



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

THE ROLE OF TRADE UNIONS IN PROMOTING
INDUSTRIAL PEACE: THE CASE OF HORIZON
ADDIS TYRE SHARE COMPANY

BY

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Abstract

Safe working environment and smooth employee- employer relationship are very essential factors affecting the effectiveness and efficiency of a particular organization. One of the means devised to establish Horizon Addis Tyre Share Company is the formation and effective functioning of Trade Unions. The case in point is Horizon Addis Tyre Share Company engaged in the production of Aqua Addis purified water having 800 employees. In this paper, an attempt is made to assess the role that the trade union of Horizon Addis Tyre Share Company is currently playing in safeguarding the peaceful work environment of the said company. The research adopts a descriptive approach and Questionnaire and interviews were used as methods of data collection and the finding of the study showed that the labor union are more focused on the promoting of peaceful work environment than employees rights and the labor union member employees are happy with what their labor union is engaged in and also what the management is currently doing; there is a strong bond between the management and the labor union. Though the management members and also the labor union members do have a concern on the future condition of the labor union of Horizon Addis Tyre Share Company if they continue to only focus on the promoting of peaceful work environment than the rights of employees.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The end goal of every aspect of Industrial relations should be balancing the interests of the employer and the employee by creating and sustaining industrial peace in an organization. (Gladwin: RahulGladwin.com). History shows that industrial peace was attempted to be maintained unilaterally by the government and the employer. Government used its power to enact and enforce laws to list down the dos and don'ts that shall be obeyed by the employees at work place. On the other hand employers especially before the international labour movement exploited their leverage on workers to intimidate them to obey any rule they believed would contribute for good manners at factories (Barrow, 2002).

However both approaches fundamentally failed and led to the outbreak of Marxist ideology and revolution in every corners of the world. Consequently the formation of Trade Unions accelerated and their role expanded from time to time. Intellectually, industrial relations was formed at the end of 19th century as a middle ground between classical economics and Marxism. (Neha Rathi; slideshare.net). At the beginning, the role of trade unions was confined to fighting for the reduction of work time or improvement of work conditions. But in today's world it shouldn't be considered as being naïve if one argues that their role should be redefined to focus on maintaining industrial peace. This is because in a globalized world where a merchandise manufactured in the Eastern hemisphere of the world can reach the Western countries in a few days to be found in the super market shelves fresh and ready to be consumed, there is no job security as we know it before for any one unless industrial peace is secured to make the company competitive day and night.

In view the above, though trade unions are the representatives of the employees they are increasingly playing the role of compromisers between the management and workers. (John:2002). Experience shows that when trade union escape profitability and sustainability of the business from their agenda and concentrates on the shortsighted goal of getting increment

year after year, the company will definitely loss steam and shut down its doors to transfer its factory in another jurisdiction where the industrial environment is more friendly.

On the other hand there are significant voices both in the academy and the business world who fiercely advocate trade unions should not ease their stance on safeguarding the interest of the employee for the sake of keeping industrial peace. (John: 2002, 9); they say their nature and historical background declare that their mission is to confront the abusive employer to the end to maximize the interest of the workers.

The writer will try to study the actual contribution of the labor union of Horizon Addis Tyre in promoting peaceful work environment. The fact that the trade union in this factory has a leading place in the history of trade unions in Ethiopia will make the research interesting and can be used as model to make deductions as to the current shape of other trade unions in the country. Profile of the company is placed next.

1.2.Profile of the Company

Horizon Addis Tyre Share Company established in 1972GC. As the name indicates it is a tyre manufacturing company. Currently the company produces more than 30 types of tyres.

The company now has more than 783 employees amongst whom 755 of them are permanent and 28 of them are temporary employees.

Horizon Addis Tyre Share Company was Addis Tyre when it was established and being fully owned by the government. In 2004GC the government sold 30% of its share to a Checkoslavakian company called Matador and consequently its name changed to Matador Addis. However, the company could not develop as expected and so in 2013GC it was fully sold to Shake Ali AlMoudi.

The labor union history of the company starts from 1973GC. It has more than 43 years of age. Currently, the union contains about500numbers of employees as a member. The labor union has a formal office in the premise of the factory.

1.3.Statement of the Problem

Whenever there is a prevalence of Industrial peace in a factory the likelihood of industrial disputes such as strikes, lock-outs, go slow tactics, and grievances will be diminished. Industrial peace helps to promote co-operations and increasing production. Furthermore good industrial relations improve the morale of the employees; they work with the understanding that the interest of employer and employees is one and the same i.e. to increase production. Consequently, additional benefits for workers development such as training facilities, labor welfare facilities will be availed in an atmosphere of peace. As a result co-operation and recognition of each other will prevail in the factory. This will also have a profound impact on wastages reduction (Clark, 2000).

Therefore it can be said that the presence of good industrial relations is the basis of higher production with minimum cost and higher profits. Having said this, who should be tasked with promoting industrial peace is a debatable topic. Is it the government, the employer, the trade union or the individual employee?

The fact that trade unions in Ethiopia have been subjected to attacks from both the government, for potential treats for its political power and from the employer, for excessively putting the interest of the employees has created a mind setting in trade unions that their role should solely focus on protecting the interest of the employees from both the government and the employer (Assefa, 2002). Trade unions believe that industrial peace is a thing that should be nurtured and promoted by the employer. But industrial peace can only be achieved whenever the interest of the employer and the employees is balanced. That means industrial peace cannot be achieved without the full participation of the unions. Hence it is clear that in a one way effort by the employer sustainable industrial peace cannot be attained. Thus how can trade unions strive for the achievement of this peace? To what extent the trade unions shall shoulder the burden of protecting the industrial peace?

The writer believes the lack of research on the positive or negative role of Trade Unions in respect of peaceful industrial relations is a key problem for both the management and the Trade unions to appraise the problem and envisage a solution. On the other hand preliminary

assessments show Horizon Addis Tyre Share Company has been exposed to different disagreements with the labor union in relation to employees' benefits, disciplinary actions and participation of the Union on decision making. Therefore, the research will try to study whether the cause of the above disputes are directly related to the minimal role of the Trade Union in encouraging industrial relation and what can be done by the management to make the trade union a driving engine to promoting industrial peace?

1.4. Research Questions

This research has attempted to answer the following basic research questions:

1. What shall be the contribution of the labor union in the process of implementing peaceful work environment?
2. What is the opinion of the management on the role of the trade union with respect of promoting industrial peace?
3. What are the challenges faced by the trade union in their effort to create/maintain industrial peace?

1.5. Objectives of the Research

1.5.1.General Objective

Generally, the objective of this study is to assess the role that the trade union of Horizon Addis is currently playing in promoting industrial peace.

1.5.2. Specific Objectives

The research has the following specific objectives:

- a. To investigate the role of the trade union in promoting peace in the company,
- b. To determine perception of employees and management on contribution of trade union to industrial peace
- c. To assess the challenges faced by the trade union in further expanding the role of the trade union to achieve sustainable industrial peace.

1.6. Significance of the Research

Industrial harmony is the most important element to get a prosperous factory and nation in general, we don't have enough researches conducted on the subject in our country particularly from the perspective of the role of trade unions. Thus the answering of the research questions raised above will give an insight as outlined below for the stake holders of industrial relations:

1. For the trade union the research will inform the benefits of peaceful industrial relations and will show them where they stand in relation to promoting the same.
2. For the organization under study it will forward recommendations on how to further enhance the role of the trade union in creating industrial peace,
3. For potential researchers on the subject it will provide them with a tool to critically review the conclusions reached by this research and further develop the concept.

3.3. Scope of the Research

Research studies must be organized in a very coherent and understandable manner, and for such a plausible reason, their scope must be limited in terms of coverage and issue. The existence of peaceful work environment is the basic element for a company to be productive. Labor right and employment relations are the most serious aspects of labor management. Not only that they are serious, but also have a broad impact on the productivity of the company and also on the economic situation as a country. However, as has been stated in the objective part above, the interest of this study is only limited to evaluating the managerial situation of one single organization.

3.4. Limitation of the Research

The most serious problem that was faced by the writer of this paper was the collection data. Starting from getting the permission to distribute the questionnaire to the factory employees to collecting the questionnaire.

Coming back to literatures, of course, as the researcher has said it elsewhere in the paper, the area is rich in literatures regarding the general concepts of trade unions, there are no much books or scholarly articles written in published journals on the history and current practice and situation of trade unions in our country, Ethiopia. There are few material documents unpublished which

are not easily accessible to anyone due to the difficult bureaucratic process just to use the library and read these materials at the Confederation of the Ethiopian Trade Union (CETU).

1.7. Organization of the Paper

The paper has four chapters. The first chapter includes a general background of the topic by introducing the concept, the general and specific purposes/objectives, problem statement, the scope of the paper, and significance of the study.

The second chapter will focus on discussion of the relevant literatures including books, scholarly journals, and articles of both international and domestic.

Chapter three deals with the research design, the source of the data/information, the tools employed for gathering such information, the sample size and sampling techniques and the method as to how such data/information are going to be interpreted/analyzed.

Chapter four discusses the way how the data/information gathered, organized and analyzed, and conclusion and recommendation are also included in this part.

1.8. Ethical considerations

The purpose of this research is only for academic study. To avoid any dilemma or confusion respondents and interviewees will be told that all the information will be confidential and to assure this feeling an official letter will be printed and also will be communicated to the respondents.

CHAPTER TWO

REVIEW OF THE RELEVANT LITERATURES

2.1. Concept and origin of Industrial Relations (IR)

The word 'Industrial' & 'Relations' came together about a century ago to describe what was then new and important field of study emerging in response to Industrialization (Cutcher-Gershenfeld, 1989). The core subject of IR paradigms is the employer-employee relationship in respect of all the behaviors, outcomes and practices (Kaufman, 2007). Therefore though the IR concept is recently thought to be in decline in western hemisphere due to the decline in the influence of trade unions, I believe it has a lot to offer in Africa, particularly in Our country where Trade unions movement has not yet reached its peak due to different factors.

Industrial relations is a post-industrial revolution term that replaced the expression "master-servant" used to define the relationship between a worker and an employer. Its origins are, as the term indicates, based on the proliferation of large-scale industry from the mid-18th to the mid-19th century. On the other hand contemporary industrial relations still refers to the employment relationship and the business unit that manages the employment relations, personnel or human resources. It often includes labor unions as parties to that relationship. (Mayhew,2016)

Basically, IR sprouts out of employment relation. Hence, it is broader in meaning and wider in scope. IR is dynamic and developing socio-economic process. As such, there are as many as definitions of IR as the authors on the subject. Some important definitions of IR are produced here.

According to Dale Yoder', IR is a designation of a whole field of relationship that exists because of the necessary collaboration of men and women in the employment processes of Industry”.

Armstrong has defined IR as “IR is concerned with the systems and procedures used by unions and employers to determine the reward for effort and other conditions of employment, to protect the interests of the employed and their employers and to regulate the ways in which employers treat their employees” In the opinion of B. D. Singh “Industrial relations are an integral aspect of social relations arising out of employer-employee interaction in modern industries which are regulated by the State in varying degrees, in conjunction with organized social forces and influenced by the existing institutions. This involves a study of the State, the legal system, and the workers’ and employers’ organizations at the institutional level; and of the patterns of industrial organization (including management), capital structure (including technology), compensation of the labour force, and a study of market forces all at the economic level”.

Encyclopedia Britannica defined IR more elaborately as “The concept of industrial relations has been extended to denote the relations of the state with employers, workers, and other organizations. The subject, therefore, includes individual relations and joint consultation between employers and workers at their places of work, collective relations between employers and trade unions; and the part played by the State in regulating these relations”.

According to (De Silva, 1997) the basic objectives of IR, could include the following:

1. The efficient production of goods and services and, at the same time, determination of adequate terms and conditions of employment, in the interests of the employer, employees and society as a whole, through a consensus achieved through negotiation.
2. The establishment of mechanisms for communication, consultation and cooperation in order to resolve workplace issues at enterprise and industry level, and to achieve through a tripartite process, consensus on labor policy at national level.

3. Avoidance and settlement of disputes and differences between employers, employees and their representatives, where possible through negotiation and dispute settlement mechanisms.
4. To provide social protection where needed e.g. in the areas of social security, safety and health, child labour, etc.
5. Establishment of stable and harmonious relations between employers and employees and their organizations, and between them and the State

2.2. Features and Objectives of Trade union

A Trade Union is an organization of workers acting collectively, seeking to promote and protect its mutual interests through collective bargaining. (DeCenzo & Robins: 2005, 354)

On the other hand Monique Marks and Jenny Fleming, define trade unions as are among the most democratic organizations in our society, certainly more democratic in general than corporations, parliamentary parties and governments (*Mark and Fleming: 1998, 2*). Here, both scholars are trying to argue in favor of the nature and process of trade union formation and their function as democratic because they are established, structured and empowered by the workers themselves. The following definition also describes the means by which Trade unions advance the interest of the workers:

It is an organization based on membership of employees in various trades, occupations and professions, whose major focus is the representation of its members at the work place and in the wider society. It particularly seeks to advance its interest through the process of rule making and collective bargaining(Deset , 2013:113)

Dale Yoder has defined trade union as a continuing long - term association of employees formed and maintained for the specific purpose of advancing and protecting the interests of members in their working relationships .He quotes: "A trade union is a continuous association of workers which is formed with the purpose of protecting the interests of workers.

According to Flippo "A labor union or trade union is an organization of workers formed to promote, protect, and improve, through collective action, the social, economic, and a political interest of its members". How unions identify themselves, what agendas they decide to promote and who they forge alliances with are all contingent on a number of factors. These include the political opportunity structure at the local, national and global level; the characteristics of union members and supporters; the extent to which unions are viewed as valuable within networks of influence; the vision of union leaders; and, the frameworks of international regulatory organizations such as the International Labor Organization (Mark and Fleming: 1998, 5). According to Robins and DeCenzo, individual workers usually join union for the reasons of higher wages and benefits, greater job security and to have an influence on the work rules (DeCenzo & Robins, 2005: 355).

In general, it can be said that trade unions are formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labor practices. Trade unions are formed to achieve the following specific objectives:

2.2.1. Representation

Trade unions represent individual workers when they have a problem at work. If an employee feels he is being unfairly treated, he would ask assistance from union representative to deal with the issue. Unions also offer their members legal representation. This will enable employees to get financial compensation for work-related injuries or to take their case to court.

2.2.2. Negotiation

Negotiation is where union representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and union members. Trade unions negotiate with the employers to find out a solution to these differences. Pay, working hours, holidays and changes to working practices are the kinds of issues that are negotiated. In many workplaces there is a formal agreement between the union and the company which states that the union has the right to negotiate with the employer. In these organizations, unions are said to be recognized for collective bargaining purposes.

2.2.3. Voice in decisions affecting workers

The economic security of employees is determined not only by the level of wages and duration of their employment, but also by the management's personal policies which include selection of employees for layoffs, retrenchment, promotion and transfer. These policies directly affect workers. The evaluation criteria for such decisions may not be objective. So, the intervention of unions in such decision making is a platform which workers can have their say in the decision making to safeguard their interests.

2.2.4. Member services

During the last few years, trade unions have increased the range of services they offer their members. These include:

Education and training: - most unions run training courses for their members on employment rights, health and safety and other issues. Some unions also help members who have left school with little education by offering courses on basic skills and courses leading to professional qualifications.

Legal assistance: - as well as offering legal advice on employment issues, some unions give help with personal matters, like housing, wills and debt.

Financial discounts: - employees can get discounts on mortgages, insurance and loans from unions.

Welfare benefits: - one of the earliest functions of trade unions was to look after members who hit hard times. Some of the older unions offer financial help to their members when they are sick or unemployed.

Trade unions have shown remarkable progress since their inception; moreover, the character of trade unions has also been changing. In spite of only focusing on the economic benefits of workers, the trade unions are also working towards raising the status of labors as a part of industry.

Nevertheless some argue that currently the role of Trade Unions is diminishing rapidly and their traditional place in labor industrial relations is no more vital;

The late twentieth-century workforce is in the throes of a dramatic transformation, from the traditional, class-conscious collectivism of the industrial manual worker to the self-interested individualism of the skilled, mobile and career-centered white-collar worker (Bassett and Cave 1993; Brown 1990).

Consequently they argue that trade unions must abandon traditional collectivist principles and practices if they are to have any future. Others take the view that unions and collective bargaining can survive only if these institutions adapt themselves to product market pressures and contribute to the competitive success of firms (e.g. Kochan and Osterman, 1994). The adversarial collective bargaining of the past must give way to a more cooperative, 'social partnership' between labor and capital. In the fashionable jargon of management, unions must justify their existence by showing they can 'add value' to the corporation.

Some has even gone far to declare that Unions are unnecessary. Employment rights have made progress over the past hundred years, and unions cannot claim all the credit. Employers have economic and moral reasons to treat employees well voluntarily. Good employers have been providing for employees for a long time. Some attempts to do so, such as company towns (entire communities centered around a factory or mine), have had undesirable effects, but there is a good side to welfare capitalism (the business practice of providing benefits such as medical care, pensions, and other perks) for the mutual benefit of employers and employees (Bridegam, 2010: 42).

However the writer believes like IR the same applies for trade unions in Africa and Ethiopia; they have yet to fully use their potential so the decline that is being discussed in Western Academia is not true in this part of the world.

2.3. Industrial Peace and the role of trade unions

Good industrial relations refer to harmonious relations between the labour union and the management in an organization. In other words, in such a situation, there is absence of industrial disputes between the two parties and presence of understanding and cooperation between them. Thus, industrial relations in an organization must be harmonious or cordial. Such relations will lead to the following benefits (Henry,2009):

1. **Industrial Peace:** Cordial industrial relations bring harmony and remove causes of disputes. This leads to industrial peace which is an ideal situation for an industrial unit to concentrate on productivity and growth.
2. **Higher Productivity:** Due to cordial industrial relations, workers take interest in their jobs and work efficiently. This leads to higher productivity and production of the enterprise where they are working. Thus, they will contribute to the economic growth of the nation.
3. **Industrial Democracy:** Sound industrial relations are based on consultation between the workers and the management. This assists in the establishment of industrial democracy in the organization which motivates employees to contribute their best to the success of the organization.
4. **Collective Bargaining:** Cordial industrial relations are extremely helpful for entering into long-term agreements as regards various issues between labour and management. Such collective bargaining agreements and association of employees in decision-making process will invite cooperation between labour and management.
5. **Fair Benefits to Workers:** The workers should get sufficient economic and non-economic benefits to lead a happy life. It is possible when the relations between workers and management are cordial and the productivity is high. The employers can afford higher benefits to the workers.
6. **Higher Morale:** Good industrial relations imply the existence of an atmosphere of mutual cooperation, confidence, and respect within the enterprise. In such an atmosphere, there are common goals, which motivate all members of the organization to contribute their best.

7. Facilitation of Change: Sound industrial relations, by creating a climate of co-operation and confidence, make the process of change easy. Hence, full advantage of latest inventions, innovations and other technological advancements can be obtained. The workforce easily adjusts itself to required changes for betterment.

There are two Dominant Aspects of Industrial Relations conflict and cooperation (Douglas,1960:64). The dynamics of cooperation lie in the recognition of a sphere of common interest. Cooperation between union and management depends primarily on their ability and willingness to make contacts at points of mutual concern. On the other hand some degree of conflict between the management and the union is taken to be inevitable. Conflict is essential to survival of both union and management, and is not always bad and has certain constructive aspects also. But a recurring conflict needs to be channelized along the least destructive lines. And for this, conflict resolution measures – both voluntary and statutory –must be taken for good industrial relations to prevail and industrial harmony to be achieved

Causes of industrial disputes strains which results in bad industrial relations are (De Silva,1997):

1. Close mindedness of employers and employees one thinking to extract maximum work with minimum remuneration, other thinking to avoid work and get more enhancements in pay and wages
2. Irrational wage, wage system and structure not mutually acceptable,
3. Poor working environment, low presence of safety, hygiene conditions vitiated atmosphere for smooth working,
4. Poor human relations and lack of dexterity on the part of management personnel.
5. Lack of control over the situations & erosion of discipline,
6. Introduction of new technology or automation mechanization, computerization etc. without proper consultations, preparations and discussion with workers.
7. Nepotism, unequal workloads, disproportionate wage.
8. Adoption of unfair labour practices either by employer or employees and unions.

9. Unjustifiable profit sharing and not considering workers as co-shares of the gains of the industry.
10. Frequent union rivalries over membership foisting up of fake unions.
11. Strikes, lock out, lay off, and resulting retrenchment due to high handedness on the part of the concerned.
12. Throwing away the agreements and arrived settlements.
13. Militancy of the unions.
14. Attitude of government and political parties who may indirectly control the unions for their own gains.

Though trade unions protect workers from exploitative and abusive conditions at work, employers view trade unionism as an undesirable intervention in the smooth functioning of organizations without realizing the positive contribution it could make towards industrial peace, harmony and progress (Levinson, 2013). Employers often allege that labor unions, only talk about workers' rights and ignore their obligations (Compa, 2004). They believe that unions are largely responsible for low productivity and poor performance of enterprise firms. According to Olson (2009), employers consider trade unions as organizations only striving to secure benefits for their members, such as financial gains like raise of wages, bonuses, various allowances insurance benefits, overtime payment and non-financial benefits such as job security, comfortable work places, and recreational facilities and decreasing fear of employer through collective bargaining. In contrast, unions also have beyond collective bargaining, roles such as role in increasing workers' productivity or efficiency, improvement of workers discipline, improvement of workplace peace and harmony and participating in decision making with management (Addison and Schnabel, 2003).

Disagreements are always an inevitable part of organizational life (Jones and Gorge, 2000). Labour conflicts can be regarded as disputes that occur when interests, goals or values of different individuals or groups within a workplace are unharmonious with each other (Henry, 2009).

Partnership between the trade union and the management can provide a framework within which a more positive working relationship can develop. It has been known to improve communication and co-operative relationship between employer and labour unions, thereby enhancing mutual trust and perceptions of fairness. Industrial harmony brings about greater cooperation between workers, management and government which ultimate result in better production that leads to the economic progress and prosperity of the country.

However maintaining an atmosphere of industrial peace and harmony is a joint responsibility of all the parties to industrial relations. It is a function of the actions and inactions of all the parties and therefore requires the determination, commitment, collaboration and mutual understanding of labour unions, and employers. It can also be argued that the main function of industrial relations is shifting from protection and regulation of labour's position to the support of national economies in international competition, and those national interests will drive a move towards cooperation.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design

The design chosen for this study is explanatory design because it will help the researcher to explain the role of the trade union in creating/maintaining industrial peace. Quantitative approach was used to analyze the data obtained through a structured questionnaire. But for the management members an interview will be conducted which makes this research approach mixed.

3.2. Source and Types of Data

The sources of data were both primary and secondary. The primary data were collected through questionnaire and interview. Secondary data were sourced from magazines, publications, books, internet, journals, articles and others.

3.3. Study Population

The population of the study consists of 800 employees. Out of 800 employees only 500 hundred are members of the trade union, so the sampling frame includes 500 trade union members' employees.

3.4. Sampling Techniques

The researcher applied formulas to calculate a sample size. The population consisted of eight departments. The researcher used formula of stratified sampling probability method. A sample of 222 respondents was drawn from the population of the labor union through proportionate stratified sampling procedure to ensure reasonable representation of the research from all employees. Therefore, the research was conducted based on probability sampling technique.

3.5. Sample size Determination and Sampling Technique

There are 800 employees working in the company out of which 500 employees are members of trade union. Hence all trade union member employees were taken as the population of the study. The sampling frame was the lists of employees found in the Horizon Addis Tyre trade union office. By using proportionate stratified sampling respondents were picked from sampling frame to participant in the study. The researcher applied a sample size determination formula to calculate a sample size. Accordingly, this sample (222) will represent 44.4 % of the population. The population groups which are at eight departments were taken as strata. From each stratum sample was selected by proportional sampling formula. See the below table.

Number of trade union members based on Department

S.N	Department	Number of employees trade union members /Departments	Sample Size
1	Production	254	113
2	Plant engineering	100	44
3	PIQA	25	11
4	Human resource and administration	46	20
5	Finance and Economy	15	7
6	Commercial	25	12
7	Store Administration	15	6
8	Industrial safety and security	20	9
	Total	500	222

Source Horizon Addis Tyre Share Company HRA & Basic Trade union

Stratified sampling method is a method of selecting sample by using a mixture of the deliberate and random sampling technique. Thus, it is a type of random sampling where the whole population is first of all divided into small group that is termed strata. Each of these strata is selected depending on some common characteristics. Now a random sample is selected from each of the stratum in a number that is proportional to the stratum with respect to the population.

Total sample size formula

$$n = \frac{p}{1 + N(p)}$$

Used 95% confidentiality

Where N = population of the study

P = the alpha or error 0.05%

n = the sample size of the population

$$n = \frac{N}{1 + N(p)^2}$$

$$n = \frac{500}{1 + 500(0.05)^2}$$

$$n = \frac{500}{2.25}$$

n = 222 employees the total sample size

To determine the Strata sample size formula

$$n_h = \left(\frac{N_h}{N}\right) n$$

Where n_h is sample size of the strata

N_h = is the population of the strata

N = total population of the study

n population sample size. Therefore, the sample size of each department calculated :

- production = $\left(\frac{254}{500}\right) 222$
= 113 employees

- Plant Engineering= $(100/500) \times 222$
= 44 employees
- Product industrialization and Quality assurance = $(25/500) \times 222$
PIQA = 11 employees
- Human resource and administration = $(46/500) \times 222$
= 20 employees
- Finance and Economy = $(15/500) \times 222$
= 7 employees
- Commercial = $(25/500) \times 222$
= 12 employees
- store = $(15/500) \times 222$
= 6 employees
- Industrial safety and security = $(20/500) \times 222$
= 9 employees

Also to make this research a sound research through data triangulation, three department managers (Production department manager, Plant Engineering manager and Human Resource and Administration Head) who are working with the majority number of employees holding 600 employees out of the total number will be interviewed.

3.6. DATA COLLECTION METHOD

The survey method was conducted within the Company for the primary data collection. It includes questionnaire filled by employees. Also an in-depth interview was conducted with selected managers. The questionnaires were distributed physically for the respondents who were targeted for the research.

3.7. Research Instrument/ Measurement

Questionnaire was the main instrument for data collection and designed in a 5 point Likert scale form. The questionnaire was divided in two sections. Section one was biographical characteristics of the respondents while section two raised 10 questions that reflected the three objectives of the study. 222 copies of the questionnaire were distributed and 187 copies were returned, thus resulting in 84% response rate. In addition, the researcher designed interview questionnaire for selected managers and union leaders. The interview questioner raised 4 items that reflected the role of labor union.

3.8. Reliability

Basically, reliability refers to the consistency or dependability of a measuring instrument. This questionnaire (10 of them) is reliability for measuring the role of tread union. In this research, Cronbach-Alpha value is 67 % which is greater than $\text{Alpha} = .6318$ or about 63 % reliable.

3.9. Data Analysis Method

During data analysis the data had been organized, reviewed, and coded categorically and chronologically. The researcher identified and discussed the differences of qualitative and quantitative approaches. In the same way gathering, analyzing and interpreting of data took place and had been presented using tables, and percentiles.

3.10. Ethical Issues

The purpose of this research is only for academic study. To avoid any dilemma or confusion respondents and interviewees will be told that all the information will be confidential and to assure this feeling an official letter were printed and also communicated to the respondents.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction

This chapter presents findings from the study about the role of trade union at Horizon AddisTyre Share Company. The researcher collected data mainly from questionnaire filled by union member employees. Qualitative data were also collected from interview conducted with selected managers, particularly, top management and labor union representatives. The questionnaires were distributed as shown in the table 1 below. SPSS (Statistical Package for Social Sciences) version 20 of the software was used for analysis of the study data. Out of a total of 222 respondents, 187 (84 %) filled and returned the questionnaires. 16% the questionnaires were unreturned. All 84% of the respondents returned the questionnaire with answers. Therefore, the researcher used all the questionnaires returned.

4.2. Demographics Characteristics

The demographic section of the questionnaire shows the information about the gender, educational level, age, job positions, year of service and date of being part of the labor union to have a better understanding of their responses.

The study put into account the year of service of the respondents and date of being part of the labor union which were considered relevant to this study. Table 4.1 to 4.6.Present the background information of the respondents.

Table 4.1. Respondents by Levels of Education

Educational levels	Frequency	% age
less than grade 12	24	12.8
secondary completed	91	48.7
Diploma	54	28.9
Degree	18	9.6
Total	187	100

Source: Source: Field survey, December-2016

Results revealed that majority of the respondents (48.7) had completed secondary education and 38.6% of them are highly educated having Diploma or Degree. This shows that majority of the questionnaire will be fulfilled by those union member employees who completed secondary grade. These category of people are considered as more stable in recruitment and are interested to be engaged in a labor union movements in Ethiopian History(Deset,2013)

Table 4.2 Respondents by years of service

Years of service	Frequency	% age
less than 1 year	2	1.1
1 to 5 years	37	19.8
6 to 10 years	38	20.3
11 to 15 years	40	21.4
16 to 20 years	30	16.0
above 20 years	40	21.4
Total	187	100.0

Source: Field survey, December-2016

The result indicates the majority were in the category of between 11 to 15 years and above 20 years represented by 21.4 % of the total respondents. 20.3% were in the category of 6-10 years, and 19.8 % were in 1 to 5 years. Only 1.1 % was in less than 1 year of service category. It was noted that most of the respondents have enough experience in the company to have their opinion on the role of the trade union.

Table 4:3 Respondents by length of years of union membership

Date of being part of labor union	Frequency	% age
less than 1 year	0	0
1 to 5 years	20	10.7
6 to 10 years	37	19.8
11 to 15 years	42	22.5
16 to 20 years	58	31.0
above 20 years	30	16.0
Total	187	100.0

Source: Field survey, December-2016

Table 4.6 shows the respondent's date of being part of the labor union. The result indicates the majority were in the category of between 16 to 20 years represented by 31.0 % of the total respondents. 20.3% were in the category of 6-10 years, and 19.8 % were in 1 to 5 years. Only 1.1 % of the labor union members have less than 1 year story in the labor union. It was realized that most of the respondents had sufficient knowledge about the trade union.

4.3. DATA ANALYSIS RELATED TO RESEARCH OBJECTIVES

For the purpose of clarity the data analysis is categorized with 3 objectives as the role of the trade union in promoting peace, perception of employees and management on contribution of trade union to industrial peace and challenges faced by the trade union. Also to avoid redundancy the full questionnaire is attached at the back of this research paper, the writer will only put the questions short and precise as much as possible.

4.3.1. The role of the trade union in promoting peace

Table: 4.3.1.1.

Question Item	Response category	Frequency	Percent
Potential of the labor union in establishing peaceful work environment	strongly disagree	2	1.1
	Disagree	26	13.9
	not sure	42	22.5
	Agree	85	45.5
	strongly agree	18	9.6
	Total	173	92.5
	Missing System	14	7.5
Total		187	100.0

Source: Field survey, December-2016

According to Table 4.3.1.1. 103 employees or 55.10% the respondents said that the management understands that the labor union has potential for establishing peaceful work environment in the company. This fact has a relationship with the data in table 4.3.3.1. where it shows that 54% of the employees believe the existence of assistance by the employer for the trade union. It is not a hard logic to understand the need of an assistance from the employer for the labor union to work on the establishing of peaceful work environment as it is one of the necessity for a company to be productive while working with the labor union. In contrast, 28 employees or 15 % of the respondents disagree with this statement while 42 employees or 22.5% were not sure.

Table: 4.3.1.2.

Question Item	Response Category	Frequency	Percent
Labor union influence on creating peaceful work environment	strongly disagree	14	18.2
	Disagree	12	44.3
	not sure	26	14.9
	Agree	74	10.1
	strongly agree	38	26.7
	Total	164	89.8
	Missing System	23	10.2
	Total	187	100.0

59.9% of the respondents agreed that the labor union give more focus on establishing peaceful work environment. The above figure is also supported by the management members of the company. From the interview with the management member; while employees present their complaint to the labor union especially while they are penalized by the management then the labor union approaches the management for the solution.

Table: 4.3.1.3.

Question Item	Response Category	Frequency	Percent
Labor union focus on peaceful environment	strongly disagree	16	8.6
	Disagree	26	13.9
	not sure	27	14.4
	Agree	61	32.6
	strongly agree	37	19.8
	Total	167	89.3
	Missing System	20	10.7
	Total	187	100.0

Source: Field survey, December-2016

52.4 % the respondents agreed that the labor union shall continue to give more focus and attention on establishing peaceful work environment. From the interview of the top management members interview ‘ the existence of peaceful work environment created a sense of ownership on the mind of the employees; now employees do understand that it is when the work environment is suitable that we can be productive and when the company becomes productive then its employees will be benefited too. And from the table 4.3.1.3. response we can conclude that employees do believe the essential of the peaceful work environment for the execution of their other rights.

4.3.2. Perception of employees and management on contribution of trade union to industrial peace

Table: 4.3.2.1.

Question Item	Response Category	Frequency	Percent
Labor union’s influence in protecting employees’ right	strongly disagree	34	2.1
	Disagree	83	3.7
	not sure	28	28.8
	Agree	19	42.2
	strongly agree	5	11.8
	Total	168	91.4
	Missing System	19	8.6
Total		187	100.0

Source: Field survey, December-2016

62.58 % of the respondents disagree on the statement that the labor union protects employees’ right’s than establishing peaceful work environment. This figure agrees with the figure 4.3.1.3. Where 59.9% of the believe on the more focus of the labor union on the peaceful environment of the company. Obviously, if the labor union is giving more focus to the establishing of peaceful work environment then it is expected to give less attention on employees benefit.

4.3.3. Challenges faced by the trade union

Table 4.3.3.1.

Question Item	Response Category	Frequency	Percent
The employer's assistance to the trade union	strongly disagree	4	2.1
	Disagree	7	3.7
	not sure	54	28.8
	Agree	79	42.2
	strongly agree	21	11.8
	Total	171	91.4
	Missing System	16	8.6
Total		187	100.0

Source: Field survey, December-2016

54 % of the respondents consented to the statement that the management gives assistance for labor union in every aspect of activates. This assistance can be expressed by accepting the feedbacks which are given by the labor union. This data has a direct relationship with the data on 4.3.3.2.where shows the positive attitude of the employer, 52% of the employees believe that the management accepts feedback from the labor union which is the first step to assist the labor union in the creation of peaceful work environment.

If we organize the whole puzzle it is very clear that there is enough understanding between the labor union and the employer. In contrast, 5.8 % of the respondents were disagreed on the statement, while 28.8 % were not sure.

Table 4.3.3.2.

Question Item	Response Category	Frequency	Percent
The employer's willingness to accept feedbacks from labor union	strongly disagree	6	3.2
	Disagree	20	10.7
	not sure	50	26.7
	Agree	73	39.0
	strongly agree	24	13.0
	Total	173	92.5
	Missing System	14	7.5
	Total	187	100.0

Source: Field survey, December-2016

84 employees (52%) respondents agreed that the management of the company accepts labor union feedbacks for establishing peaceful work environment. More than half of the employees believe that the labor union has an acceptance by the employer/the management.

The data in table 4.3.3.2. is strengthened by the data on table 4.3.3.3. Where 63.1% of the respondents believe on the existence of agreement between the labor union and the employer/the management. It is difficult to read these two results independently for any two party to work effectively especially in peace agenda they need to have an agreement and that agreement can only be initiated when there is an appropriate communication which can be expressed by accepting feedbacks and to this specific case there is always feedbacks from labor unions which are either about the peaceful work environment or benefits of employees. Whatever the cases are feedbacks has to be recognized by the management indeed depending on its solidarity and reliability.

Table: 4.3.3.3.

Question Item	Response Category	Frequency	Percent
Management and labor union agreement	strongly disagree	58	31.0
	Disagree	60	32.1
	not sure	34	18.2
	Agree	12	6.4
	Total	164	87.7
	Missing System	23	12.3
	Total	187	100.0

Source: Field survey, December-2016

63.1 % of the respondents disagreed on the assertion that the labor union and the management will never agree on the establishing of peaceful work environment. This figure have been shown in table 4.3.1.1. when majority of the respondents shown the potential of the labor union on the creation of peaceful work environment, while majority of the respondents confirmed that the labor union is getting the necessary assistance from the labor union and also while majority of the respondents confirmed that the management is willing to receive feedbacks from the labor union. The conclusion is that there is a positive relationship between the management/employer and the labor union.

Table: 4.3.4.

Years of service	Labor union focus on protecting employees' right's					Total
	Rating	strongly disagree	Disagree	not sure	Agree	
less than 1 year	1	0	1	0	0	2
1 to 5 years	11	5	4	10	1	31
6 to 10 years	1	10	7	10	4	32
11 to 15 years	10	18	8	2	1	39
16 to 20 years	3	14	11	0	1	29
above 20 years	8	10	6	8	3	35
Total	34	57	37	30	10	168

The purpose of this specific question is to have a full picture on the case; the perception of the generation on the issue. which generation has confirmed the more focus subject of the labor union. According to Table 4.3.5, 48.7 % or 91employees disagreed on the statement that the labor union gives more focus on protecting employee's rights. out of which 1employee who served the company for less than a year, 16 employees who served the company from 1 to 5 years, 11 employees who served the company from 6 to 10 years, 28 employees who served the company between 11 to 15 years, 17 employees who served the company between 16 to 20 years and 18 employees who served the company for more than 20 years believe that the labor union focuses more on establishing peaceful work environment.

As the figure goes up and down between the generations it is very difficult to put a conclusion with regard to age group. Difficult to relate the belief of the respondents whether the respondents believe that the labor more focuses on the establishing of the peaceful work environment than protecting the rights of employees. However, it is again from the data to conclude that above half of the employees disagree that the labor union is giving attention on the rights of employees.

4.4. SUMMARY OF IN-DEPTH INTERVIEW

4.4.1. Interview with the top management

As per the company structure, there is the General Manager at the top followed by the Deputy General Manager and under the Deputy General Managers there are Department Managers and under these Department Managers there are Heads. These positions are considered as top managerial positions.

The researcher had an interview with 5(five) top management members who are the Deputy General Manager, Production Manager, Plant Engineering Manager, Personnel Head and Finance Manager.

3 (three) basic questions were prepared and delivered to the top management members which focuses on the existence of peaceful relationship between the management and the labor union, the impact of the current labor union in the creation and sustainability of peaceful work environment and also the impact of the labor union in the productivity of the company as a whole.

Accordingly, the Deputy General Manager ,all the Department Managers and the head believe that especially the past 3 years there is a progressive change in the labor union. The labor union is now contributing on the peaceful work environment. As to them the process of conflict resolution is now changed. The labor union is a mediator. For the majority numbers of employees are now member of the labor union many of their issues are raised by the labor union on behalf of the employees. While employees present their complaint to the labor union especially while they are penalized by the management then the labor union approaches the management for the solution. In most cases they come as a mediator because generally all the disciplinary measures are on objective evidences. Previously the practice was that whenever employees believe that they are unnecessary penalized they prefer to go to court and it spoiled the peaceful work environment while employees become unnecessarily powerful over their supervisor.

This belief of the top management is supported by the responses of the respondents in table 4.3.1.1. where 55.1% of them answered for the potential of the labor union in promoting peaceful work environment.

On the other hand the Top management also fears that the fact that the labor union is now more focused on the peaceful work environment of the company than employees rights could back fire and hurt the survival of the labor union because those grieving employees might one day decide to leave the union for lack of decisiveness and effectiveness in reversing management's decision especially those senior people who are now member of the labor union .

Although taking the data on table 4.3.4 where 27 employees who served the company from 6 to 10 years, 28 employees who served the company from 11 to 15 years and 23 employees who served from 16 to 20 years, it is difficult to conclude and agree on the statement of the top management . Also though it is difficult to conclude as there is a positive or negative correlation between age and need for the labor union to continue focusing in the promoting of peaceful work environment, the number of respondents who replied positively who have served the company above 5 years is positive which indicates the positive attitude of employees towards this issue.

According to the interviewees the company has gone through different administrative reforms during the past 3 years. One of the major reformations is changing the performance evaluation criteria of each job positions objectively in every department. It is a fact that this change will result a decrease in the rating of the performance evaluation of many disengaged employees and increase the hardworking employees' performance. The labor union was one of the key players in the process by advising employees the benefits of the change. Some of the union members left because of this issue. According to the top management this is one of the indications of the strengthening of the peaceful relationship between the management and the labor union leaders which resulted a positive peaceful work environment in the company.

It is very important to refer if the above statement is also the belief of the employees who are member of the labor union. Accordingly, seeing the answer of the respondents at table 4.3.3.3 where respondents questioned if there exists an agreement between the management and the labor union 63.1 % of the respondents agreed on the existence of peaceful work environment. So it is very valid for the management to conclude on the existence of peaceful work environment.

Moreover the interview revealed that currently the labor union is participating in the internal and external vacancy process after their frequent comment on the process of the company external recruitment process. This practice empowered the labor union to reinforce their relationship with top management. Though these positive areas, there are also controversies in respect of promotions according to the top management .It is stated that in some cases the labor union is conveying wrong information to its members who have not succeeded in promoting. This has a very negative impact in the peaceful work environment because promotion is one of the biggest factors to either motivate or demoralize employees. It is a fact that this demonization will result in job dissatisfaction which will definitely disturb the productivity and then the peaceful work environment as accompany (the personnel Head).

Though this is a very specific case from this response we can understand that there are still areas which needs to be relooked. The statement seems to go against the data in table Table 4.3.1.1. where 55.10% of respondents agreed on the potential of the management to promote peaceful work environment.

Generally we can say that there is a good and progressive relationship between the labor union and the management. The existence of peaceful work environment created a sense of ownership on the mind of employees. This is shown in our daily activity. Currently employees are willing to work in the holydays so long as they believe doing so will uniquely benefit the company. It is the labor union which initiated the idea before 2 years. We can conclude that the smooth relationship we have developed with the labor union has facilitated a productive work environment.(Production Manager)

All the top management members do concern on the future condition of the labor union of the company. All those persons which are considered as prospect leader of the labor unions are very aggressive and emotional and could pull the peaceful work environment back where it was before 3 years.

4.4.2. Interview with the labor union leaders

We selected 3 labor union leaders for the interview; The Chairman, Deputy Chairman and the secretary of the labor union. The same 3 questions were raised for the labor union leaders and the management members except we added one more question for the labor union, ‘ how do they see the labor union for the coming 10 or 20 years? ‘

For the first question of standardizing the relationship between the management and the labor union, all the 3 leaders agree on the existence of good relationship with the management. They believe that they are even contributing much more than what is expected from them. As to them they are now very much prioritizing the interest of the company and for that they are scarifying the rights of the employees though knowing that many of their members are not interested. They explained the Sunday and the holyday tasks which have been performed by the employees for the last 3 years as an example and these contributions made them lose so many of their members.

However, from the answer of the respondents they are more comfortable with the current practice of giving more focus to the peaceful work environment than any other issues. This fact can be seen at table 4.3.1.3.where 52.4% of the respondents are supporting the necessity of peaceful work environment.

Different from the other 2 union leaders the secretary do believe that they are building a good relationship with the management by scarifying the rights of their employees and he believes that the labor union has to sit and see itself and start to see itself as being the represent of the employees not the management.

This response did sight the writer that there is even a different attitude between the labor union leaders. This could have a potential for the company to destroy the current peaceful work environment. Why the need for this while 63.1% (table 4.3.3.3.)of the employees agree on the existence of peace between the management and the union leaders. The fact that this 63.1% is the highest positive rate given by the respondents from all the questions found in the questionnaire, it shows that member of the union understands the peaceful condition between the top management and the labor union.

The following answers were given by the union leaders for the second question of the role of the labor union to the peaceful industry;

So many difficult situations passed during the past 3 years. Different reformations have been done by the management. These reformations had a direct impact with the employees' life for it was about company structure, over time work hours, salary and other benefits.

As to the labor union leaders the management is wise that they know that they cannot be productive without the support of the labor union. Whenever there is an issue which can affect more than 2 employees the management approaches them so that risks will be shared. They are happy for the support they did for the management. Of course, they have a regret on the support they did on the implementation of the new company structure which they believe that victimized those who have been serving the company for long times and granted less salary grade because of their education.

For the third question of the impact of the labor union in the productivity of the employees/company They believe that the company is now growing very fast and their impact can be consider as 50 as the management members. They also informed the writer that there was a time when two labor unions organized in the company. The current labor union leaders made to vanish for its purpose was fully to destroy the company as a whole by supporting and aggravating grievances.

As per the chairman of the labor union, Horizon Addis Tyre Share Company existed to this day being productive because the management do have an ear for the labor union. Table 4.3.3.2. where 52% of the respondents answered that the labor union to have a place in the mind of the management proves the above statement.

The 4th and last question seemed to challenge their opinion. They also have a doubt on the continuity of the labor union. According to them all the three leaders and also the 10 executive committees are above the age of 50 and these people are more focused on the stability of the industry which increases the productivity of the company. For them the company is safe for the next 10 years since many of them will retire.

As per the chairman of the labor union even today they have a worry that some employees who have a negative attitude on the current management of the company could organize and form other labor union.

Finally, the chairman stated that today the attitude of the employees is positive and this is evidenced by the fact that employees believe on the importance of peaceful working environment than their benefits because they now know that other benefits will follow after productivity.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

Trade unions are expected to play a very vital role in not only promoting the interests and rights of their member employees but also in safeguarding and maintaining peaceful work environment. However, if they are perceived as a threat to the management, they have the capacity of distorting the industrial peace and stability of the company and they also play a negative role in the overall performance of the company. The researcher has attempted to draw a conclusion generally that the trade union at Horizon Addis Tyre is actively promoting and ensuring peaceful work environment.

After distributing 222 questionnaires and collecting 187 of them for analysis, conducting a face to face interview with the top management and the labor union leaders of the company to study the contribution of the labor union in promoting peaceful work environment the following are the conclusions or answers from the research:

1. It answered positively the question how the employees see the quest of the union for ensuring peaceful work environment.
2. The research has positively answered the question as affirmative relationship of the management and the union regarding addressing employees' grievances basis.
3. It also tried to answer the question with regard to the involvement of trade union participation in management decision making process.
4. It also tried to see if the labor union has to continue focusing on the promoting of peaceful work environment than any other issues.

5.2. Recommendations

Taking in to consideration the role that the union has played so far and are supposed to play in principle, and from the major findings of this research, the researcher recommends the following points to both for the management and the labour union to further strengthen the union's role in promoting peaceful industrial relations without affecting its stand before its members.

- The study recommends that labor union and the management should maintain their close relationship and consultancy to strengthen the peaceful work environment.
- The labor union should start to equally work on the existence of employees right too to satisfy its members,
- From all the answers of the respondents, it is very easy to understand that the labor union members are happy by their labor union however the maximum positive result is 63% . The labor union has to work to increase this satisfaction level of its members.

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Appendix A

St. Mary's University

School of Graduate Studies (SGS)

Masters in Business Administration (MBA) in Human Resource Management

Data gathering questionnaire

Dear respondent,

The purpose of this questionnaire is to gather necessary data for an academic research. The research is a Master thesis in partial fulfillment of the requirements of the Master of Business Administration (MBA) in Human Resource Management, at the St. Mary's University, School of graduate Studies. Names and personal details of the respondents will be kept confidential.

Thank you in advance for your precious time and kind cooperation.

age _____ **educational background** _____

Position: _____ **Year of service** _____ **sex** _____

Date of being part of the labor union: _____

S/N	Questions	Strongly disagree (1)	Disagree (2)	Not sure (3)	Agree (4)	Strongly agree (5)
A.	Regarding the basic right to organize/unionize					
1.	The employer/management understands the potential of the labor union in establishing peaceful work environment.					
2.	The employer/management gives assistance in every aspect to fulfill its responsibility					

	with regard to establishing peaceful work environment.					
3.	The employer/management accepts feedbacks from the labor union which can support in establishing peaceful work environment.					
4.	The labor union has an influence in creating peaceful work environment					
5.	If you believe that it has the influence, how do you put its result?					
6.	The labor union give more focus on establishing peaceful work environment than protecting employees' rights?					
7.	The labor union gives more focus on protecting employees' rights than establishing peaceful work environment?					
8.	The management and the labor union will never agree and work together on the issue of establishing peaceful work environment.					
9.	The labor union shall be more focused and give attention on establishing peaceful work environment than other issues.					
10	The labor union shall give less focus and less attention on establishing peaceful work environment from other issues.					

Thank you for your time and kind contribution!

