



## COLLECTIVE BARGAINING IN AN ETHIOPIAN PUBLIC SECTOR ENTERPRISE- SOME OBSERVATIONS

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### **Abstract**

*Collective bargaining plays a vital role in settling and preventing industrial disputes. The existing literature on collective bargaining gives several insights into the organizational climate in different industries. Still there is a scope for further research. The issues relating to philosophy and rationality behind different long-term settlement at micro-level and its impact on organizational climate, productivity and quality of work life deserve special attention. Negotiation skills for managers and employee representative, the role of state in the bargaining process and the influence of outside leadership need further study. The present study is undertaken by us to evaluate collective bargaining in Telecommunications in Southern National Nationalities Peoples Region in Ethiopia. To the perception of the management and non-management staff in the Telecommunication Corporation on Collective bargaining. To give solutions for effective implementation of C.B. practices for better productivity and customer satisfaction. The present research study has been conducted by the researchers with the help of both secondary and primary sources of data in SNNPR in Ethiopia, East Africa. Visited various places like Sheshamane, Awassa obtained information from different region/ offices of Telecommunications Corporation of SNNPR of Ethiopia relating to this research study. Ten per cent of the population took as sample, representing management, non-management trade union leaders in six regions of the corporation. The Ethiopian Telecommunication Corporation (ETC), which is an autonomous state owned operating entity and plays a decisive roles in the social and economic development of the country. ETC provides national and international telecommunications services, using communication media of Satellite. Microwave, Digital radio Multi-access System. Almost all respondents opinioned that collective bargaining environment is quite satisfactory in ETC. The bargaining agents of both the parties should be determined to arrive at as agreed solution of their respective problems. Negotiations can be successful only when the parties rely on facts and figures to support their point of views. To ensure that collective bargaining functions properly, unfair labor practices should be avoided. A provision for arbitration should be incorporated in the agreement, should become operative when there is any disagreement on the interpretation of its terms and conditions.*

International Labor Conference also defined as ‘Collective Bargaining’ extends to all negotiations which take place between an employer, a group of employers or one or more employers’ organizations on the one hand and one or more workers’ organizations on the other for determining working conditions and terms of employment and/ or regulating relations between employers and workers and/or regulating relations between employers of their organizations and a workers organization. As per Harrison, collective bargaining is a process of accommodation between two institutions, which have common and conflicting interests. It is the resolution of industrial problems between the representatives of the employers and the freely designated representatives of employees acting collectively with a minimum of Government dictation. It is a process in which the representatives of a labor organization and representatives of the business organization meet and attempt to negotiate a contract or agreement which specifies the nature of employer-employee union relationship.

It plays a significant role in improving the labor management relations and in ensuring industrial peace as well as problems. Through discussion and interaction, both the parties learn more about others and often misunderstandings may be removed. It helps in easing out many minor differences and there are many instances in which even major disputes are said to be settled without any work stoppage or outside intervention.

The relationship includes the negotiations of a written contract concerning wages, work hours and other conditions of employment and interpretation and administration of this contract over its specified period (see Gluck, 1978, Bhatia 1985, ILO, 1986).

### **Importance**

Collective bargaining plays a vital role in settling and preventing industrial disputes. Specifically its importance is evident from the following:



Establish uniform conditions of employment with a view to avoiding industrial disputes and maintaining stable peace in the industry.

Secure a prompt and fair redress of grievances.

Avoid interruption in work in which follows strikes, go slow tactics and similar coercive activities.

Achieve an efficient operation of the plant.

Promote the stability and prosperity of the industry.

It is the most important and significant aspect of labor management relations and extends the democratic principle from the political to the industrial field.

### **Forms of C. B.**

A single plant bargaining that is, between a single trade union and management which is prevailed in United States of America and India.

Multiple plants bargaining, that is bargaining between a single factory or establishment having several plants and the workers employed in all these plants.

A multiple employer bargaining, that is bargaining between all the trade unions of workers in the same industry through a federal organization, and the employers' federation. This is possible both at the local and regional levels and is generally resorted to the textile industry.

### **Need**

Telecommunications is the vital factor for effective communication system in any part of the world. The present study is undertaken by us to evaluate collective bargaining in Telecommunications in Southern National Nationalities Peoples Region in Ethiopia.

### **Objectives:**

- To evaluate the C.B. environment in Telecommunication Corporation in Ethiopia.
- To evaluate the role of the bargaining agents in collective bargaining for long term settlements.
- To evaluate the perception of the management and non-management staff in the Telecommunication Corporation on C.B.
- To give solutions for effective implementation of C.B. practices for better productivity and customer satisfaction.

### **Methodology**

The present research study has been conducted by the researchers with the help of both secondary and primary sources of data in in Ethiopia, East Africa visited various places like Sheshamane, and Awassa obtained information from different region / offices of Telecommunications Corporation of Ethiopia relating to this research study.

### **Secondary source of data**

We have consulted the records, files and documents of the Telecommunications Corporation at different offices located at Sheshamane, Awassa, Addis Ababa, Yirgalem, Wolayta, etc., regions. We visited various libraries and institutes to obtained the required sources of data for this research paper.

### **Primary data**

A structured questionnaire has been administered to the respondents selected for this study in different offices / regions in Ethiopia. The main respondents are the Management representatives and Labor/ employee representatives in selected areas of ETC. We took prior appointments with respondents both management representatives and Employee/ labor representatives for interviewing them at their convenient times. We also have a personal interviews with the respondents at work place.

**Sample:**Ten per cent of the population taken as sample representing management, non-management trade union leaders in six regions of the corporation. The Ethiopian Telecommunication Corporation (ETC), which is an autonomous state owned operating entity and plays a decisive roles in the social and economic development of the country.

**Domestic Services:**ETC provides national and international telecommunications services, using communication media of Satellite.Microwave, Digital radio Multi-access System.

**International Services :**Ethiopia has 430 telephone, 62 telex and 2 telegram satellite circuits for the purpose of the international traffic.



The Progress that the Ethiopian Telecommunications had made in the few years of its existence was disrupted by the Italian occupation of 1935-42. Considerable damage of line and installation occurred partly by the war and partly by the Ethiopian patriots who wrecked many of the installations to prevent their use by the enemy.

**The Establishment of Organization:** Accordingly the Imperial Board of Telecommunications of the Ethiopia was, therefore established by proclamation No. 131 of October 15, 1952. The organization was created as a body of politic and corporate in name and deed.

**Organizational Set-up:** The head executive of IBTE is the General Manager who acts according to the directions given and policy decisions made by the Board of Directors. According to this organizational set – up the Head Office activity was divided into six divisions. These were Finance Division, Personnel Division, Stores Divisions, Technical Division, Traffic Division and Training Division. There were also six regional Offices centered at Addis Ababa, Asmara, Dire Dawa, Dessie, Jimma and Gondar.

**Organizational Structure:**As conceived in the newly implemented reorganization the planning function consisting mainly of forecasting of future telecommunications service demand, identification and initiation of projects, pre-feasibility studies, project preparation and evaluation has to be carried out by the planning and programming office.

**Recruitment:** The Board is responsible for the recruitment and placement of its employees and offering salary scale as per the regulations of the organization.

The present salary scale comprises 21 grades, which have eight steps each. The salary scale ranges from Eth. \$ 35 – 2173.

**Training and Development:** In 1953 an agreement was signed between the Ethiopian Government and the International Telecommunication Union (ITU), to assist IBTE in the organization and administration of Training Institute. The Board pays all expenses of the external studies if the subject of study is directly applicable to the employees work.

#### **Achievement of Training**

To meet the manpower requirement for the improvement and expansion of telecommunication system in the country, IBTE has so far trained 3052 individuals in the Training Institute of which 1807 are technicians, 711 telephone operators, 368 radio operators, 105 administrative staff, 54 technical operators and 7 phonograph operators.

**Financing:**For the initial Investment in 1953 on investment expenditure of Eth. \$6,750,000 was made out of which Eth. \$ 3,750,000 was borrowed from IBRD by the Ethiopian Government for IBTE because the original text of the charter did not allow IBTE to borrow funds directly from external sources. The 4th Investment program, unlike the previous ones covers a period of 6 years (1968 - 1973). The total investment during this period is planned to be Eth. \$ 63.5 million. A sum of Eth. \$ 11.25 from SIDA loan (Swedish International Development Agency) and the remaining Eth. \$ 41 million was covered by the Board's internal sources, operational revenue, expenditure and gross profit, etc.

**Tariff Policy:** The tariff and rates of the Board are based on cost and the desire to get a reasonable rate of return on investment.

**International Tariff Rates:**The international tariff rates for telephone, telegraph and telex depends on mutual agreement between Foreign Telecommunication Administrations and the Board.

**Mechanization of service :**IBTE has so far mechanized its payable, billing and in part its foreign accounts and is planning to mechanize its inventory and accounts very soon. For this purposes it has leased a model 3-disc storage system from IBM Ethiopia.

Perception of Respondents in Ethiopian Telecommunication Corporation

Role of Collective Bargaining in the corporation:

**Type of Leadership:**Seventy per cent of the respondents are in favor of the local management. Ten per cent of the respondents favours head office the remaining respondents favours external.



**Union Membership:** Around 60 per cent of the respondents are the members of the union whereas others are not the members of the union.

**Union affiliation to political parties:** Majority of the respondents opined that none of the unions are affiliated to any political party in the corporation.

#### Union Membership Fee

The respondents expressed that the union membership fee is above 20 Birr (Ethiopian Dollars).

#### Opinion on the Union

Majority of the respondents opined that the unions are useful to the employees of the corporation.

#### Circulation of Charter Of demands by the union

Eighty per cent of the respondents expressed their opinion that the union used to circulate the charter of demands among the members of the employees in the corporation.

**Assistance from outside agency to draft the charter of demands by the union:** Majority of the respondents are of the opinion that the union did not take assistance from outside agency to draft the charter of demands.

**Source of help received from the outside to draft charter of demands:** Seventy eight per cent of the respondents expressed that the union leaders took the help from legal experts from outside to draft charter of demands.

**Society's interest:** Seventy five percent of the respondents felt that while preparing the charter of demands, the union give priority for society's interest. The remaining respondents expressed adversely.

**Nation's interest:** Eighty six percent of the respondents opined that while preparing the charter of demands, the union gave priority for national interest. The remaining respondents are in different opinion.

**Skills training to negotiating team:** Majority of the respondents expressed their views that no training has been given to negotiating team while going to bargaining process.

**Status of the participates:** About sixty five per cent of the respondents are of the opinion that they took part as information supplier to the negotiation team, while thirty per cent of them are acted as observes in collective bargaining activity.

**Time taken:** Eight five per cent of the respondents felt that for a long term settlement, the negotiation process took two years for finalizing collective bargaining process. The remaining told that it took one to one and half year for finalization of long term settlement through collective bargaining.

**Break down of the negotiation:** Almost all the respondents expressed their views that there are many instances of break down of the negotiation process at C.B. meeting.

**Reason for breakdown:** Ninety five percent of the respondents expressed their opinion that the main reason for breakdown in negotiation process is absence of open- mindedness on both the parties at bargaining table.

**Resolution of deadlock in C.B.:** Ninety seven percent of the respondents opined that the deadlock in C.B. process resolved with third party involvement.

**Role of conciliation machinery:** Eighty eight per cent of the respondents accepted that they approached the conciliation machinery to resolve the deadlock in collective bargaining process.

**Role of C. B. in arriving at settlements:** Seventy eight percent of the respondents felt that C.B. is good devise for arriving at long term settlement. The remaining other respondents are indifferent.

#### Successful of C.B. in the organization

Almost all the respondents agreed that C.B. in Ethiopia Telecommunication Corporation is successful.



**Time gap between each meeting:** Ninety six percent of the respondents are agreed that 1-2 weeks time gap is there in each meeting for long term negotiation in CB process.

**Counter Demands:** Eighty – Eight percent of the respondents expressed that there are many occasion of counter demands from management during C.B process.

Union's response for counter demands;

Eighty percent of the respondents expressed their opining that the union reaction for counter demands is positive in C.B process.

**Linkage with productivity:** Around eight per cent of the respondents positively reacted with the idea for linking wages with productivity in the organization.

**Suggestions for effective functioning of Collective bargaining:** There must be a change, in the attitude of employees with customers of the organization.

The mutual trust and interest to settle the issues should be there on both management representatives and workers/employees representatives in the organization. The bargaining agents of both the parties should be determined to arrive at as agreed solution of their respective problems

Employers and employees should enter upon negotiations on points of difference or on demands with a view to reaching an agreement

Negotiations can be successful only when the parties rely on facts and figures to support their point of views.

To ensure that collective bargaining functions properly, unfair labor practices should be avoided.

Dead locks in discussions should be tactfully tackled by both the parties of collective bargaining.

When negotiations result in, agreement the terms of the contract should be put down in writing.

Once an agreement is reached, it must be honored and fairly implemented within the stipulated period.

A provision for arbitration should be incorporated in the agreement, should become operative when there is any disagreement on the interpretation of its terms and conditions.

The tenure of agreement should be effectively implemented.

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