay increases, and benefits for all members, establish policies and procedures for hiring, promotion, termination, other employment actions, grievances, and due process. The negative effects of workplace conflict can include work disruptions, decreased productivity, project failure, absenteeism, turnover and termination. Emotional stress can be both a cause and an effect of workplace conflict (Ivancevich, 2008).

Peaceful industrial relations is the source of productivity and improved performance and is a function of economic conditions, competitive dynamics, political situations, the regulatory system,

employer-employee relations and many other environmental factors. The term 'industrial relations' is used in a general sense to describe the formal relationships between employers and labor unions or other collective groupings of employees, together with the institutional arrangements that arise from these relationships. Tyson, S. (2014). It looks at organization, leadership and control, from employer and employee perspectives and study how employees are managed, how they would like to be managed, how and why conflicts arise and how these can be resolved at work between labor union collective bargaining agents. (Armstrong: 2008)

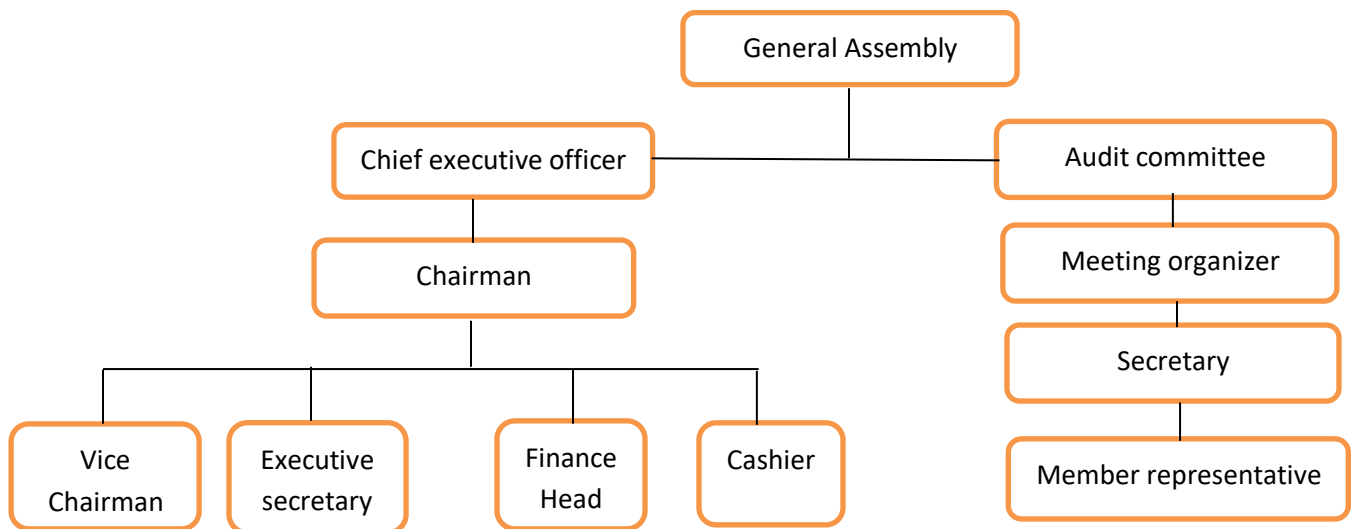
This study focus on the labor union of equatorial business group as a case study using the observation the researcher done on the organization as initiation. Lately there can be observed different problems in the organization like lack of communication and trust between management and employees, lack of motivation or commitments, high employee turnover, inability and unwillingness to handle grievance, decrease in profitability and performance of the organization and in general there is weak industrial relation. As it clearly can be seen from different literatures done on the concept of industrial relations and labor unions, the labor union is one of the main actor in this relation. Therefore in this research the role the labor union is playing in improving the industrial relations are investigated as well as the value of the collective agreement to this relation, the perception and attitude of the both management and employees of the labor union, and the challenges it is facing are researched.

Equatorial Business Group PLC was established in 1993 G.C by three investors, all of them are brothers of Sheikh Mohammed Hussein Ali Al-Amoudi. It is involved in four major sectors namely, Automotive Engineering, Energy Systems, Telecom and IT, Pharmaceuticals and Medical Supplies including Veterinary. It also introduced a good management systems specially the implementation of ISO 9001-2015 and ISO 14,000 series. (ABD-Consult, 2015).

EBG's Labor union was established on April 29, 2015 G.C with a member of 87 employees after conducting a meeting initiated by the organization. Currently there are 123 members out of 445 permanent employees which were marked by a trend of members leaving and others joining in the process. The union's mission is to safeguard the rights, benefits and safety of its members by fulfilling their social and cultural interests for higher productivity. Its main functions and responsibilities as stated on written law of the union are as follows:

- To make all employees a member of the union as much as possible
- To represent the members in every way.
- To help in securing the rights and benefits of the members
- To create awareness of laws and regulations formulated for the occupational safety and health.
- To participate in the organizations decisions and activates.
- To bargain with the organization by representing its members according to the right granted by law.
- To represent its members around grievance handling organizations in arguments and payment settlements.
- To collect membership fee accordingly and transferring the share of the federations in time.

Figure 1-1 Organizational structure of EBG's labor union



1.2. Statement of the Problem

Peaceful industrial relations is the source of productivity and improved performance and is a function of economic conditions, competitive dynamics, political situations, the regulatory system, employer-employee relations and many other environmental factors. As employers and employees each tries to maximize the benefits obtained from the work, they have conflicting interests. As a result, conflict is a common practice. While some conflicts can be controlled and resolved

peacefully, others may go beyond the organizational boundary and get handled by court. There are times where this conflicts cause great instability and decline in productivity and profitability. Antagonistic attitudes between unions and management and other labor problems contribute to the occurrence of such situations in the workplace. Nesro, M. (2006)

Unions function as legal representatives of workers in many industries and are a way for the workers to have a voice within an organization. In the past, unions not only fought for better working conditions for employees but also higher wages and benefits. Because of these and similar issues, unions and management were, and sometimes still are, on different sides of the labor bargaining table.(Ann Gilley, Jerry W. Gilley, Scott A. Quatro, and Pamela Dixon, 2009).

Labor unions are the main power source of working people. The power in this collectivity of workers can promote the resolution of a variety of problems faced by the workforce. The main function of a labor union is to 'regulate the terms and conditions of employment of workers'. The end result of labor unions is that the individual employee and employer hands over their freedom to regulate and bargain to their unions because the unions are in a position of strength to bargain for their collective membership. (Okolie, C. N., 2010).

Labor unions are faced with different obstacles from both the employers and the employee (members and non-members) themselves. The employers or managers fear that the union will move against it to satisfy the employee interest and be as obstacle to enterprise's profit objective therefore they take their own effort starting from blocking their establishment to influencing its decisions and not allowing involvement in organizational decision makings. This will affect its power and demotivate employees from being a member. In the past experience, the government usually consider labor unions as a threat to its power as a result made formation of unions difficult by either not allowing their establishment or affecting their independence in one way or another. Employee themselves have some negative feeling towards unions believing unions are either created or imposed upon them not to protect them but to serve the management without having their own power or independence.

The research gap that leads to this research is the contribution or the role the labor union play in creating effective industrial relation did not receive much attention which leads to the lack of improvement in weak industrial relationship in most workplaces especially in our country. In

addition when looking at previous researches most researches neglect the effect of the knowledge and attitude of employees and managers towards labor unions and industrial relation has in creating effective industrial relation. The challenges of the labor union needs also a better attention therefore this research tries to include this concepts to give a general awareness of the topic in the selected case study.

In addition to the research gaps mainly practical gaps in equatorial Business Group was also used as a research initiation. The researcher observed that the union has been termed as very weak and almost nonexistent especially by the employees, a lack of communication and trust between the management and the employee, unequal treatment, unpracticed grievance handling procedure, high employee turnover, profit and productivity decrease and low motivation and commitment all of which are a sign of weak industrial relation. The existence of this problem is affecting the organization and employees in general, the organization is losing its highly competent employees and also lose the motivation and dedication in the existing employees. The employees on the other hand lose their right to better wage and salary, growth and job satisfaction.

Therefore, as one of the purpose of a research is to solve real life problems the researcher believes that by studying this area the organization and the labor union can understand the position they are in in terms of building an effective industrial relation which can benefit the organization to be productive and help employees fulfill their interests and benefits. In addition the research showed what has caused the problem and how to overcome them and create the desired environment.

1.3. Research Questions

This research attempted to answer the following research questions:

1. How is the collective agreement serving the employees and organization of EBG?
2. What are the managers and employees perception and attitude towards their labor union and industrial relation?
3. How is the labor union playing its role in creating effective industrial relations?
4. What are the challenges the union face in performing its role?

1.4. Objectives

1.4.1. General Objective

Generally, the objective of this study is to assess the actual role the labor union at EBG is currently playing to create and sustain an effective industrial relation that is both favorable to employee as well as employers interest.

1.4.2. Specific Objectives

The study, by keeping the above generally stated objective in mind, has the following specific aims and objectives;

1. To investigate how the collective agreement serve the employees and organization of EBG
2. To examine the knowledge & attitude of employees & management towards their labor union and industrial relation.
3. To investigate labor union's role in creating effective industrial relations.
4. To investigate the challenges the labor union faced in performing its role towards industrial relation.

1.5. Significance of the Study

The significance of the study can be summarized in its contribution mainly to four parties. First for the labor union the research provide an insight on the union's strength and weakness so that they can take the proper measure to overcome their drawbacks, continue with their strength and use opportunities for further improvement. Second for the organization the research show the status the union is found in, what way it can support it to benefit both its employees and itself by working on the gaps and problems for better industrial relationship. Third For the employees of EBG as they participate in this research by answering provided questions they will have more awareness about the union, their rights and duties as well as the problems the union is facing to help it to improve for better. Fourth for further researches it can serves as a background and springboard to approach this and other problems related to the topic from a different perspectives.

1.6. Scope of the Study

The general purpose of the study is to help improve equatorial business group's labor union by researching its role on the organization specifically on creating an effective industrial relation and

the challenges it was facing to recommend a scientific solution based on the data collected. The samples and population are selected from the management and employees of EBG as they have a direct relation with the case. The study focused only on the listed research questions and adds no more. The geographical scope of the study is Addis Ababa, Ethiopia saris abo area where the specified case Equatorial business Group is found.

1.7. Limitations of the Study

As there are very few documents available regarding the development of labor unions in Ethiopia as well as in the case being studied past definition were limited to the only source to be found. The willingness and commitment of the samples selected limited the result of the study as well. Even though there are previous researches that are done on the subject the fact that they all are done in different organization forced the study to do a further analysis. The available time were also another factor that limit the depth of the research.

1.8. Organization of the Study

The thesis includes 5 chapter in which, the first chapter contains introduction part, which contains background of the study, statement of the problem, research questions, and objective of the study, signification of the study, hypothesis and it discusses the scope and limitations of the study. Chapter two presented relevant literature related to the role of labor union maintaining good employment relations. Chapter three described the study area and explained the methodologies used for data collection, and data analysis. Chapter four presented the main result of the study and the discussion of the results. Chapter five presented Conclusions from the study, a summary of findings and recommendations.

Chapter Two

Literature Review

2.1. Concepts of Labor Union

The term “union” has belived to have its roots from the Latin word “syndicus” and the Greek one “sundikos”, both of which referring to a person who officially assists somebody in justice. Labor unions stand for the practice of fundamental right to association and an important piece in the process of establishing the uprightness between social partners. (Bălăneasa & Manolescu, 2009). Labor or labor unions can be described as organized groupings of wage and salary earners with the purpose of bringing to bear the economic, social and political interests of their members in labor relations and the political system. (Schillinger, H, 2005)

As defined by (DeCenzo & Robbins, 2010) Labor unions were founded and exist today to assist workers in dealing with the management of an organization. As the certified third-party representative, the union acts on behalf of its members to secure wages, hours, and other terms and conditions of employment. They also promote and foster what is called grievance procedure, or a specified process for resolving differences between workers and management.

Unions function as legal representatives of workers in many industries and are a way for the workers to have a voice within an organization. In the past, unions not only fought for better working conditions for employees but also higher wages and benefits. Because of these and similar issues, unions and management were, and sometimes still are, on different sides of the labor bargaining table. (Ann Gilley, Jerry W. Gilley, Scott A. Quatro, and Pamela Dixon, 2009).

Pencavel, J. H. (1995) argues that ultimately, improving workers' standard of living requires growth in productivity. Raising a worker's earnings by redistributing income from profits, dividends, and interest cannot sustain a persistent rise in earnings and mandating or encouraging high wage policies discourages the economic growth that is the ultimate durable source of improvements in workers' living standards.

Therefore, Unions can help raise productivity in the workplace by participating with management in the search for better ways of organizing production. It is important for workers not to feel

alienated from the system and to believe they have a stake in it. They value the fact that they or their agents help to shape the working environment. Governments' main responsibility in labor relations is to set up the regulations that underpin labor market bear no relation to a firm's economic circumstances, but interactions, including the legal framework for unions and collective bargaining. That legal framework should neither encourage nor discourage unionism, but should keep the activities of unions in the domain where they can be productive. (Pencavel, J. H., 1995)

The Constitution of Ethiopia on art. 9 puts that “trade unions, employers’ associations and occupational associations appear and develop their activity by the law, according to their rules. They contribute to defending the rights and promoting their members occupational, economic and social interests”; in the same way the Labour Code art. 217 line 1 states “trade unions represent independent legal person, without patrimonial interest, formed for defending and promoting collective and individual rights, and also the occupational, economic, social, cultural and athletic interests of its members”.

According to Shrestha, B. (2012) the general features of labor unions are:

- Association of employees or employers of independent workers.
- Labor union is a permanent formation of workers therefore it is not casual.
- Labor union mostly emphasizes joint, coordinated actions and collective bargaining.
- It is formed to protect and promote all kinds of interests –economic, political and social-of its members. The dominant interest with which a union is concerned is, however, economic.
- It achieves its objectives through collective action and group effort. Negotiations and collective bargaining are the tools for accomplishing objectives.

2.1.1 History of Labor Unions in Ethiopia

In report of international labor organizations the history of labor unions in Ethiopia have started 40-50 years ago. Before the formation of unions the worker’s movement was through corporative organizations like “ekub” and “edir”, local self-help societies that provide services and help and protection of the interest of their members. The formation of Ethiopian labor union was initiated by the workers who started being organized as a resistance to foreign employers who dominated the economy at the times and trying to operate in modes of the colonial era. (Assefa, 2003).

One of the first worker's organization that is somewhat similar to the modern labor union was "Franco-Ethiopian Railway Company Workers' Association", founded in 1947. However unions only started to be registered under the Civil Code (Civil Code Proclamation, No. 165/1960) after 1961. The first formal labor law (on collective Labor relations) was established with the "Labor Relations Proclamation No. 210/1963" in 1963. The 1963 Labor Relations proclamation created an important landmark in the history of labor unionism in the country as it gave legal recognition to unions. This proclamation has believed to recognize the rights of associations of employers and workers also the system of collective bargaining, and it provide a set up for the settlement of labor disputes- the labor relation board. One requirement set by law for the recognition of unions was clearance and registration by the registrar of unions. Consecutively in the same year the "Federation of Employers of Ethiopia" were founded, and in 1994 the "confederation of Ethiopian Labor unions (CELU)" were founded. Proclamation No.42/1993 was developed in the post-socialist time, marking the overcoming of the centralized state economy towards a market oriented pluralistic society which was amended by proclamation No 88/1994). From 1963 until the downfall of the feudal regime, plant unions were directly organized under one confederation, the Confederation of Ethiopian Labor Unions (CELU). (Sommer, M. M., 2003)

In December 1975, a new law embracing socialist principles was enacted by the Dergue regime, which claimed to be a protagonist of the interests of the working class. Unions were formed on the basis of the particular industry to which workers belonged, e.g., manufacturing, construction etc. At the apex of the structure the —All Ethiopia Trade Union (AETU) was formed in 1976 by a congress constituted by representatives of territorial and industrial unions. Without much delay the regime resorted to controlling union affairs under the pretext of giving protection to the working class from its —traditional foes. This resulted in making labor unions extensions of government institutions. Unions were increasingly involved in paving the way for enforcement of government rules and regulations without having any independent stand of their own. The history of labor unionism in Ethiopia has always been about unionism in private and state owned establishments. Public servants have never acquired legislative rights to organize and bargain. (Assefa, 2003)

Historically, the public service took the lead in providing privileges, rights and amenities to its work force. Position classification, standardization of wages and pension rights preceded comparative advantages in the private sector. Selection for job openings and advancements were

based on merit under the civil service laws (since 1963) and workers in establishments governed by these laws also gained protection against unfair discharge. Thus, there was no urgency or urgent need for being organized. Moreover, government's attitude towards unionization of public servants has never been favorable (Assefa, 2003).

In Ethiopia labor management relation is governed by provisions of labor proclamation No 377/2003. Some important points from Ethiopia labor Law, proclamation No 377/2003:

On this proclamation, Part Eight, Collective Relations, Chapter One;

Article 113. The Right to Form Organizations

1) Workers and employers shall have the right to establish and form trade unions or employers' associations, respectively and actively participate therein.

Article 114. Formation of Organizations

1. A trade union may be established in an undertaking where the number of workers is ten or more; provided however that the number of members of the union shall not be less than ten.
2. Workers who work in undertakings which have less than ten workers may form a general trade union, provided, however, that the number of the members of the union shall not be less than ten.

Article 115. Functions of organizations: organizations shall have the following functions

1. Observe the conditions of work and fulfill the obligations set forth in this proclamation; respect the rights and interests of members in particular, represent members in collective negotiations and labor disputes before the competent body when so requested or delegated;
2. Ensure that laws regulations, directives and statements are known to, be observed and implemented by members;
3. Initiate laws and regulations pertaining employers and workers; participate actively during their preparations and amendments;
4. Discharge other functions provided for in the constitutions of the organization.

2.1.2 Role of a Labor Union

Labor union in the industrial sector fight for better wages, reasonable hours and safer working conditions. The main purpose of labor unions is to give workers the power to negotiate for more favorable working conditions and other benefits through collective bargaining. To maintain the interests of members, labor unions must be strong in bargaining and negotiating with management or employers. On the other hand, the roles of labor unions go beyond collective bargaining. Union membership provides a number of advantages to workers. Unions negotiate wages & benefits for their members and seek to provide them job security, social affiliation, training & development, and the opportunity to exert political influence. And, these are the most important roles of unions (Anthony, Kacmar & Perrewe, 2010).

Labor unions reason for being is to re-establish the power balance between employers and employees (Armstrong, 2001), gathering their voice to make their grievances heard. Unions usually works to balance the power between the employee and employer in sustaining a better industrial relation. Unions role basically include their participation with management on decision making on matters affecting their members' interests. Within this overall role, labor unions have had two specific roles, namely to secure, through collective bargaining, improved terms and conditions for their members, and to provide protection, support and advice to their members as individual employees. An additional role that of providing legal, financial and other services to their members has come into prominence more recently (Armstrong, 2006).

Morris, R. (2002) illustrated the general role of labor union into seven major pointes as showed below (i.e. political, market regulatory, democratization, service enhancement and welfare).

1. Political Role

Labor unions use their collective power to influence decisions on behalf of members and the wider society. Labor unions were able, through their leadership, to lobby for significant social and labor legislation to be placed on the statute books. In addition, they were able to ensure that consolidated funds provided for the improvement of the infrastructure, so that roads, housing and sanitation facilities were available in areas that were depressed.

Many labor unions are able to use their influence, and sometimes power, to impact on political decisions. There are many who recognize that power relations are at the basis of industrial

relations, and that labor unions are political institutions. Some recognize the labor unions as exercising a countervailing power against the state, and the private sector, on behalf of their membership which comprises mainly the working classes.

Unions represent the special interests of their members in collective bargaining and in the political process. As pointed out by Pencavel (1995), unions generally promote policies that reduce competition in labor and product markets. This includes support for minimum wage legislation, trade protection, and so on. Unions support such policies if they increase the surplus available for sharing with the firm or increase the union's bargaining power (less competition from nonunion. (Aidt, T., & Tzannatos, Z., 2002)

2. Market Role

Labor unions can play a main role in labor market through collective bargaining negotiating wages and salaries helping to distribute the value added in the business firm and increasing the spending power of their members in the economy. (Anthony, Kacmar & Perrewe, 2010)

In societies where the majority of people are wage or salary earners, the role of the labor union in regulating the local economy is extremely important. In many countries, there is constant tension between the state and the unions, and between the private sector and the unions, on the market role of labor unions.

3. Regulatory Role

The regulatory roles of unions are focusing on how to improve and manage the issues of employment conditions. The strength of the labor union at the workplace level determines its ability to perform its job regulation function. Strong labor unions have entered into arrangements where the power of management has to be shared with the union at the workplace. Jointly agreed procedures for dealing with major issues in the workplace e.g. grievances, discipline, job evaluation, redundancy, work changes, safety and health, along with the right to negotiate terms and conditions through collective bargaining, provide the sound basis for unions to perform regulatory functions.

The employment conditions that need to be improved must be identified with objective assessment and the labor union must allow members to involve in the assessment as the representatives may

not have full information and knowledge about, for instance, in jobs that need to be evaluated (Kaufman, 2000).

A labor union plays a role of improving the employment conditions of its members and to protecting their rights, especially when there is dissatisfaction of workers with their economic and working conditions and perceives that they lack the influence to change these conditions. It considers its members' wishes and work to insure them against problems in the organization. (Dundon & Rollinson, 2011).

4. Democratizing Role

The labor union's rank and file are provided with the opportunity of electing their stewards, committees of management, and through the delegate system, their executives and other leaders. The process of preparation for collective bargaining also encourages worker participation. Labor unions are fertile institutions for the furtherance of participatory democracy, for the freedom of assembly, the right to speak freely and the right to exercise choice. Access to popular political participation, through the right to vote, has led to demands by workers for economic democracy, defined as the right to participate in industrial democracy. Labor unionists have demanded the right to have workers sit on the Boards of Directors as the epitome of workplace democracy.

Labor unions are associations of employees who are exercising democracy while they are selecting their leaders and representatives in workplace. These and the collective bargaining activities allow employees to participate and exercise democracy. Therefore, it is possible to say that labor unions are important institutions in which participatory democracy is practiced. Labor union participation in collective bargaining process is helpful to practice and make it a habit of democracy which may in turn helps to maintain peace in the organization (Gollan and Patmore, 2002). Industrial Democracy is based upon the belief that workers are the citizens of the corporation, and democratic processes require their representation and participation primarily through independent worker representatives (Webb and Webb, 1898; Kaufman, 2000).

5. Service Role

Labor unions attempt to develop services which are valuable to their members as individuals, outside of the scope of collective bargaining. Yet labor unions have recognized the need to expand

their role in assisting their members in a variety of areas, and so have undertaken a number of non-traditional ventures on behalf of their members. Some of the most successful cooperative organizations, particularly credit unions in the Caribbean, have been developed by labor unions on behalf of their members. Labor unions have also developed housing land-lease schemes, transport and service stations, banks, launder mats, cinemas, stores, insurance programs and other schemes for the benefit of members.

In recent times also, the closure of companies or parts of companies has led to opportunities for worker ownership and control of business. Labor unions have been able to offer professional, advisory and management services to assist in establishing businesses for the workers, and in some cases, Labor unions have actually become shareholders in the business. The non-traditional membership services can be attractive and appealing and can act as focal points for recruiting members who are attracted by the image of the unions as a diverse and effective organization. Labor unions also supply legal and medical services for their members. Some Labor unions recognize the high cost of legal representation and seek to provide legal assistance to their members. This is especially important in areas where the collective bargaining and grievance handling process is highly regulated.

Beyond collective bargaining, labor unions attempt to develop services which can create wealth to their members such as transport services, banks and the like. Members can benefit from these services in different manners. The labor union can provide interest free credits and other credit facilities, the purchase of goods and other materials affordable to members. Moreover, the services that will be offered to the members may be with fair price as they have shares (Hodgetts & Hagar, 2005).

6. Enhancement Role

Labor unions provide the opportunity for workers to develop pride in themselves, to reach positions of leadership and to excel, where without this vehicle of mobility, many would have had a stultified existence. Many persons who have moved on to management and other leadership roles can testify to their beginnings as shop stewards who were given basic training and opportunity for leadership in the labor movement. Labor unions can develop as multi-issue, multi-functional organizations catering to the wide interest of their members. Thus, for those diverse interests, labor

unions can provide organizational support to enhance their effectiveness. Groups such as the youth, women, and the elderly can be given the opportunity to develop themselves through programs which cater to their needs. The role of labor union education is critical to helping members to develop their potential. Labor unions play an important role to enhance their members' career development opportunities. This can be realized through basic training opportunities delivered for members.

The role of labor union in members' enhancement can be determined by their participation and involvement in employee training and development packages. The more the participation of the labor union in the training and development packages, the more the benefit they will get in developing their members so as to cultivate career development (Fossum, 2006). And, many large unions publish a newsletter or a magazine, with the main aim of clarifying their policy or stance on certain principal issues, as well as to pass on information about their activities (Monappa, 2000).

7. Welfare Role

Some labor unions have actively engaged in providing welfare services for members and even for the wider community. This takes various forms including the employment of those who have disabilities, as an example to the wider community, the provision of family services including baby crèches, child care centers and old people's homes, as well as play and recreational centers in depressed areas. In some instances, labor unions transcend the representation of their membership and reach out on behalf of non-members, including the unemployed, the disabled and others who need their assistance in the wider community.

Labor unions may sometimes participate in welfare services to their members and other Communities. These roles are helpful to providing services that are beyond the collective agreements like hiring disabilities from the community (Sobczak, 2007). Many unions are engaged in a number of welfare activities, such as providing housing and organizing cooperative societies to improve the quality of workers' lives (Monappa, 2000).

2.1.3. Types of Unions

Different writers have classified labor unions into three to four different types of union in terms of their scope, generally they are craft unions, industrial unions, the professional and white-collar unions and general Union. (Jackson, 1983 as cited in Budagova, A. 2019) A brief description can be given as follows:

Craft Union: is the oldest one, pursued the nineteenth century labor unionism model. This type of unions are formed by workers who have same craft, skill or occupation irrespective of the industry they are in. It is believed to be the earliest form of labor unions. For example electricians, mechanists, managers, accountants, etc. can form this kind of unions.

Industrial Union: This type of unions are formed by workers working in the same industry irrespective of their craft or skill. It can be defined in two ways as the ‘monopoly industrial union’ which organizes all workers in one industry, while the other is the ‘single industry union’ which does not organize all of the workers in an industry, but restricts its recruitment to that industry. For example workers working in mining industry can form a union with workers having different crafts.

General Union: This is a type of union where workers from any industry or with any craft can form and be a member. They have no form of restriction on categories of workers who can join the union. It mainly based on a particular city or region. For example, AATU (Addis Ababa trade Union).

White-Collar Workers’ Unions: Such unions usually comprise office staff or who work off the shop floor and perform desk jobs or provide service over the counter or any such other job. The professional or white collar union is one where membership or entry to the union is based on academic qualifications. White-collar category includes executives, managers, professionals, administrators, supervisors, clerks and the like. They may have some qualifications as craft unions.

Blue-Collar Workers’ Unions: Blue-collar workers’ unions constitute of employees usually performing operative jobs. They usually operate machines in the production and allied departments. Blue-collar workers constitute the bulk of membership of labor unions in the organized sector.

2.1.4. Challenges Facing Labor Unions

There are many challenges facing labor unions in their day to day operations. Workers' organizations are experiencing serious difficulties almost everywhere and are losing members. Few countries have unionization rates above 50 percent, while others have less than 20 percent of non-agricultural workers in unions. (Mutunga 2006) contents that without job security and with high unemployment, the result of course is that labor is cheaper and workers are hired and fired at will. Along with this, unions are undermined, not to mention the phenomenon of more and more cases of gross violation of labor rights and out right union busting.

Management challenges

Having participated in the struggle for independence, labor unions are considered organizations that have the capacity to organize people, a capacity many governments would wish to control and keep checked. The government and employers look down upon labor unions and preconceive them as chaotic and irresponsible organizations whose major aim is to disrupt peace, order and good governance. This perception attracts government and employers interest in affairs and activities of labor unions. Political interference and intimidation has been a feature of the many Industrial Relations System, the activities of labor unions have occasionally attracted the attention of the political establishment, at times there has been no clear difference between labor unions leadership and the political leadership. Labor union officials have at times doubled as politician and vice versa and this has tendered to be prejudicial to labor unionism. (Kisaka, L. C., 2010).

The challenge to labor unions therefore is to transcend their traditional approaches in mobilizing and organizing workers. Particularly, there is the need for labor unions to establish alliances with other institutions to be able to seek social justice for a wider group of workers and consequently, sustain their relevance amidst changing global and local pressures (Kochan, 2003).

Operational challenges

Globalization of the world economy has brought about heavy pressure on the local industries to become globally competitive. Heightened global competition has disposed enterprises to adopt greater flexibility - functional or numerical - in terms of labor utilization. Amongst the common functional flexibility employed by enterprises are the "broadening of job designs, mobility across

tasks, enlarging the scope of individual skills, and extensive training and retraining programs" (Binghay, 2000).

Globalization has also affected how firms see their employees (Binghay, 2000). With the rising costs of production, management has embarked on creating cheap labor market to attain the objective of keeping low prices for their products while maintaining high profits, leading one to think that labor have become commodity and not a partner for progress. Another phenomenon that could be associated with globalization is the emergence of more sophisticated "decollectivization" strategies on the part of employers. With intense competition, employers just could not afford any obstructions in their production processes, disposing them to adopt anti-union practices.

According to Bitonio, (2000), Advancements in technology have made it possible for the new units of production to be geographically dispersed. Relevant to this is the fact that today, it is no longer necessary for people to work closely and be physically located in the same place. Szal, (2000) argues that the computer has become an indispensable tool of the society with millions of people doing their work online. With the advancements in technology, the term virtual office has now become a reality. Another phenomenon associated with new technology is the automation of business processes and the consequent reduction in labor needs of businesses. Companies have been resorting to the substitution of labor-intensive operations by machine-processed operations.

Financial challenges

The labor unions are increasingly faced with financial constraints emanating from the following factors, among others: loss of members as a result of organizational restructuring, leading to loss of revenue since labor unions depend on members' contributions in order to undertake their operations; splitting of the of the labor unions thus reducing the financial base from membership contributions; and mismanagement of funds by the union leaders. (Kisaka, L. C., 2010).

Workers' organizations are experiencing serious difficulties almost everywhere and are losing members. Few countries have unionization rates above 50 percent, while others have less than 20 percent of non-agricultural workers in unions. (Kisaka, L. C., 2010).

2.1.5. Employer and Employee Attitude towards the Labor Union

The attitudes of employees toward unions influence whether they will join or support a union in the workplace, Managerial attitudes toward unions in general and the union officials they deal with in particular, also affect labor relations. Nesro, M. (2006)

If management is very antiunion, the negotiation and administrative process will not proceed smoothly. The union is the other focal organization in effective collective bargaining relationships. Union officials and management interact daily and at contract time. Union and managerial attitudes toward each other affect the degree of peace and effectiveness that can exist in labor management relations (Ivancevich & Glueck, 1989).

According to Wheeler (2006), powerful global corporations have become the predominant actors in employment relations around the world. Neither national laws nor labor union rules have proved able to regulate the behavior of corporations. They tend to promote the shareholders view, instead of pluralistic view of their responsibility.

2.2. Concept of Industrial Relations

The term 'Industrial Relations' is a broad term and many scholars define it in their own different ways. Industrial Relation is a label of a whole field of relationship that exists because of the necessary collaboration of employees in the employment process of industry. Industrial Relations can be referred as the steps an organization takes to ensure day-to-day business practices and consider the welfare of employees when making decisions (Ann Gilley, et al; 2005). Jones and George (2006) states it as the activities that managers engage in to ensure that they have effective working relationship with the labor union that represent their employees 'interests while the Concise Oxford Dictionary of politics defines it as Interaction between employers, employees, and the government; and the institutions and associations through which such interactions are mediated (Jones & George: 2006).

As it was cited by Marshall & Briggs (1989), Dunlop, who developed the general conceptual framework of industrial relations systems, defines industrial relations as the complexes of interrelationships among managers, workers, and governmental agencies. He continues explaining that an industrial relations system comprises certain context, and ideology which binds the industrial relations systems together, and a body of rules created to govern the actors at the

workplace and Work community. Ideology here refers to a set of ideas and beliefs commonly held by the actors that helps to bind or integrate the system together as an entity." For industrial relations systems to be stable, the actors must hold views that are compatible and based on the trust and confidence on each other.

According to Fiorito (2006), the term "industrial relations" referred to "relations" between employers and employees in "industry". It refers to the process, outcome and mechanisms of relations between employees and employer.

According to Kochan, as it was cited in Silva (1997), like any complex social system, industrial relations systems are best understood by identifying their various components and analyzing how they interact with one another to produce certain outcomes. The major components of the industrial relations system are:

1. The actors (workers and their organizations, management and government)
2. Contextual or environmental factors (labor and product markets, technology, and community or "the locus and distribution of power in the larger society" [From Dunlop's Industrial relations Systems])
3. Processes for determining the terms and conditions of employment (collective bargaining, legislation, judicial processes, and unilateral management decisions, among others).
4. Ideology or a minimal set of shared beliefs, such as the actors' mutual acceptance of the legitimacy of other actors and their roles, which enhance system stability
5. Outcomes, including wages and benefits, rules about work relations (e.g. standards for disciplinary action against workers), job satisfaction, employment security, productive efficiency, industrial peace and conflict, and industrial democracy. Nesro, M. (2006)

2.2.1 Main Objectives of Industrial Relations

The main objectives of industrial relations system are to safeguard the interest of labor and management by securing the highest level of mutual understanding and good-will among all those sections in the industry which participate in the process of production. Avoid industrial conflict or strife and develop harmonious relations, which are an essential factor in the productivity of workers and the industrial progress of a country is the other objective (Stivastava, 2007).

Industrial Relations also help in rising productivity to a higher level in an era of full employment by lessening the tendency to high turnover and frequency absenteeism. Establishing and promoting the growth of an industrial democracy based on labor partnership in the sharing of profits and of managerial decisions ban individuals personality and may grow its full stature for the benefit of the industry. Also, eliminate or minimize the number of strikes, lockouts and gheraos by providing reasonable wages, improved living and working conditions, said fringe benefits (Monappa: 2000).

2.2.2 Perspectives and Approaches of Industrial Relations

There are a number of strategies for Industrial relation management to consider in the field of the employment relationship among many approaches such as System, Human relation, Social action, Gandhian, Giri, Unitary, Pluralism, Marxist and other approaches, this research selects and looks the Unitary approach from both employee and employer point of view. The second one is pluralism; this approach sees conflict of interest and disagreement between the management and employees, also looks its implications. The third approach is Marxist focuses on the fundamental division of interest between capital and labor, and sees workplace relations against this background (Salamon, 2001).

Unitary

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

Pluralistic

In pluralism the organization is perceived as being made up of powerful and divergent subgroups - management and labor unions. This approach sees conflicts of interest and disagreements between managers and workers over the distribution of profits as normal and inescapable. Consequently, the role of management would lean less towards enforcing and controlling and more toward persuasion and co-ordination. Labor unions are deemed as legitimate representatives of employees. Conflict is dealt by collective bargaining and is viewed not necessarily as a bad thing

and if managed could in fact be channeled towards evolution and positive change. Realistic managers should accept conflict to occur. There is a greater propensity for conflict rather than harmony.

Marxist

This view of industrial relations is a byproduct of a theory of capitalist society and social change. Marx argued that. This perspective focuses on the fundamental division of interest between capital and labor, and sees workplace relations against this background. It is concerned with the structure and nature of society and assumes that the conflict in employment relationship is reflective of the structure of the society. Conflict is therefore seen as inevitable and labor unions are a natural response of workers to their exploitation by capital.

2.2.3 Challenges in Industrial Relations

DeCenzo and Robbins (1988) put about challenges in Industrial relations is the term that describes how the management and the employees of a company interact. However it is difficult to maintain a sound Industrial relation in some organizations due to the below main challenges:

Narrow Focus: An employee or staff member may only view the task at hand that they have to perform to complete their job rather than viewing how the role the employee plays benefits the organization as a whole.

Employers' Inflexibility: Employees feel as if their creativity is being squashed or that their opinions do not matter, this can cause strife between the employees and management of the business.

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

Unnecessary Managements Fear: The first reason, Managements fear of reduction of power when an organization's employees are unionized, HRM decisions become open to close scrutiny and

possible challenge. The Second one is due to potential for strikes the ultimate weapon of a union in its efforts to gain concessions from management is to bring about a strike or work storage. Fear of increased cost is the third reason for why managers resist to labor union explained by the effort of the union to improve Employee pay, working condition increased paid holidays, and benefits provide better pension and so forth all increase costs to management. Finally, loss of employee commitment is management's other fear, they believe that the union will redirect employee loyalties and allegiances from the organization of the union. Union review of HRM policies management has to exercise greater care in developing its HRM policies for these policies will be under consistent assessment by the union membership (DeCenzo and Robbins, 1988)

2.2.4 The Relationship between Industrial Relation and Labor Union

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

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

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

The main function of a labor union is to 'regulate the terms and conditions of employment of workers.' The end result of labor unions is that the individual employee and employer hands over their freedom to regulate and bargain to their unions because the unions are in a position of strength to bargain for their collective membership. Labor unions also regulate and encourage improved relationship between their members and the employers and between one member and another. This responsibility, unfortunately; is not well balanced in practice. Instead of the union leaders striving to encourage good relationship as 'partners in progress', their actions border on

being 'adversaries in diversity'. Labor unions also have the responsibility to advance the education and training of their members. In this connection, unions are expected to organize seminars, workshops and other courses to educate their members on the cause of labor unionism and industrial relations and improve the relationship between their members and the employers. They are expected to cater for the education and training of young and inexperienced labor unionists and refresh the old ones. Finally, Labor unions tend to secure increased control of industry by active participation of labor union leaders and officials in all facets of planning and running of industry at all levels, through political and industrial negotiations and activities. By this singular action, labor unions are eroding and eating deep into the fabrics of what used to be known as 'management prerogative'. Some unions have argued to have workers' representatives on the board of directors, being minority shareholders to whom the law had allocated ten percent of the share capital. Some have dabbled into pricing of company products by negotiating staff discounts for their members. Furthermore, through dialogues, labor unions have sought to influence company policies

2.3. Concept of Collective Bargaining

Collective Bargaining is the process of negotiating wages and other conditions of employment by an organization of employee. Collective bargaining is a process by which the representatives of the organization meet and attempt to work out a contract with the employee's union. (Ivancevich, 2008)

According to the Labor Proclamation No. 377/ 2003, article 125/1, labor union have the right to bargain a collective agreement with one or more employers or their organization. Collective agreement in the proclamation is states as an agreement concluded in writing between one or more representative of labor unions and one or more employees or agents and representatives of employer's organizations. Additionally, collective agreement may determine matters concerning employment relationship and conditions of work as well as relations of employers and their organizations with workers' organizations.

Collective Bargaining in the Ethiopian Labor Proclamation No 377/2003 article 124, is considered as a negotiation made between employers and workers representatives(labor union) concerning conditions of work.

It aims to establish by negotiation and discussion agreed rules and decisions on matters of mutual concern to employers and unions as well as methods of regulating the conditions governing employment (Armstrong, 2008).

Employees mainly organize into unions to increase their bargaining power. Through collective bargaining, employees believe that they can obtain outcomes that are unavailable to them as individuals. Collective bargaining is the process by which management and union representatives negotiate employment conditions for a particular bargaining unit. The outcome of the collective bargaining is collective agreement which governs the day to day relationship of the employer and the employees in the bargaining unit for the period of time it specifies. (Ann Gilley, Jerry W. Gilley, Scott A. Quatro, and Pamela Dixon, 2009)

Procedures of Collective Bargaining /According To Ethiopian Labor Proclamation 377/2003

- A party wishing to conclude a collective bargaining may request the other party in writing. It shall also prepare and submit draft necessary for the negotiation.
- The requested party shall within ten days of receiving the request, appear for collective bargaining.
- The parties shall before commencing collective bargaining draw up the rules of procedure.
- Each party shall have the duty to bargain in good faith.
- Issues on which the parties could not reach agreement by negotiations in good faith shall be submitted to the competent labor disputes settlement tribunal.
- Parties to a collective agreement that is enforced shall decide to amend or replace their collective agreement within 3 months before the validity date expires. Each party, after having decided to amend or replace the collective agreement, shall finalize it within 3 month as of the date of its expiry. If the negotiation is not finalized with the said period of time the collective agreement whose validity date is expired shall cease to be effective.

2.3.1. Important of Collective Bargaining

Collectively bargaining may have positive as well as negative impacts, the positive impacts include the presence of a system based on bipartite agreement, a quick and efficient method of settlement industrial dispute and the fact that it avoids delay and unnecessary litigation. The negative impact are lack of representation of the public interest at the bargaining table and there are situations in which a serious strike on a prolonged strike simply can't be tolerated. (Stivastava, 2007).

Collective bargaining develops a sense of self-respect and responsibility among the employees. It increases the strength of the workforce, thereby, increasing their bargaining capacity as a group. Collective bargaining increases the morale and productivity of employees. It restricts management's freedom for arbitrary action against the employees. Moreover, unilateral actions by the employer are also discouraged. Effective collective bargaining machinery strengthens the labor unions movement. The workers feel motivated as they can approach the management on various matters and bargain for higher benefits. It helps in securing a prompt and fair settlement of grievances. It provides a flexible means for the adjustment of wages and employment conditions to economic and technological changes in the industry, as a result of which the chances for conflicts are reduced (Stivastava, 2007).

It becomes easier for the management to resolve issues at the bargaining level rather than taking up complaints of individual workers. Collective bargaining tends to promote a sense of job security among employees and thereby tends to reduce the cost of labor turnover to management. Collective bargaining opens up the channel of communication between the workers and the management and increases worker participation in decision making. Collective bargaining plays a vital role in settling and preventing industrial disputes (Stivastava, 2007).

Collective bargaining leads to industrial peace in the country. It results in establishment of a harmonious industrial climate. The discrimination and exploitation of workers is constantly being checked. It provides a method or the regulation of the conditions of employment of those who are directly concerned about them (Stivastava, 2007).

2.4. Concept of Collective Agreement

Collective agreement is defined as an agreement which is completed by legal parties on the terms and conditions of employment. It is a contract done between the employee and management concerning wages and benefits and working conditions. It is usually the result of a process of collective bargaining between an employer and a labor union representing workers.

On behalf of the employer the agreement can be concluded by either the individual companies or their association. On the other hand, on the employee's behalf, the agreement can be concluded by their association. (Aimala, Astrom, Rautiainen& Nyysola, 2005).

According to Fossum (2006), collective agreement is a product of collective bargaining in which labor and management representatives join together and ratify a written contract. And when the negotiators agree on a new contract, the union team still has responsibilities to fulfill before the final agreement is signed. According to Ethiopian labor law (proclamation No 377/2003) , Chapter Two, under Collective agreement definition of collective agreement on Article 124 was given as an agreement concluded in writing between one or more representative of labor unions and one or more employers or agents or representatives of employers organizations.

Collective agreement in EBG

Between equatorial business group and the union there has been two consecutive collective agreements that results from a continuous collective bargaining process. The agreement was made with the following purposes.

- As work is the basic and central for the relation between the organization, management, employee and the union paying the first attention for developing the work culture and ethics.
- Growing the organizations competitive advantage for better profit and productivity.
- Helping the employees use their interest, knowledge and power in fulfilling their responsibility with willingness, commitment and efficiency.
- Creating an industrial relation filled with peace, understanding, cooperation and trust between the management, the union and employee for the achievement of the company's vision, mission and objectives.

- Improving the living standard of the employee that balance with the companies name and reputation by keeping their work security, providing enough compensation and recognition for the effort and hard work made, gain better wage and benefit.
- To identify and creating opportunities to make sure proper implementation of the organizational activities and areas where the employees and the union can participate in.
- Organizing and developing a system to give recognition and encouragement for high performing employees to create a sense of positive competition around work.

The collective agreement contains 50 articles, settlement of grade and salary scale, membership application and payment announcement form and membership payment termination form, list of work outfits and safety equipment to be provided for each position in the organization, list of offences warranting summary dismissal and other offences warranting disciplinary measures. The agreement is published and distributed to each of the company employee who are both a member and not.

2.5. Conceptual Frame Work

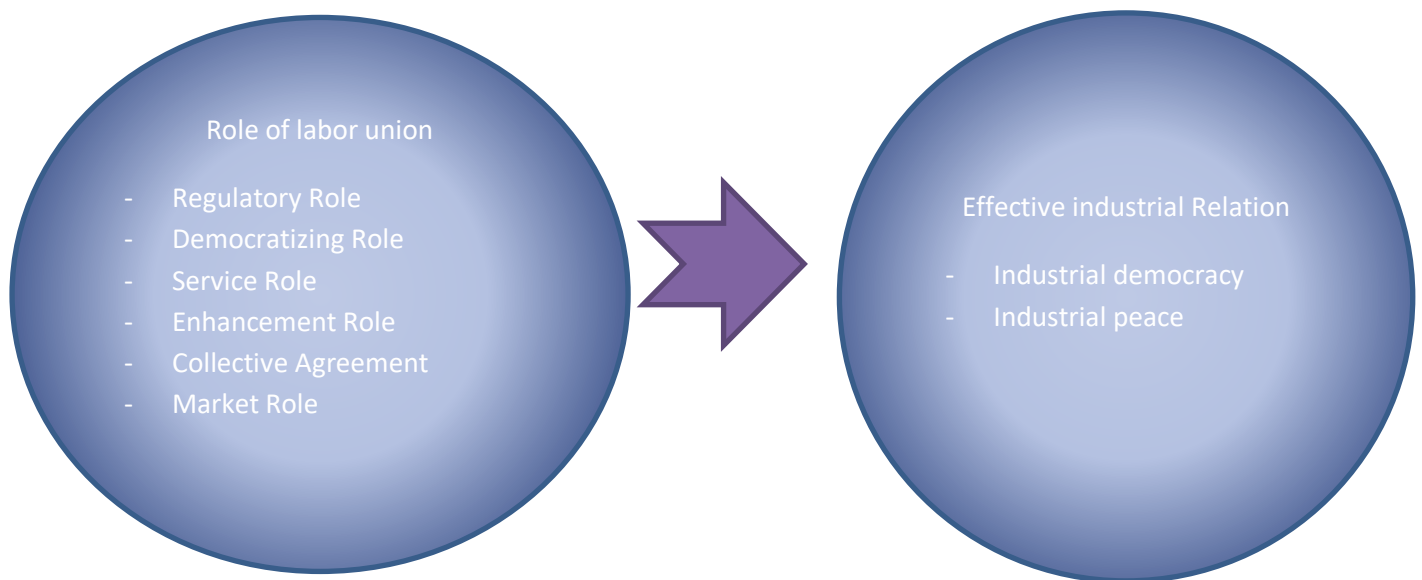
Labor union work to improve the employment conditions of its members and to protect their rights. It takes account of its members' wishes and tries to insure them in the working environment (Dundon & Rollinson, 2011). The most important role of unions is negotiating wages & benefits for their members and seeking to provide them job security, social affiliation, training & development, and the opportunity to exert political influence. (Anthony, Kacmar & Perrewe, 2010). The principal role of labor union includes the supervision of relations between workers and employers (Ivancevich, 2008). Achieving organizational goals through the development of organizational cultures is also a shared goal between management and employees. (Armstrong, 2008).

In order to build trust and cooperative relationships between management and employees, there should be a system where employees and management can work together. When workers are involved in making decisions, sharing responsibility and authority in the workplace industrial democracy can be attained. Its core principle is the need for the democratic participation of worker representatives in the governance of labor conditions (Kaufman, 2000). Thus, the involvement of unions through collective bargaining and representing the interests of workers in developing labor

regulation is seen as crucial. This can allow labor and management to join together and ratify a collective agreement.

This study formulated under following conceptual framework to show how the role of the labor union can create effective industrial relation. The independent variable is the role of labor union. The dependent variable is effective industrial relation which is indicated by the presence of industrial democracy and industrial peace.

Figure 2-1 Conceptual Framework



Source: Role of labor union as outlined by Morris, R. (2002) Anthony, WP, Kacmar & Perrewe (2010) and Dundon & Rollinson (2011) and Good Employment Relation as outlined by Dundon & Rollinson (2011)

Chapter Three

Research design and Methodology

3.1. Description of the Study Area

Equatorial Business Group labor union was selected to be researched in this study, which is the head office of the organization located in Addis Ababa, Ethiopia, Akaki Kaliti sub city around saris abo. A total of 445 employees are found in the organization among which 123 are members of the labor union. All employees who are a member and not where included in the study

3.2. Approaches and Research Design

The research design is the general framework of the collection and analysis of data that are used to answer the research questions of the study and achieve its objectives. (Saunders, M., Lewis, P., & Thornhill, A., 2007). Thus, This research followed a descriptive research design, descriptive research describes phenomena as they exist and tries to identify and obtain information on characteristic of a particular issue like community, group or people and describes social events, social structure, social situations, etc. therefore as the main goal of this research is to find out the role the labor union is playing in improving the industrial relation of the organization it is selected to be the appropriate method of research. (Akhtar, D. M. I., 2016)

Quantitative research method was based on collection of factual data which is measured and quantified, it answered research question from the viewpoint of the researcher and it involved a considerable amount of statistical analysis by using survey questionnaires and observation. On the other hand qualitative research method aimed to generate insights in to situation and behavior so that the meanings of what is happening can be understood and emphasized the interpretation of behavior from participant's point of view. Therefore both Methods were used in this study.

3.3. Population

Researchers suggest that a population, sometimes referred to as a “target population”, is the set of elements on which the research focuses and to which the results obtained by testing the sample, should be generalized (Bless & Higson-Smith 2000). According to Oliver (1997), a population is the group of people to which the research applies and conclusions will be drawn from those people.

In this research the population of the study were the employees of EBG including both members and non-members of the labor union. From the data collected from the human resource department in the organization there were 445 employees of which 123 of them are members of the labor union.

3.3.1. Sampling Technique

Sampling techniques provide a range of methods that enable the researcher to reduce the amount of data it need to collect by considering only data from a subgroup rather than all possible cases or elements. There is a need to take sample when it would be impractical to survey entire population and when there is a budget & time constraints. (Saunders, M., Lewis, P., & Thornhill, A., 2007).

In that respect the researcher has selected two sampling techniques to choose sample from the population of 445 employees. the first sampling technique is stratified sampling which divide the population into groups, In this research the population was divided into 7 groups based on the business units found in the organization then allowing almost 50% of the groups to participate based on the researcher judgment of the cases in their ability of answering the research questions and their closeness to the topic based on Purposive or judgmental sampling.

3.3.2. Sample Size

The sample size is calculated by using (Yamane, 1967) sample size determination formula with 95% confidence level which is presented as follows.

$$n = \frac{N}{1 + Ne^2}$$

Where: n= sample size required

N = number of people in the population

e = allowable error (%)

$$n = \frac{445}{1 + 445 * 0.05^2} = 211$$

Table 3-1 Population and samples classified by Business unit

SN	Business Unit	Total Employee	Sample Taken
1	Equatorial Volvo business	126	60
2	Equatorial Pharmaceutical business	67	32
3	Equatorial Light Vehicles business	53	25
4	Equatorial Elevator and Telecom business	46	22
5	Equatorial Energy business	22	11
6	Equatorial Branch operation and coordination	15	7
7	Support function	116	54
	Total	445	211

Source: Secondary data (2022)

To make the sampling inclusive by using stratified sampling the samples has been divided into seven categories which is the same as the business in the organization and almost 50% of the each population of the business units has been taken as a sample.

By using purposive sampling, which is one of the types of non-probability sampling, Two (2) union leaders and Two (2) Human resource managers, who have direct connection with the labor union activities and who were considered to be the major informants, were selected for the interview. This sampling technique was used because it ensures that all the key constituencies of relevance to the subject matter are covered and some diversity is included so that the researcher can build upon initial quantitative results.

Table 3-2 Interview Protocol

No	Interviewee	Population
1	Human resource managers	2
2	Union leaders	2
Total		4

3.4. Types, Sources and Methods of Data Collection

3.4.1. Data Sources and Types

Data was gathered from both primary data sources and secondary data sources. Questionnaires and interviews are used as a primary data collection tools in a way that they can answer the research questions. And, secondary data sources like Equatorial business group labor union collective agreement, Equatorial business group Labor Union Mandate and magazines published by the corporation were used as well.

3.4.2. Methods and Tools of Data Collection

A research method is simply a technique for collecting data. It can involve a specific instrument, such as a self-completion questionnaire or a structured interview schedule, or participant observation whereby the researcher listens to and watches others.

In the first quantitative phase of the study, data through questionnaire was gathered from sampled members of the labor union and employees that are not members.

In the second qualitative phase, semi-structured interview was conducted to capture the views of the administrative managers who are involved in the collective bargaining process and union leaders who directly have access to the union members and the management.

The questionnaire will be administered using a drop and pick method to the sampled respondents. Care and control will be exercised to ensure all questionnaires issued to the respondents are received. To achieve this, a register of questionnaires sent, and received is maintained. And, to collect the data, the researcher will get a permission from the organization.

3.4.3. Procedures of Data Collection

After organizing the tools needed to gather the data, the researcher has informed the organization's HR manager about the research that was going to be conducted on the organization and the type of data that would be taken and in what manner and technique it is going to be collected. After that the union officials were contacted and given all the information about the research and discussed on ways they could be in assistance in providing the data's to which they have responded with positivity and give all the support needed. After preparing and finalizing the questionnaire and the interview questions, the researcher has distributed the questioner as per the selected sampling method and conduct the interview per the arranged interview date with all the concerned parties.

3.5. Reliability and Validity

Validity is the degree to which a test measures what it purports to measure (Creswell, 2009:190-92).The questions included in the questionnaire are all valid to test the role of labor union in creating effective industrial relations. This can be ensured that the questions are highly linked to address the roles of the labor union.

Reliability is the property of consistency of a measurement that gives the same result on different occasions (Mc Burney p.129) .The researcher has taken the pilot-test before distributing the final questioner to assure the reliability. The results from analysis indicated that the Cronbach's Alpha value is 0.89. This suggested that the internal reliability in this study was acceptable and signified to be good.

Scale: role of labor union on effective industrial relation

Table 3-3 Case Processing Summary

Case Processing Summary			
		N	%
Cases	Valid	23	100.0
	Excluded ^a	0	.0
	Total	23	100.0
a. Listwise deletion based on all variables in the procedure.			

Table 3-4 Reliability Statistics

Reliability Statistics		
Variables	Cronbach's Alpha	N of Items
Collective agreement for the employees and the organization	0.878	9
Knowledge and attitudes of employees towards the labor union	0.854	8
Roles of labor union in ensuring effective industrial relation	0.907	20
Challenges faced by the union	0.741	8
Total	0.894	45

3.6. Data Analysis Method

The data collected from respondents was analyzed by using the literature review as a backup. Demographic variables in the study was analyzed using Descriptive statistics (frequencies and percentages were used). And the quantitative data collected from respondents through the questionnaires was sorted, coded, computed, and analyzed using the Statistical Package for Social Sciences (SPSS) software in the form of frequencies, percentages and mean. The results of the interview questions are incorporated to the responses of union members through questionnaires and will be analyzed accordingly.

3.7. Ethical Considerations

Israel & Hay, (2006) as cited in Creswell, J. W., & Creswell, J. D. (2017) explained that Researchers need to protect their research participants; develop a trust with them; promote the integrity of research; guard against misconduct and impropriety that might reflect on their organizations or institutions; and cope with new, challenging problems. Attention needs to be directed toward ethical issues prior to conducting the study; beginning a study; during data collection and data analysis; and in reporting, sharing, and storing the data.

Accordingly in this research needed approvals has been asked and gained from all concerned parties including the university and management of the organization as well as the labor union officials. The purpose of the study was clearly disclosed at the beginning of the data collection and the participants face no pressure into providing the data's, the researcher has respected all the norms and cultures of the society and did not disrupt any work of the individuals or organization by giving enough flexibility for respondents to answer the question at their convenient time. During the data analysis the research reported multiple perspectives and contrary findings honestly and kept the privacy and anonymity of participants. When reporting the data's falsifying authorship, evidence, data, findings, and conclusions were avoided as much as possible. All sources have been referenced and plagiarizing was tried to be avoided.

Chapter Four

Data Presentation, Analysis and Interpretation

4.1. Introduction

This chapter contains the analysis and interpretation of the collected data that are presented based on the research objective. By using a descriptive data analysis including quantitative and qualitative data analysis technique the role the labor union plays in creating effective industrial relation is investigated.

The quantitative data for the study was collected by using a questionnaire response. 211 questionnaires were distributed to respondents existing at all levels including members of the union and those who are not a member.

The questionnaire with closed ended questions contains two parts. The first part deals with demographic information or profile of respondents. Respondents without mentioning their name, answered questions regarding their gender, age group, educational level, duration of work experience in the company, whether they are members of the union or not and duration as a member of the labor union.

The second part of the questionnaire contains closed ended questions which are further divided into four parts. The first part include 9 questions focused on the idea of collective agreement and its service to employees and employers. The second part include 8 questions regarding the knowledge and attitude employees has towards their labor union and industrial relation. The third and main part included 20 questions concerning the role of the labor union in creating effective industrial relation. The last part of the questions had 9 questions on the challenges the labor union was facing.

The qualitative data for the study was gathered through interview conducted with two labor union leaders and two managers of the organization. The structured interview has 9 different questions to both parties interviewed.

4.2. Demographic Information of the Respondents

The profile of respondents include the gender, age group, educational level, and work experience, membership status, number of years in the union of each respondents. The following table provides the demographic characteristics of respondents.

Table 4-1 Demographic Profile of Respondents

No.	Variable	Type	Frequency	Percent (%)
1	Gender	Male	147	71.36
		female	59	28.64
		Total	206	100.00
2	Age	20-27	33	16.02
		28-35	53	25.73
		36-45	68	33.01
		46-59	39	18.93
		60 and Above	13	6.31
		Total	206	100.00
3	Educational level	Technical/Vocational school certificate	8	3.88
		Diploma	66	32.04
		Degree	103	50.00
		Masters	29	14.08
		Total	206	100.00
4	Work experience	1-5	19	9.22
		6-10	40	19.42
		11-15	62	30.10
		16-20	71	34.47
		Above 20	14	6.80
		Total	206	100.00
5	Union membership	Yes	57	27.67
		No	149	72.33
		Total	206	100.00
6	Union membership year	1-2	13	6.31
		3-5	20	9.71
		6-7	24	11.65
		Total	57	27.67

Source: Survey data, 2022

From the above table we can note that the majority of respondents are male (71.36%), the majority of respondent's age from 28 to 45 (58.74%), 50% of them has a degree followed

by Diploma holders in being the majority and most of the respondent serve the organization from 11 to 20 years(64.57%). When looking at the labor union membership only (27.67%) are members of the union which is an indication that the labor union is being supported with small number of employees and is not inclusive enough. Among the members of the union 42% of them were members of the union from 6-7 years that means starting from its establishment.

4.3. Analysis and discussion of Findings

The following section present analysis of the responses of the respondent according to the theoretical aspects of the subject under study and discuss their implication as well. As a descriptive research descriptive statistics (frequencies, percentages and means) were used by using SPSS software in the analysis of the data. Likert scale questionnaires with 5 scale rating are used to assess the respondent's opinion from strongly disagree = 1, disagree = 2, neutral = 3, agree = 4, and finally strongly agree = 5. Out of 211 questionnaires distributed 206 or 97% are filled and returned which are used in the analysis. The response of the 4 interviewee are also presented and discussed accordingly.

The analysis focuses on the performance of the EBG's labor union regarding its contribution to the overall industrial relation. The analysis is structured by 4 sub-topics used to address various issues in relation to the performance of the labor union in the eyes of the total respondents of the study and the general overview of the subject. As shown in table 4-2 the following mean intervals and their representation were used as base in the analysis.

Table 4-2 Descriptive statistics result interpretation guide

Mean Interval	Implication
1.00 – 1.80	Very Low
1.81 – 2.60	Low
2.61 – 3.40	Medium
3.41 – 4.20	High
4.21 – 5.00	Very High

Source: (Shrestha, 2015)

4.3.1. Collective Agreement for the Employees and the Organization

Table 4-3 Statistical summary of responses on collective bargaining agreement for the employees and organization

N O	Questions	Level of Agreement						Tot al	Mean	Aggre gate mean
			S D	D	N	A	S A			
1	The collective agreement has been prepared through discussion and mutual agreement.	Frq.	9	36	56	54	51	206	3.5	2.7147
		%	4	18	27	26	25	100		
2	The collective agreement increases the satisfaction and productivity of employees.	Frq.	28	100	27	42	9	206	2.53	
		%	14	49	13	20	4	100		
3	The collective agreement restricts management's freedom for irrational action against the employees.	Frq.	37	28	45	82	14	206	3.04	
		%	18	14	22	40	7	100		
4	The collective agreement is up-to-date and consider the current economic, social and technological changes in the environment.	Frq.	46	109	10	27	14	206	2.29	
		%	22	53	5	13	7	100		
5	The labor union and the management works together to amend the collective bargaining agreement.	Frq.	46	47	36	77		206	2.7	
		%	22	23	18	37		100		
6	Both the management and labor union leaders respect and apply the collective agreement.	Frq.	28	11	45	113	9	206	3.31	
		%	14	5	22	55	4	100		
7	The labor union have strong positions to control the implementation of the collective agreement by the organization.	Frq.	73	46	55	32		206	2.22	
		%	35	22	27	16		100		
8	The collective agreement has serve its purpose in creating peaceful and satisfying industrial relation.	Frq.	55	55	28	45	23	206	2.64	
		%	27	27	14	22	11	100		
9	The labor union encourages members to bring employment issues that need a collective bargaining.	Frq.	55	101	18	18	14	206	2.2	
		%	27	49	9	9	7	100		

Source: Survey data, 2022

As shown in table 4-3 although the idea that the collective agreement was prepared through discussion and agreement between both the management and the union has a high mean value of **3.5**. Most of respondents(27.2%) stayed neutral to it. This can be interpreted as that the respondents were not aware of the process of the preparation so couldn't decide on the idea. This can be for two which is one since most of employees are not a member of the union they are less familiar with its activities and second the union did not give enough information about the process of the agreement making. In both cases it is not a good practice as employees need to be informed about the bargaining process in order for them to increase their understanding and trust on the union. Generally as 26.2% and 24.8% of

the respondents answered agree and strongly agree respectively we can say that the agreement is made through discussion and mutual interest as reflected by a mean value.

When we look at the collective agreement in increasing satisfaction and productivity of employees received a negative reply where 48.5% & 13.6% of respondents disagreed and strongly disagreed. The mean score of response is 2.53 which indicates a low value indicating that the collective agreement did not include the main interests and benefits that can make employees be satisfied with the benefit it provide and improve their productivity by motivating them more. This could also mean that as employees are dissatisfied with the agreement and doesn't improve their productivity then it is also not contributing to the success or profit of the organization. Therefore the collective agreement has to improve in its service to both parties.

The collective agreement restricts management's freedom for irrational action against the employees has a mean score of 3.04 which is found in medium range value where 39.8% agrees and 21.8% has a neutral opinion. From the result it can be said that the agreement contains basic rights of employees and the management is restricted by the agreement to respect those right so unreasonable and violation against the agreement are restricted which is good but need better improvement to create a peaceful industrial relation.

The collective agreement is up-to-date and consider the current economic, social and technological changes in the work environment received the most negative reaction of this as 52.9% & 22.3% respectively disagree and strongly disagree respectively. The mean score resulted 2.29 value which is low. The implication is that the agreement is not based on recent data and general condition of the country where the employees are in and do not adjust itself to changes. For example the financial benefits in the agreement doesn't go with the current status and is actually acting as a disadvantage to employees as it limit changes and adjustments to be made and complains to be presented.

The idea that the labor union and the management works together to amend the collective bargaining agreement received a mean score of 2.7 which is a medium vale where the major opinions received are neutral (17.5%), disagree (22.8%) and strongly disagree (22.3%). Indicating that the amendment is not done satisfactorily with cooperation between both

parties and most respondents lack awareness of the process as they might not be informed. This can be linked to the above idea were the agreement being outdated as managements and unions are not putting enough effort in its periodic amendment. This can be considered as the major cause of weak industrial relation in the organization.

Regarding the respecting and application of the collective agreement by both the management and labor union leaders, it receive a medium mean value of 3.31 where 54.9% of respondents agree. From this we can see that in the organization there is a good practice of biding by laws and regulation the only gap is the content of the agreement and the value it contains in it so both parties should work to fill this gap.

The position of the labor union to control the implementation of the collective agreement by the organization is found to be low with a mean score of 2.22 where 35.4% & 22.3% strongly disagreed and disagreed respectively. When we look at this data the union influence and power is very poor to control the implementation of the agreement which could put a shadow to its role of creating effective relation.

The labor union does not encourage members to bring employment issues that need a collective bargaining which is shown by a low mean score of 2.2 where 49% and 26.7% of respondents disagreed and strongly disagreed. This can be an indication to the above point why the agreement is not inclusive of employee's interest and why it is weak in increasing employee's satisfaction and productivity which in turn affect the organization profitability and decrease the effectiveness of the industrial relation.

As a generalizing idea the question that the service of collective agreement in creating peaceful and satisfying industrial relation scored a medium mean value of 2.64 with equal percentage of 26.7% of respondents disagreed and strongly disagreed. This can be a result of all the above discussions added to make it unable to achieve its purpose of creating effective industrial relation.

As shown in the above table the mean score of the overall result on the collective bargaining agreement for both employees and organization is 2.7147, which is found in the medium range of mean. This indicates that the overall contribution of the collective agreement for the employees and organization is not very satisfying and there needs to be improvements.

4.3.2. Knowledge and Attitudes of Employees and management towards the Labor Union and Industrial Relations

Table 4-3 Statistical summary of responses on Knowledge and attitudes of employees towards the labor union and industrial relation

NO	Questions		Level of Agreement					Total	Mean	Aggregate mean
			SD	D	N	A	SA			
1	The existence of a cooperation and trust between management and labor union generally is more important to employees than mistrust between the two parties.	Frq.		1		92	113	206	4.54	3.2251
		%		1		45	55	100		
2	I adequately understand and support the objective of the labor union.	Frq.	10	54	36	78	28	206	3.29	
		%	5	26	18	38	14	100		
3	The activities of the labor union go along with its main objectives.	Frq.	46	88	18	45	9	206	2.43	
		%	22	43	9	22	4	100		
4	The collective agreement is up-to-date and consider the current economic, social and technological changes in the environment.	Frq.	73	74	18	27	14	206	2.2	
		%	35	36	9	13	7	100		
5	Peaceful industrial relation are important for better working conditions.	Frq.				32	174	206	4.84	
		%				16	85	100		
6	Management exerts effort in a manner of bringing better compensation and benefits, work conditions, profit sharing and sound industrial relations.	Frq.	91	52		54	9	206	2.21	
		%	44	25		26	4	100		
7	The union is not as such strong to influence the management.	Frq.	9	19	36	46	96	206	3.98	
		%	4	9	18	22	47	100		
8	The labor union officials duly understand their responsibilities.	Frq.	46	92	27	41		206	2.31	
		%	22	45	13	20		100		

Source: Survey data, 2022

As can be seen in table 4-3 above, the mean score of knowledge and attitudes of employees towards the labor union and the industrial relation is **3.2251** which is medium. This implies that the employees has a moderate levels of knowledge and attitude towards both the labor union and industrial relation.

As can be shown from the data there is high agreement on the ideas that like the importance of peaceful industrial relation for better working conditions, the importance of the existence of a cooperation and trust between management and labor union to employees than mistrust between the two parties, and the weakness of the union in influencing the management with a mean scores of **4.84** (where 84.5% of the respondents strongly agreed), **4.54** (where 54.9% of the respondents strongly agreed) and **3.98** (46.6% of the respondents also strongly

disagreed), respectively. This means that the respondent very much know the value of peaceful industrial relation in enhancing their working environment as well as the existence of cooperation and trust between the management and the union. In addition the union's power to influence the management can be taken as very low. With a mean score of 3.29 where 37.9% of respondents agreed that respondents understand and support the objective of the labor union which is a good practice to continue.

The lowest disagreements were on ideas such as the activities of the labor union going along with its main objectives, the management making efforts in bringing better compensation and benefits, work conditions, profit sharing and sound industrial relations and the labor union officials understanding their responsibilities fully with a mean score of 2.43(where 42.7% of the respondents disagreed), 2.21(25.2% of the respondents disagreed), and 2.31(44.7% of the respondents disagreed), respectively. The lowest score of mean value is 2.20 where 35.9% of respondents disagree that the labor union is working to safeguard the right and interest of the employee as much as it can.

Generally, this table shows that the employees have good knowledge and attitude on the idea of industrial relation as they strongly agreed on the existence of a cooperation and trust between management and labor union generally is more important to employees than mistrust between the two parties and peaceful industrial relation are important for better working conditions.

Although it is good that the majority of respondents agreed that they understand and support the objective of the labor union, the result indicate the labor union activities do not go along with its objectives and the labor union is not working to safeguard the right and interest of the employees. Most of the respondents also believe that the management is not exerting enough effort in of bringing better compensation and benefits, work conditions, profit sharing and sound industrial relations, the union is not strong enough to influence the management and labor union officials do not understand their responsibilities fully.

The management of the organization as indicated in the interview by the managers believed that the overall industrial relation in the organization is good but recently there has been problems in organization which has caused the organization to loss its employees and some

products and brands. The internal problems lead to employee dissatisfaction and decrease productivity but the main cause of the problems are the lack of foreign currency as the organization is engaged in importing business, the lack of foreign currency that happened in the country has caused a decrease in the company's sales and profit. In addition the current status of the country with the war and disputes happening was a major challenge to the organization as business is not as always and many customers were struggling financially as well. Covid 19 was also challenging because work was very much slowed in the organization as well as in the suppliers side therefore they said that they think employees complained are acceptable and the management is working hard to bring improvements in the overall industrial relation.

The managers also indicate in the interview that the management is very cooperative to the labor union starting from helping in its formation to provide necessary areas and materials for the union to give its service. It also allow union leaders to perform their unions function along with their responsibilities in the organization and give paid leave when they need to be absent for the works related to the labor union. This can lead to a conclusion that the knowledge and attitude of the management is good toward the labor union and industrial relation.

4.3.3. Roles of Labor Union in Ensuring Effective Industrial Relation

Table 4-4 Statistical summary of responses on Roles of labor union in ensuring effective industrial relations

NO	Questions		Level of Agreement					Total	Mean	Aggregate mean
			SD	D	N	A	SA			
1	The labor union actively participates to improve the financial conditions of employees.	Frq.	83	73		32	18	206	2.17	2.6318
		%	40	35		16	9	100		
2	The labor union has strong involvement in improving and regulating such issues as working conditions, employee safety, training and layoffs.	Frq.	82	65		41	18	206	2.26	
		%	40	32		20	9	100		
3	The labor union is strong in protecting employees from illegal practice by the management.	Frq.	65	82	9	41	9	206	2.26	
		%	32	40	4	20	4	100		
4	The representatives of the labor union make efforts to identify and utilize the potential of the members.	Frq.	81	29	36	32	28	206	2.5	
		%	39	14	18	16	14	100		
5	The members of the labor union are well communicated about changes in the corporation by the labor union.	Frq.	108	28	10	37	23	206	2.22	
		%	52	14	5	18	11	100		
6	The labor union makes sure that members get their proper benefits and bonuses as agreed on the collective agreement.	Frq.	36	27	38	72	33	206	3.19	
		%	18	13	18	35	16	100		
7	The labor union has its own publication in order to increase the level of knowledge of its members and to defend their interests.	Frq.	56	10	9	59	72	206	3.39	
		%	27	5	4	29	35	100		
8	The labor union leaders consult with the members before entering into negotiation with the management.	Frq.	135	19	10	14	28	206	1.94	
		%	66	9	5	7	14	100		
9	The practices of the union are according to the interests and needs of the employees.	Frq.	63	65	27	51		206	2.32	
		%	31	32	13	25		100		
10	The labor union leaders allow workers, to directly deal with all aspects of management or industrial issues through their representatives.	Frq.	46	110	9	41		206	2.22	
		%	22	53	4	20		100		
11	The labor union encourages employees to express or discuss their personal problems with their superiors.	Frq.	37	46	18	105		206	2.93	
		%	18	22	9	51		100		
12	The labor union participates in modifications of contracts and procedural agreements in the corporation.	Frq.	36	47	95	28		206	2.56	
		%	18	23	46	14		100		
13	The labor union participates in the designing and implementation of employee reward systems.	Frq.	28	54	28	63	33	206	3.09	
		%	14	26	14	31	16	100		
14	The labor union aligns its objectives with the objectives of the management.	Frq.		10	55	113	28	206	3.77	
		%		5	27	55	14	100		
15	When any employee makes a mistake, fine or ban on the employee can be made in consultation with labor union.	Frq.	45	101	23	18	19	206	2.34	
		%	22	49	11	9	9	100		
16	The labor union works with the management to solve disciplinary and performance problems and problems related to working conditions.	Frq.	54	65	32	55		206	2.43	
		%	26	32	16	27		100		
17	The labor union allows members to make their grievances heard.	Frq.	18	82	27	60	19	206	2.9	
		%	9	40	13	29	9	100		
18	The labor union is effective in resolving disagreements and conflicts with the management.	Frq.	72	65	46	23		206	2.1	
		%	35	32	22	11		100		
19	The labor union has mutual understanding, trust and cooperation with the management.	Frq.	18	92	27	27	42	206	2.92	
		%	9	45	13	13	20	100		
20	The presence of the labor union is the key to maintain peaceful relationship between the management and workers.	Frq.	28	45	37	64	32	206	3.13	
		%	14	22	18	31	16	100		

Source: Survey data, 2022

One of the role of the labor union is market role which is to work to improve the financial conditions of employees, when we look at the opinion gather on the organization shows a low mean value of 2.17 where 75.7 cumulative percentage of respondents disagreed and strongly disagreed. This is an indication that the labor union fails at the most important role it is supposed to play in the industrial relation.

The labor union's involvement in improving and regulating such issues as working conditions, employee safety, training and layoffs is also found to be weak with a mean value of 2.26 where the cumulate percentage of respondents that disagreed and strongly disagreed are 71.4%. This shows the unions weakness in playing regulatory role where it was supposed to improve and manage the issues of employment conditions.

The labor union effort to protect employees from illegal practice by the management and identifying and utilizing the potential of the members each received a mean value of 2.26 & 2.5 where cumulate percentage of 71.4% and 70.9% of respondents disagreed and strongly disagreed for the two questions respectively. Which shows that the union is not playing its role in protecting employees from illegal practices which needs to be very much improved if there need to be effective industrial relation. The labor union should identify and properly use the potential of its member in order for it to be strong and influential.

The members of the labor union not well communicated about changes in the corporation by the labor union as shown in the mean value of 2.22 which is low and 66% of respondents answered disagree and strongly disagree. This leaves a gap between the employees and the union and makes the employees feel they are not part of the organization and are not represented in the decisions of the organization.

The statement that the labor union makes sure that members get their proper benefits and bonuses as agreed on the collective agreement and has its own publication in order to increase the level of knowledge of its members and to defend their interests both has a medium mean value of 3.19 (where, 51% agreed and strongly agreed) and 3.39 (where, 63.6% agreed and strongly agreed), respectively. This is a good indication and also agree with the previous result that the collective agreement is implemented in the organization

while there are dissatisfaction with its content. The labor union publish its own booklet and distribute to each member which is a good practice.

The lowest mean value of 1.94 has been registered for the question the labor union leaders consult with the members before entering into negotiation with the management 74.8% cumulative percentage of respondents disagreed and strongly disagreed. This shows that the labor unions fails to play its democratizing role where the union was supposed to allow employees to participate and exercise democracy. Similarly the idea that the labor union leaders allow workers, to directly deal with all aspects of management or industrial issues through their representatives received 75.7% cumulative disagreement and strongly disagreement by scoring a mean value of 2.22. Which should be the concern of the labor union as an area of improvement.

According to the unions officials the union ways of consultation and involvement of members in its activity is through the general assembly meeting which was supposed to be held twice a year where members are encouraged to raise their issues and give opinions on decisions. But due to different reasons like Covid and other issues like the transfer of the chairman of the labor union to confederation and other union official leaving the organization the union was unable to hold the general assembly or perform its tasks properly.

Generally the practice of the union are not according to the interests and needs of the employees as respondents replay strongly disagree and disagree with a cumulative percentage of 62.1% and a mean score of 2.32. This is an indication of how far the union is in playing its primary goal of securing the interest and needs of employee which is the basic criteria for effective industrial relation.

The labor union encourages employees to express or discuss their personal problems with their superiors gets a support by 51% of respondents with a mean value of 2.93 which is medium. This implies the support of the union for employees to present their problems to their superiors is moderately good practice.

The labor union participates in modifications of contracts and procedural agreements in the corporation, when any employee makes a mistake, fine or ban on the employee can be

made in consultation with labor union and the labor union works with the management to solve disciplinary and performance problems and problems related to working conditions are all a question of involvement of the union in decisions of the management. All the three questions shows low mean value of 2.56(where 46.1% have a neutral opinion as they lack the awareness), 2.34(where 49% have disagreed) and 2.43(where 31.6% have disagreed), respectively. This is an indication that the union's participation in employment issue is very weak.

The labor union officials also support this idea by explaining that the participation of the unions in the company issue is very low because of the management's unwillingness to include the union in its practices and also the union's inability to influence the management. The management hold the believe that the union participation ends after settling an agreement after that the management is not obligated to include the management in its decision making. Therefore the union's official request to be involved in the organizations decision making is strongly rejected and opposed by the management.

From the interview conducted with the managers of the organization on the above idea concerning the involvement of the union in the decision of the management concerning their member they have agreed to it as their weakness. The management states that the organization has a strong and clear human resource policy which clearly puts rules and procedure to all function of the human resource practices and all activities are based on that. Even though there might be implementation gaps it has served very well in bringing and solving different problems related to employment issues. In spite all that the management agreed that there is a weakness in involving the labor union in its practice the way it needs to be.

The labor union participating in the designing and implementation of employee reward systems and aligning its objectives with the objectives of the management shows a medium mean result of **3.09** (where 30.6% have disagreed) and a high mean result of **3.77** (where 54.9% have disagreed), respectively. This showed that the union plan and employee reward system especially service time reward in collaboration with the management which should also be practice in other activities of the management. The alignment of labor union objectives with the management objective is a good practice but it should not override the main objective of the union which is to safeguard the interest and benefit of employees.

The following statements like the labor union allows members to make their grievances heard, the labor union is effective in resolving disagreements and conflicts with the management and the labor union has mutual understanding, trust and cooperation with the management all has a mean value of 2.9(where 39.8% have disagreed), 2.1(where 35% have strongly disagreed) and 2.92(where 44.7% have disagreed), respectively. We can see from the data that the grievance handling, conflict and disagreement resolution and lack of mutual understanding, trust and cooperation is poor which a sign of ineffective industrial relation is where the labor union failed to play its role.

The data from the management of the organization indicates that the management believed that it is working with the labor union in cooperation and trust. It is also supportive of the union in its activities and work together to create better industrial relation in the organization. The managers said the organization has a grievance handling and conflict resolution system that is found in its human resource policy which is being implemented effectively, however involvement of the labor union is only done accordingly and they are not mostly involved unless the case is huge.

Lastly the idea that the presence of the labor union is the key in maintain peaceful relationship between the management and workers gets a medium mean value of 3.13 where 31.1% agreed on. Indicating that the union is needed to create peaceful relationship between the two parties. The mean score of overall role of labor union ensuring effective industrial relation was 2.6318 is found in medium range of mean. This indicates that the labor union role in creating effective industrial relation is not satisfactory and a weak as a practice.

According to the interview finding the labor union main services are securing the rights and benefits of employees, representing them in all issues related to the employment relations, creating awareness of laws and regulations formulated for occupational safety, bargaining with organization as representative of the workers, working with the management and other social organizations like ekub and eder in issues that needs cooperation. In addition it is found from the interview that the collective agreement with all its draw backs can be considered as a change that come after the formation of the union because it serve as a base for the alignment of organizational activities to the needs and

rights of the employees as well as for employees to demand their rights in respect to it. The other change mentioned is through bargaining the union was able to make every employees to receive at list 10% of monthly increment and at least 1 months of salary bonuses whenever the organization makes a profit. But generally it can be concluded that the union is not playing its expected role in creating and sustaining effective industrial relation in equatorial business group.

4.3.4. Challenges faced by the Labor Union

Table 4-5 Statistical summary of responses on Challenges faced by the union

NO	Questions		Level of Agreement					Total	Mean	Aggr egate mean
			SD	D	N	A	SA			
1	There is a lack of knowledge and maturity of the labor union officials on industrial relations.	Frq.	9	42	37	118		206	3.28	3.124
		%	4	20	18	57		100		
2	The labor union has shortage of finance	Frq.	47	95	46	9	9	206	2.21	
		%	23	46	22	4	4	100		
3	The labor union has shortage of knowledgeable and skilled manpower	Frq.		10	36	110	50	206	3.97	
		%		5	18	53	24	100		
4	There is a lack of understanding and willingness to support the labor union from the employee’s side.	Frq.	18	9	29	100	50	206	3.75	
		%	9	4	14	49	24	100		
5	The current union officials of the union don’t have adequate negotiation knowledge and skills	Frq.	28	37	59	64	18	206	3.03	
		%	14	18	29	31	9	100		
6	There are strategies & tactics that the management uses to discourage the efforts of labor union and influence its practice.	Frq.	9	1	46	150		206	3.64	
		%	4	1	22	73		100		
7	The management intimidations the labor union when it stands beside to the employees during employees right violation.	Frq.	37	78	55	36		206	2.44	
		%	18	38	27	18		100		
8	The current Labor Union officials promote their personal interest than the rights and interests of the whole employees.	Frq.	36	60	46	64		206	2.67	
		%	18	29	22	31		100		

Source: Survey data, 2022

The highest mean score of **3.97** was recorded on the idea that the labor union has shortage of knowledgeable and skilled manpower which shows 53.4% of the respondents strongly agreed. This means that the lack of skilled man power is the biggest challenges of the union in playing its role according to the respondents. The lack of understanding and willingness to support the labor union from the employee's side with a mean score of **3.75** is the next biggest challenge of the union (where 48.5% of the respondents strongly agreed).

The idea that strategies & tactics that the management uses to discourage the efforts of labor union and influence its practice as a challenge to the union received a high mean value of **3.64** (where 72.8% of respondents agreed on). Indicating that it is actually considered as a real challenge to the union. However from the conducted interviewee with the management, they responded that even though both the management and the labor union has their own independent role and function to be performed independently, they work together in the organization where one involves with the other and both the management and the union gets involved in each other's role for the purpose of mutual gain. Which the management denies to be a negative effect.

Mean value **3.28** was registered on the idea that there is a lack of knowledge and maturity of the labor union officials on industrial relations, which had 57.3% of respondents agreed on as a moderate challenge in unions role to create effective industrial relation. In the same way the lack of adequate negotiation knowledge and skill of current union officials is found to be a challenge with a medium mean score of **3.03** where 31.1% of respondents agreed that it is a challenge of the union.

The least mean value from this group are **2.67** (where 31.1 % of the respondents agreed) on the current Labor Union officials promote their personal interest than the rights and interests of the whole employees as a moderate challenge, **2.44**(where 37.9 % of the respondents disagreed) on the idea that the management intimidate the labor union when it stands beside to the employees during employees' right violation as a challenge and **2.21** where 46.1% disagree that the labor union has shortage of finance. This is an indication that the management doesn't impose method of intimidation on the labor union which is good, the union has enough finance currently and the officials promoting their personal interest is low.

As illustrated in table above, the mean score of the overall respond on the labor union challenges was 3.12, which is higher than the mean value of 3. This indicates that the labor union faces challenges that are preventing it from playing its role in creating effective industrial relation. In the same way the labor union officials has pointed in the interview that the influence of the management is one of the challenges because the union is restricted in many ways from being involved in the issues of the employee which makes it weaker.

Employees are also not aware of what the role and the function of having a union so they are not willing to either be a member or help the union by using their collective power. The other challenge is there is a lack of union officials because most of them has left the union because of different reasons without replacing other peoples in their place which created a gap in the work of the union. Union official who conducted the work of the union as most of the cases in our country give free service which means their time and efforts is not compensated in any way therefore most peoples don't want to be in that position and those who are already officials are negligent and has too much burden and responsibility since they are few in number.

Lastly the main cause of the weakness of the union is mentioned by the union officials is the way the union was established. The establishment of the union in EBG is found to be quite different from the usual ways labor union were formed as explained by the union officials. As it is seen in different literatures most unions are formed because of worker need for justice and usually are initiated by some dissatisfaction with the way employers are treating employees. However in the case of EBG the idea of creating the labor union is raised by the organization management and the first members and union officials were also selected by the management as the existence of labor union was a requirement to be granted ISO standard for quality management system. Although this can be a benefit to the organization, it is the main reason why employees do not trust the labor union and why they don't believe it will work for their advantage. This has made the labor union to always be under the influence of the management and loss the support of the employees. However the union official mentioned that the reason for employees to not initiate the formation of labor union is because the organization has a good management system that is administered by organized rules policies and procedures which does not violate the right of the employees although employees may have issues related to benefits and fairness.

Chapter Five

Summary, Conclusion & Recommendation

5.1. Summary of Major Finding

This summary is prepared based on the major findings that are taken out of the data's gathered and presented in the previous chapter. Questionnaire data was collected from 211 employees of Equatorial business group which include both labor union members and non-union member (responded with a response rate of 98%). Interview was conducted for 2 union leader and 2 managers of the organization. In doing this analysis self-developed questionnaire (prepared with both English and Amharic languages) was used. In order to ensure the reliability and validity of the questionnaire, pilot test was carried out and Cronbach's Alpha of 0.89 was acquired. Before analyzing the data, missing values and irregularities in the data collected were checked. The collected data is analyzed with the purpose of examining the role of EBG's labor union in effective industrial relations.

Among the total of 206 respondents only 28.6% (59) are females and 71.4% (147) are male. We can also observe the age of respondents is mostly above the age of 28 up to 45 and the next populated range is 46-59. 50% of the respondents have a bachelor's degree and 32% have a diploma. Majority of respondents have worked in the organization from 16 to 20 years which indicates employees' commitment to the organization. Only 27.67% of respondents are members of the union and among the members of the union 42% of them were members of the union from 6-7 years that means starting from its establishment.

The study is intended to investigate the role of the labor union in creating effective industrial relation with the objective of investigating how the collective agreement is serving both the employees and the organization, examine the perception and attitude of both the management and employees towards the labor union and industrial relation, to investigate the labor unions role in sustain effective industrial relations to investigate the challenges the labor union is facing. Based on these premises, the findings of the research are summarized as follows:

As observed findings the collective agreement in terms of its benefit to both employees and the organization is found to be weak. This indicates that although it is good that the

agreement was a result of bargaining and discussion resulting in agreement between both parties, it is implemented by both the management and the union, it restrict improper actions taken against employees, and it enables employees to request their right that are stated on the agreement, on the other hand since the union's bargaining power and negotiation skills are low the collective agreement in most part did not reflect workers interest it is mostly comprised of basic rights of employees and rather small advantages that can be considered as the responsibility of the organization. It fails to include points that can improve the employee's financial situation and performance that can benefit both the employees and the organization as well.

The problem of not encouraging members to bring employment issues that needs collective bargaining and the lack of participation and consultation of members in activities and decision of the union created this gap. In general the collective agreement is weak in increasing employees satisfaction and productivity, it lags behind from the current situation the agreement didn't fully update itself to changes in the environment and industry in general. The union did not have a controlling mechanism to check whether the agreement is being implemented properly unless employees complained. It is also weak in working together to amend the agreement periodically with the management. This conclude the service of the collective agreement in creating effective industrial is weak.

Regarding the knowledge and attitude of the employees towards the labor union and industrial relation, the data indicated that they have good knowledge and attitude towards the concepts. Most of respondents believed that the existence of cooperation, trust and peaceful industrial relation is very important to create better working environment and increase organizational profitability. They also believe in understanding union's objective and giving their support for its achievement.

The respondent's attitude towards management effort in bringing better compensation, benefit, work condition or sound industrial relation is negative and believe it is not making the right effort. They also believe the labor union is not strong in working to achieve its main objective which is to safeguard the interest and need of employee. As employees interests and needs are not being meet which could also be linked to the union's weakness

in influencing the management. The labor officials lack understanding of their primary responsibility which directly affect their activities.

Summary of scores of the mean of the overall roles of labor union in effective industrial relation is found to be very low. This indicates that the extent the role of the labor union playing in creating effective industrial relation in the organization is low.

From the presented and discussed data it can be generalized that there are significant challenges that the union is facing. The challenges the union faces are a lack of union official who has an adequate knowledge on industrial relation and negotiation skill to make the union stand strong. The labor union has a shortage of manpower. The employees do not have enough understanding towards the union and they are not willing to support the union. The management also use different strategies and tactics to discourage the efforts of the union and affect its practices. Some union officials promote their interest than the interest of the general employees.

5.2. Conclusion

Based on the finding, it can be concluded that the labor union is not playing its role in creating effective industrial relation. The employees do not trust the labor union in safeguarding their interest and are dissatisfied with its practices. The formation of the union which was done through the initiation and effort of the management makes it hard for the employees to trust that the union is on their side as a result since the union does not have enough support from the employee it doesn't have strength to stand strongly in representing the workers. Most of the employees are not the member of the union and their understanding of the value of labor union in the work environment is low. The labor union has some strengths which needs to be cultivated more but it has many weakness that it needs to work on as much as it can. It can also be concluded that the labor union has many challenges it is facing that prevent it from playing its role in creating effective industrial relation. The challenges starts from the management influence to the lack of strong and skilled union managers as well as manpower and the lack of support from the employees.

The industrial relation in the company is not strong enough in improving the employee's life and profitability of the organization. The employees show dissatisfaction towards the

effort the management exert in bettering compensations, benefits, working conditions as well as effective industrial relationship. The existence of the collective agreement in creating awareness to the employees' rights is good but the agreement is not up-to-date and need to be amended by including timely solution to employee dissatisfaction and ways to upgrade the performance of the employees to increase the profitability of the organization by involving and consulting the employees through their representative. There is a strong problem of handling grievance on both the management and the labor union side which discourage members from demanding their rights and creating effective industrial relation.

Most employees' belief the labor union was very weak in resolving employees and management related problems peacefully. The labor union had weak role in maintain industrial peace and minimize conflict in the organization. Therefore, the overall role of labor union in protecting and promoting employees' interests and creating effective industrial relation in the enterprise was found be poor.

5.3. Recommendation

The following recommendations were presented based on the findings and conclusion to improve the role and contribution of the labor union in the case of EBG.

The first point to be recommended is that the collective agreements in the organization needs to be updated based on the current industrial condition by doing a thorough research. The labor union managers need to develop their bargaining skill and consult the member in bringing employment issues that need a collective bargaining. By doing this union can bargain for a good collective agreement that can serve the employees and organization well.

The labor union needs to strongly work to make all employees its members by creating enough awareness and trust in the employees and providing membership advantages that can attract them into joining and staying committed to the union. The enhancement of employee's knowledge and attitude is very critical to the industrial relation. It also needs to strengthen itself to have the power that is needed in being able to perform its role. As the lack of power and influence is discussed as the barrier to the union's role in creating effective industrial relation.

The employees of the organization needs to develop their understanding of the value of the labor union, become members of the union and give their full support as they would be the one to benefit if the union achieve its main objectives of safeguarding there interest and benefits. Employee's knowledge attitude and support is the main ingredient to make the industrial relation effective.

The management needs to stop influencing the labor union and let it function independently without unnecessary management interference. So that the union serves its purpose and industrial peace is sustained. In addition it needs to allow the union to participate in decisions and procedures related to the employees. It needs to consult the labor union when designing or amendments of policies and contracts etc. is being made. Because the only way the work environment can be balanced is through the involvement of the union in managerial decisions representing employees.

The union leaders should be elected by the union members democratically without both government and management interference to run their duties and responsibilities based on the collective bargaining and constitution. Knowledgeable members have to lead the union and up-to-date their knowledge to settle industrial peace in the enterprise and for smooth management and employees' relationship. To solve the problem of skilled manpower and commitment issues the union needs to hire peoples that can handle the activities of the union as the union has strong financial status. Removing this challenge is one step forward for the union in playing its role.

Furthermore working closely with the federation can help the industrial relation as unions leader get support from trainings and assistance to union to increase their competency. In general industrial relation is a triplet relation between management labor unions and government so working cooperatively and each playing its main role is expected from each party.

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Appendices 1. Questionnaire

St. Mary's University

School of Graduate Studies (SGS)

Master of Business Administration (MBA)

Data gathering questionnaire on “the Role of labor union on effective industrial relations”

Dear Respondent;

I, Biruktawit Lule, am finalizing my studies of master's in Business administration at St. Mary's University. I am now doing My Master's thesis on the topic “Roles of Labor union on effective Employment Relations: in the case of Equatorial business group” to complete my studies.

The aim of the research is to measure the attitudes of employees regarding the practical roles of labor unions. Additionally, it seeks to assess whether the roles played by labor unions are in line with maintaining effective industrial relations that as evidenced by many researches are the essential ground for both parties to maintain better industrial relations that help them attain their respective objectives. Based on the findings of the study, recommendations will be forwarded which will enable the labor union to serve their members better.

Note:

- Please give your true feeling about each question
- Your responses will be confidential and it will be used only for research purpose.
- Do not write your name.

Thank you in advance for your precious time and kind cooperation

Section A: Profile of Respondent

Please complete the following details by checking the box with “✓” mark that is appropriate for you

1. Gender: A. Male ☐ B. Female ☐
2. Age group: A. 20-27 ☐ B. 28-35 ☐ C. 36-45 ☐
 D. 46-59 ☐ E. 60 or above ☐
3. Educational Level:
 - i. Technical/Vocational school certificate ☐
 - ii. Diploma ☐

- iii. Bachelor Degree ☐
- iv. Master's Degree ☐
- v. Other: Please specify _____
4. Work Experience in the company: A. 1-5years ☐ B. 6-10years ☐
C. 11-15years ☐ D. 15-20year ☐ E. Above 20years ☐
5. Are you a member of the labor union: A. Yes ☐ B. No ☐
6. If your answer to question # 5 is "Yes", How long have been you been a member of the labor union: A. 1-2years ☐ B. 3-5years ☐ C. 6-7years ☐

Section B: Questions related to the role of labor unions

List of items that are believed to measure variables of the study is given below.

Please indicate the level of satisfaction with each statement by checking the box with a "✓" to the levels from 1 to 5.

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

Collective agreement for the employees and the organization		1	2	3	4	5
1	The collective agreement has been prepared through discussion and mutual agreement.					
2	The collective agreement increases the satisfaction and productivity of employees.					
3	The collective agreement restricts management's freedom for irrational action against the employees.					
4	The collective agreement is up-to-date and consider the current economic, social and technological changes in the environment.					
5	The labor union and the management works together to amend the collective bargaining agreement.					
6	Both the management and labor union leaders respect and apply the collective bargaining agreement.					
7	The labor union have strong positions to control the implementation of the collective agreement by the organization.					
8	The collective agreement has serve its purpose in creating peaceful and satisfying industrial relation.					
9	The labor union encourages members to bring employment issues that need a collective bargaining.					

Knowledge and attitudes of employees towards the labor union		1	2	3	4	5
1	The existence of a cooperation and trust between management and labor union generally is more important to employees than mistrust between the two parties.					
2	I adequately understand and support of the objective of the labor union.					
3	The activities of the labor union go along with its main objectives.					
4	The labor union is working to safeguard the right and interest of the employee as much as it can.					
5	Peaceful industrial relation are important for better working conditions					
6	Management exerts effort in a manner of bringing better compensation and benefits, work conditions, profit sharing and sound industrial relations.					
7	The union is not as such strong to influence the management.					
8	The labor union officials duly understand their responsibilities					

Roles of labor union in ensuring effective industrial relation		1	2	3	4	5
1	The labor union actively participates to improve the financial status of employees.					
2	The labor union has strong involvement in improving and regulating such issues as working conditions, employee safety, training and layoffs.					
3	The labor union is strong in protecting employees from illegal practice by the management.					
4	The representatives of the labor union make efforts to identify and utilize the potential of the members.					
5	The members of the labor union are well communicated about changes in the corporation by the labor union.					
6	The labor union makes sure that members get their proper benefits and bonuses as agreed on the collective agreement.					
7	The labor union has its own publication in order to increase the level of knowledge of its members and to defend their interests.					
8	The labor union leaders consult with the members before entering into negotiation with the management.					
9	The practices of the union are according to the interests and needs of the employees.					
10	The labor union leaders allow workers, to directly deal with all aspects of management or industrial issues through their representatives.					
11	The labor union encourages employees to express or discuss their personal problems with their superiors.					

12	The labor union participates in modifications of contracts and procedural agreements in the corporation.					
13	The labor union participates in the designing and implementation of employee reward systems and promotion.					
14	The labor union aligns its objectives with the objectives of the management.					
15	When any employee makes a mistake, fine or ban on the employee can be made in consultation with labor union.					
16	The labor union works with the management to solve disciplinary and performance problems and problems related to working conditions.					
17	The labor union allows members to make their grievances heard.					
18	The labor union is effective in resolving disagreements and conflicts with the management.					
19	The labor union has mutual understanding, trust and cooperation with the management.					
20	The presence of the labor union is the key to maintain peaceful relationship between the management and workers.					

Challenges faced by the union		1	2	3	4	5
1	There is a lack of knowledge and maturity of the labor union officials on industrial relations.					
2	The labor union has shortage of finance					
3	The labor union has shortage of knowledgeable and skilled manpower					
4	There is a lack of understanding and willingness to support the labor union from the employee's side.					
5	The current union officials of the union don't have adequate negotiation knowledge and skills					
6	There are strategies & tactics that the management uses to discourage the efforts of labor union and influence its practice.					
7	The management intimidations the labor union when it stands beside to the employees during employees' right violation					
8	The current Labor Union officials promote their personal interest than the rights and interests of the whole employees.					

Thank you!!!

ቅድስት ማሪያም ዩኒቨርሲቲ

የድህረ ምረቃ ፕሮግራም

ማስተርስ ኦፍ ቢዝነስ አድሚኒስትሬሽን

“የሠራተኛ ማህበራት ውጤታማ የኢንዱስትሪ ግንኙነት በማራመድ ሒደት ያላቸው ሚና”
በተመለከተ ለኢኳቶሪያል ቢዝነስ ግሩፕ ሠራተኞች የቀረበ መጠይቅ
ውድ መላሸች;

እኔ ብሩክታዊት ልዑል በቅድስት ማሪያም ዩኒቨርሲቲ የድህረ ምረቃ ፕሮግራም ተማሪ ስሆን የሠራተኛ ማህበራት ውጤታማ የኢንዱስትሪ ግንኙነት በማራመድ ሒደት ያላቸውን ሚና በኢኳቶሪያል ቢዝነስ ግሩፕ ላይ ጥናት በማካሄድ ላይ እገኛልሁ። በመሆኑም ይህ መጠይቅ ሠራተኞች በእነርሱ እነሱን እንዲወክሉ ያቋቋሙባቸው የመሠረታዊ የሠራተኛ ማህበራት የሚያከናውኑባቸውን ተግባራት በተመለከተ ያላቸውን አመለካከት ለማሳባት የተዘጋጅ ነው። በርካታ ጥናቶች እንደሚያመለክቱት ሠላማዊ የአሰሪና ሠራተኛ ኢንዱስትሪያዊ ግንኙነት ለሠራተኛው ለድርጅታቸው ብሎም ለአገር ልማት በጎሮሽ የሚበጅ እንደሆነ ነው። ይህንንም በማምጣት ሂደት የሠራተኛ ማህበራት የሚኖራቸው ድርሻም የላቀ ነው ተብሎ ይታመናል። እነዚህ የሠራተኛ ማህበራት የተሠጣቸውን ኃላፊነት በተግባር እያዋሉ ስለመሆናቸው ሠራተኞች ምን ይላሉ የሚለው የዚህ ጥናት ዋነኛ ትኩረት ነው። ከግኝቶችም በመነሳትም ጥናቱ የሠራተኛ ማህበራቱ የወከሏቸውን አባላት በተሻለ ሁኔታ እንዴት ሊያገለግሏቸው እንደሚችሉ እና ለቀጣይ ሥራዎች የሚጠቅሙ ጥቆማዎችን ለመሥጠት ይሞክራል።

ማስታወሻ

- በዚህ መጠይቅ ላይ የሚሞላው መረጃ በሚስጥር እንደሚያዝ ላረጋግጥልዎት እወዳለሁ።
- ስምዎትን መፃፍ አያስፈልግም።
- ለጥያቄዎቹ ሁሉ ተሰማሚ ይሆናል ይሉትን የራስዎን እውነተኛ ምላሽ በመስጠት ለጥናቱ መሳካት ቀና ትብብርዎን ያደርጉ ዘንድ በትህትና እጠይቃለሁ።

ለሚያደርጉልኝ ቀና ትብብር በቅድሚያ ከልብ አመሰግናለሁ።

ክፍል አንድ: የመላሽ የግል መግለጫ

ከዚህ በታች ከተሰጡት አማራጭ ጥያቄዎች ውስጥ እርስዎን የሚውክለውን ምላሽ ላይ የ“✓” ምልክት ያድርጉ።

1. ፆታ: ሀ. ሴት ☐ ለ. ወንድ ☐

2. እድሜ: ሀ. 20-27 ☐ ለ. 28-35 ☐ ሐ. 36-45 ☐ መ. 46-59 ☐

ሠ. 60 እና ከዚያ በላይ

3. የትምህርት ደረጃ:

ሀ. የቴክኒክ እና ሙያ የምስክር ወረቀት

ለ. ዲፕሎማ

ሐ. ዲግሪ

መ. ማስተርስ

ሠ. ሌላ: _____

4. በድርጅት ውስጥ የአገልግሎት ጊዜዎች: ሀ. 1-5 ዓመት ለ. 6-10 ዓመት

ሐ. 11-15 ዓመት መ. 15-20 ዓመት ሠ. ከ20 ዓመት በላይ

5. የሠራተኛ ማህበር አባል ነዎት? ሀ.አዎ ለ.አይደለሁም

6. ለተራ ቁጥር 5 ምልስዎ አዎ ከሆነ በሠራተኛ ማህበሩ አባልነት የቆይታ ጊዜዎች: ሀ. 1-2 ዓመት

ለ. 3-5 ዓመት ሐ. 5-7 ዓመት

ክፍል ሁለት: ከሠራተኛ ማህበሩ ሚና ጋር የተያያዙ ጥያቄዎች

ከዚህ በታች ለጥናቱ አስፈላጊ ናቸው ተብለው የታመነባቸው ኃሳቦች ቀርበዋል ለኃሳቦቹ ያሉዎት የመስማማት መጠን ከ 1 እስከ 5 ከተሰጡት አማራጮች መካከል የ “✓” መልክትን በመጠቀም ይምረጡ።

በጭራሽ አልስማማም	አልስማማም	ሀሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
1	2	3	4	5

የድርጅቱ የሕብረት ሥምምነት ከሠራተኛው ጥቅም አኳያ		1	2	3	4	5
1	የሕብረት ስምምነቱ የተዘጋጀው በምክክርና በመግባባት ነው።					
2	የሕብረት ስምምነቱ የሠራተኛው ሞራልና ምርታማነት ይጨምራል።					
3	የድርጅቱ ሕብረት ስምምነት ማኔጅመንቱ አለአግባብ ሠራተኞችን እንዳይበድል ይከላከላል።					
4	የሕብረት ስምምነቱ ወቅታዊ እና የስራ አካባቢው አሁን ያለበትን ኢኮኖሚያዊ፣ ማህበራዊ እና ቴክኖሎጂ ለውጦች ከግምት ውስጥ ያስገባ ነው።					
5	የሠራተኛ ማህበሩና ማኔጅመንቱ የሕብረት ሥምምነቱን ለማሻሻል በጋራ ይሠራሉ።					
6	የሠራተኛ ማህበሩና ማኔጅመንቱ የሕብረት ሥምምነቱን ያከብራሉ እንዲሁም ተግባራዊ ያደርጋሉ።					
7	የሠራተኛ ማህበሩ የሕብረት ስምምነቱን አፈፃፀም ለመቆጣጠር የሚያስችል ጠንካራ አቋም አለው።					
8	የሕብረት ስምምነቱ ሰላማዊና አርኪ የሆነ የኢንዱስትሪ ግንኙነት የመፍጠር ሚናውን ተወጥቶታል።					
9	የሠራተኛ ማህበሩ ሠራተኞች የሚያጋጥማቸውን የሕብረት ድርድር የሚሹ ችግሮችን ለማህበሩ እንዲያቀርቡ ያበረታታል።					

ሠራተኞች ስለሠራተኛ ማህበራቸውና ኢንዱስትሪ ግንኙነት ያላቸው ግንዛቤ እና አመለካከት		1	2	3	4	5
1	የሠራተኛ ማህበር ኃላፊዎች ከስራ አመራሩ ጋር በሚኖራቸው ግንኙነት መከተል የሚገባቸው አካሄድ የምክክር እና የመግባባት ስልት እንጂ የግጭት እና ተፅዕኖ የማሳደር ስልት መሆን የለበትም።					
2	የሠራተኛ ማህበሩ የተቋቋመበት ዓላማዎች ተገንዝቤ ለተግባራዊነቱ የራሴን ድጋፍ እያደረግኩ ነው።					
3	የሠራተኛ ማህበሩ ሠራተኞችን በመወከልና በድርጅቱ ውስጥ የሠራተኞች ድምፅ ለመሆን በአጠቃላይ የተቋቋመበት ዓላማዎች እና አሁን በተግባር እየታዩ ያሉ አፈፃፀማች የሚጣጣሙ ናቸው ብዬ አስባለሁ።					
4	የሠራተኛ ህብረቱ የሠራተኛውን ጥቅምና መብት ለማስጠበቅ የሚችለውን ሁሉ ጥረት እያደረገ አው ብዬ አምናለሁ።					
5	ሠላማዊ የሆነ የኢንዱስትሪ ግንኙነት ቢኖር ለሰራተኛው ብሎም ለድርጅቱ ጠቀሜታ አለው ብዬ አምናለሁ።					
6	መ/ቤትዎ ሠራተኛው የተሻለ ደመወዝ፣ የስራ ሁኔታ እና የትርፍ ድርሻ እንዲያገኙ ብሎም መልካም የሆነ የኢንዱስትሪ ግንኙነት እንዲኖር አቅሙ የፈቀደውን ሁሉ ይሰራል።					
7	የሠራተኛ ህብረቱ የሠራተኛውን ጥቅምና መብት ማስጠበቅ የሚያስችል ተፅዕኖ በማፍጅመንት ላይ የማሳደር አቅም አለው ብዬ አላምንም።					
8	የሠራተኛ ማህበሩ ኃላፊዎች ሚናቸውን በሚገባ የተገነዘቡ ናቸው ብዬ አምናለሁ።					

የሠራተኛ ማህበሩ ሚናዎች ውጤታማ የኢንዱስትሪ ግንኙነት ከመፍጠር ረገድ		1	2	3	4	5
1	የሠራተኛ ማህበሩ የሠራተኞችን ገቢ ለማሳደግና የተሻለ የኑሮ ሁኔታ ላይ እንዲደርሱ ለማድረግ በትጋት ይሳተፋል።					
2	የስራ ሁኔታን፣ የሠራተኞች ደህንነትን፣ ስልጠናና የሠራተኛ ቅነሳን እና በመሳሰሉ ጉዳዮችን በሚመለከቱ ማሻሻያና ቁጥጥር ላይ የሠራተኛ ማህበሩ ጠንካራ ተሳትፎ ያደርጋል።					
3	የሠራተኛ ማህበሩ ሠራተኞችን በማፍጅመንት ከሚደረጉ ሕገወጥ አሰራሮች ከመጠበቅ ረገድ ጠንካራ ሚናን እየተጫወተ ነው።					
4	የሠራተኛ ማህበሩ ተወካዮች ችሎታና አቅም ያላቸውን አባላትን ለመለየትና ለተገቢው አላማ ለመጠቀም ጥረት ያደርጋል።					
5	የሠራተኛ ማህበሩ አባላት በድርጅቱ ውስጥ ስለሚከናወኑ ለውጦች በሠራተኛ ማህበሩ አማካኝነት በቂ መረጃ ያገኛሉ።					
6	የሠራተኛ ማህበሩ ሠራተኞች ተገቢውን ጥቅማጥቅምና ባለቤት ማግኘታቸውን ያረጋግጣሉ።					
7	የሠራተኛ ማህበሩ የራሱ የሆኑ ጽሁፎችን በማዘጋጀት ሠራተኛው ጥቅሙንና መብቱን እንዲገነዘብና ለማስጠበቅ እንዲሰራ ያድረጋል።					
8	የሠራተኛ ማህበሩ ውሳኔዎችንና ስምምነቶችን ከማፍጅመንት ጋር ከማድረግ በፊት ከሠራተኛው ጋር የመመካከር ልምድ አለው።					
9	የሠራተኛ ማህበሩ እንደ ማህበር የሚያከናውናቸው ተግባራትና እንቅስቃሴዎች የአጠቃላይ የሠራተኛውን ፍላጎት ጋር በአብዛኛው የተጣጣሙ ናቸው።					
10	የሠራተኛ ማህበሩ ሠራተኞች የሚገጥማቸውን አስተዳደራዊ ወይም ኢንዱስትሪያዊ ጉዳዮችን ላይ በተወካዮቻቸው አማካኝነት በቀጥታ እንዲወያዩና መግባባት ላይ እንዲደርሱ ያድርጋል።					

11	የሠራተኛ ማህበሩ አባላቱ የግል ችግሮቻቸውን ለበላይ አለቃቸው እንዲገልፁና እንዲወያዩበት ያበረታታል።					
12	የሠራተኛ ማህበሩ በድርጅቱ ውስጥ ያሉ ውሎችና የአሰራር ሂደት ስምምነቶች ማሻሻያ ላይ ተሳትፎ ያደርጋል።					
13	የሠራተኛ ማህበሩ በድርጅቱ ውስጥ የሰራተኞች የሥራ ማበረታቻ ሽልማት ንድፍና ተግባራዊነት ላይ ተሳትፎ ያደርጋል።					
14	የሠራተኛ ማህበሩ የማህበሩን ዓላማዎች ከድርጅቱ ዓላማዎች ጋር ተስማሚና ተዛማጅ ያደርጋል።					
15	አንድ ሠራተኛ ጥፋት በሚያጠፋነት ጊዜ፣ ለጥፋቱ የካሳ ወይም የእገዳ ውሳኔ ለመወሰን ማኔጅመንቱ ከሠራተኛ ማህበሩ ጋር በመወያየት ይደረጋል።					
16	የሠራተኛ ማህበሩ በድርጅቱ ውስጥ የሚፈጠሩ የሥነ ሥርዓትና የውጤታማነት ችግሮችን ለማስተካከል ከማኔጅመንቱ ጋር በመሆን ይሰራል።					
17	የሠራተኛ ማህበሩ አባላቶቹ ቅሬታዎቻቸውን እንዲያሰሙ ይፈቅዳል።					
18	የሠራተኛ ማህበሩ ከማኔጅመንቱ ጋር የሚፈጠሩ ግጭቶች እና አለመስማማቶች በመፍታት ረገድ ውጤታማ ነው።					
19	የሠራተኛ ማህበሩ ከማኔጅመንቱ ጋር በጋራ መግባባት፣ በመተማመንና አብሮ በመስራት ላይ ይገኛል።					
20	የሠራተኛ ማህበሩ መኖር ሠላማዊ የሆነ የአሠሪና ሠራተኛ (ኢንዱስትሪያዊ) ግንኙነት እዲኖር ቀልፍ ሚና አለው።					

የሠራተኛ ማህበሩ ያሉበት ተግዳሮቶች		1	2	3	4	5
1	የሠራተኛ ማህበሩ ኃላፊዎች ኢንዱስትሪ ግንኙነት ላይ ያላቸው እውቀት እና ብስለት ደካማ ነው።					
2	የሠራተኛ ማህበሩ የገንዘብ እጥረት አለበት።					
3	የሠራተኛ ማህበሩ በሥራው ላይ እውቀትና ችሎታ ያላቸው የሰው ኃይል እጥረት አለበት።					
4	ሠራተኛው የሠራተኛ ማህበሩ የተቋቋመበት ዓላማዎች ተገንዝቦ ለተግባራዊነቱ በቂ የድጋፍ አያደርግም።					
5	የሠራተኛ ማህበሩ አመራር አባላት የሠራተኛው የዘወትር ጥያቄዎች ላይ ከማኔጅመንቱ ጋር ሆነ ከሌሎች አካላት ጋር ተጋፍጦ ተገቢ እና አጥጋቢ ምላሽ ማምጣት የሚያስችላቸው በቂ የሆነ የድርድር እውቀትና ተሳታፊ አላቸው።					
6	ማኔጅመንት የሠራተኛ ማህበሩን እንቅስቃሴ ለማሰናከል ወይም በውሳኔዎቹ ላይ ተፅዕኖ ለማድረግ የተለያዩ መንገዶችን ይጠቀማል።					
7	ማኔጅመንቱ የሠራተኞችን መብት በሚጥስበት ጊዜ የሠራተኛ ማህበሩ ከሠራተኞች ጎን ሲቆም ማኔጅመንቱ የሠራተኛ ማህበሩን ያስፈራራል።					
8	የሠራተኛ ማህበሩ አመራሮች የአጠቃላይ ሠራተኛውን ጥቅምና ፍላጎት ሳይሆን በአብዛኛው የግል ጥቅምና ፍላጎታቸውን ያራምዳሉ።					

አመሰግናለሁ!!!

Appendices 2. Interview Questions

St. Mary's University

School of Graduate Studies (SGS)

Master's in Business Administration (MBA)

Interview questions for the Labor Union Officials

1. What kind of service and benefits does the union provide to the union members?
2. Who initiates the establishment/formation of the labor union?
3. What ways does the union use to consult and involve members in the union activities?
4. What are the changes brought by the union through negotiations?
5. Does the labor union participate about company issue? Please explain in what issues do they participate?
6. What are the major challenges to the labor union in playing its role?

Interview questions for the management of the organization

1. How cooperative is the management toward the union?
2. How do you explain the overall industrial relations climate in the corporation?
3. Does the management allow employees and the union to participate in different decision making areas?
4. Do you think that there is an effective relationship between the management and union to facilitate mutual gain?
5. Does the management have a grievance handling and conflict resolution systems and strategies? If yes, what is the role of the labor union in this regard?
6. Does the management support and encourage the labor union to operate independently?

Appendices 3. Cronbach's Alpha of Items

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The collective agreement has been prepared through dialogue and mutual agreement.	125.13	504.028	.471	.891
The collective agreement increases the satisfaction and productivity of employees.	126.22	495.723	.679	.888
The enterprise collective agreement restricts management's freedom for irrational action against the employees.	125.65	513.055	.262	.894
The collective agreement is up-to-date and consider the current economic, social and technological changes in the environment.	126.35	492.510	.658	.888
The labor union and the management works together to amend the collective bargaining agreement.	126.00	505.364	.420	.892
Both the management and labor union leaders respect and apply the collective bargaining agreement.	125.43	510.893	.340	.893
The labor union have strong positions to control the implementation of the collective agreement by the organization.	126.48	500.352	.565	.890
The collective agreement has serve its purpose in creating peaceful and satisfying industrial relation.	126.09	482.083	.738	.886
The labor union encourages members to bring employment issues that need a collective bargaining.	126.43	490.439	.707	.887
The existence of a cooperative spirit and mutual trust between management and labor union generally is more important to employees than mistrust between the two parties.	124.09	522.719	.341	.893
I adequately understand and support of the objective of the labor union.	125.30	512.494	.314	.893
The activities of the labor union go along with its main objectives.	126.30	515.403	.270	.894
The labor union is working to safeguard the right and interest of the employee as much as it can.	126.43	493.439	.595	.889
Peaceful industrial relation are important for better working conditions	123.83	536.787	-.338	.897
Management exerts effort in a manner of bringing better compensation and benefits, work conditions, profit sharing and sound industrial relations.	126.57	512.621	.270	.894
The union is not as such strong to influence the management.	124.57	519.893	.189	.895
The labor union officials duly understand their responsibilities	126.35	496.874	.665	.889

The labor union actively participates to improve the financial conditions of employees	126.48	488.625	.649	.888
The labor union has strong involvement in improving and regulating such issues as working conditions, employee safety, training and layoffs	126.48	482.534	.752	.886
The labor union is strong in protecting employees from illegal practice by the management	126.39	488.976	.707	.887
The representatives of the labor union make efforts to identify and utilize the potential of the members.	126.09	509.265	.272	.894
The members of the labor union are well communicated about changes in the corporation by the labor union	126.26	479.292	.706	.886
The labor union makes sure that members get their proper benefits and bonuses as agreed on the collective agreement	125.30	491.858	.596	.889
The labor union has its own publication in order to increase the level of knowledge of its members and to defend their interests	125.39	513.158	.195	.896
The labor union leaders consult with the members before entering into negotiation with the management	126.57	486.530	.572	.889
The practices of the union are according to the interests and needs of the employees	126.30	500.130	.550	.890
The labor union leaders allow workers, to directly deal with all aspects of management or industrial issues through their representatives	126.52	492.170	.838	.887
The labor union encourages employees to express or discuss their personal problems with their superiors	125.61	501.976	.500	.890
The labor union participates in modifications of contracts and procedural agreements in the corporation	125.96	522.589	.175	.894
The labor union participates in the designing and implementation of employee reward systems and promotion	125.43	501.075	.440	.891
The labor union aligns its objectives with the objectives of the management	124.83	526.150	.115	.895
When any employee makes a mistake, fine or ban on the employee can be made in consultation with labor union	126.17	508.605	.348	.893
The labor union works with the management to solve disciplinary and performance problems and problems related to working conditions	126.13	500.028	.547	.890
The labor union allows members to make their grievances heard	125.70	515.676	.238	.894
The labor union is effective in resolving disagreements and conflicts with the management	126.48	494.534	.738	.888

The labor union has mutual understanding, trust and cooperation with the management	125.65	491.146	.602	.889
The presence of the labor union is the key to maintain peaceful relationship between the management and workers	125.65	497.146	.531	.890
There is a lack of knowledge and maturity of the labor union officials on industrial relations	125.26	552.383	-.563	.901
The labor union has shortage of finance	126.48	538.079	-.173	.899
The labor union has shortage of knowledgeable and skilled manpower	124.65	536.964	-.182	.897
There is a lack of understanding and willingness to support the labor union from the employee's side	124.91	542.356	-.235	.900
The current union officials of the union don't have adequate negotiation knowledge and skills	125.65	516.146	.233	.894
There are strategies & tactics that the management uses to discourage the efforts of labor union and influence its practice	125.00	529.818	.017	.896
The management intimidations the labor union when it stands beside to the employees during employees' right violation	126.26	541.747	-.248	.899
The current Labor Union officials promote their personal interest than the rights and interests of the whole employees	125.87	540.573	-.216	.899