



Overview of employee relation trends in the Ethiopian construction sector

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Abstract

This study has tried to overview the general trends of employee relations in the Ethiopian construction sector. Employee relation issues have been of great importance in all organizations in general and the construction industry in particular. The general purpose of the study was to assess the practices and related challenges of employee relations in the sector. As such, it addressed such issues as collective bargaining, union representation, safety and health, pay and benefits/social security, dispute handling, labour inspection, etc.

As far as data methodology was concerned, mainly secondary sources were adopted. However, some interviews with representatives of Ministry of Labour and Social Affairs, Ministry of Construction, and Confederation of Ethiopian Trade Unions were conducted for this study.

The findings of the study showed that while the socio-economic role of the sector is growing significantly (employment, national income, capital contribution, investment, etc.), the overall employee relations trend of the construction sector is defined with disproportionate high rate of work place accidents, inadequate leave days even after facing work place injuries, lack of representation of construction employees regarding their rights and benefits, insufficient coverage of employees under legally binding collective agreements, high rate of labour disputes and lack of proper dispute handling mechanisms, inadequate labour inspection from regulatory agencies, and finally declining coverage of employees through comprehensive social security/benefit package.

As such, it was recommended that policy as well as administrative support must be significantly provided from stakeholders such as trade union confederations and ministries of labour and social affairs and construction to improve the employee relations practices in the Grade 1 construction firms in Ethiopia.

Keywords: employee relations, construction sector, collective bargaining

1. Introduction

This study focuses on the employee relations practices in construction firms. In more concise terms, this study adopts an approach that studies the subject matter as a set of relationships between management and employees or among employees and their organizations that characterize and/or grow out of employment.

Employee relations in this study is regarded as a system that focuses on such processes as employee representation, safety and benefits, conflict (dispute) management, and grievance handling. Employee relations address the rational and systematic transactions between organizations, trade unions or individual employees regarding their rights, benefits, and obligations. Armstrong (2009) further underlines significant roles that employee relations play in realizing productive and effective organizational systems. According to him, flexible (pluralistic) views on employee relations in organizations lead to participative management approaches where the motives, ideologies, and perspectives of both the organization and its employees are taken in to account.

The construction industry accounts for a sizeable proportion of world-wide economic activity. For example, according to

survey conducted on the turn of the 21st century, in Europe it accounted for some 10 per cent of gross domestic product (GDP) and in nations such as Australia it employs about 8 per cent of the nation's workforce (Loosemore *et al*, 2003).

Despite recent advances in technology and production management techniques, construction remains one of the most people-reliant industrial sectors. Human resources represent the large majority of costs on most projects, and the industry employs an extremely diverse range of people from a wide range of occupational cultures and backgrounds, including people in unskilled, craft, managerial, professional and administrative positions. These diverse groups of employees operate as an itinerant labor force, working in teams to complete short-term project objectives in a variety of workplace settings (Prosperi, 2009). Hence, according to her, the industry's project-based structure is made up of many disparate organizations which come together in pursuit of both shared project objectives and individual organizational objectives. These objectives are not necessarily compatible and they might not align with people's personal objectives, which can lead to competing demands on those working within project-based environments. These features make

construction one of the most challenging environments in which to manage people effectively, to ensure that they contribute to organizational success (Breeding, 2008).

Due to its intensive dependence on labor, the scope and intensity of employee relations practices is considerably wide and high in the construction industry. This is mainly due to the fact that the construction industry is inherently labor intensive. The ILO recently published a report that conveys this notion. According to this report, the construction industry in some 90 countries hires more than 111,500,000 skilled, semi-skilled, and unskilled employees. The report further specifies that 77% of these 111 million plus construction workers belong to the low income countries like Ethiopia.

The Ethiopian construction industry, according to the latest (2016-2017) report of the Federal Ministry of Construction of Ethiopia, involves hundreds (around 6330 to be exact) of organizations (of various grades). More importantly, this sector is one of the most active employers in the country with around a million unskilled, semiskilled and skilled workers on temporary, contract, and permanent terms of employment. This figure, according to a more recent survey on the structure and challenges of the Ethiopian labor market (Martha, 2012), accounts for about 21% of the formal employment in urban communities.

This study, therefore, tried to provide insights regarding the trend of employee relations in the construction firms in Ethiopia.

2. Research Questions

In view of the points addressed above, this study is intended to answer the following question.

- What does the general employee relations environment look like in the Ethiopian construction sector?

3. Research Objectives

This study, in view of the determinant roles that employee relations have on the whole being growth of any organization, assessed the practices and related challenges of employee relations in the Ethiopians construction sector. In more specific terms, this study is planned and organized to address the following /objective.

- To assess the general employee relations environment in the Ethiopian construction sector.

4. Sources and methods of data collection

The study predominantly used secondary data. The secondary data sources for this study includes, Government proclamations on employment and employee relations, reports of trade unions and their federations (for reference purpose), collective agreements, dispute handling procedures and other relevant documents representing the construction sector in general and the Grade-1 contractors (if any) in particular, and reports of various government agencies (such as MoLSA, CSA, ERA) on related issues. Most importantly, the study largely depends on five year reports (2012-2016) generated from MoLSA (2013-2017). However, representatives of the concerned federation of the industry's trade unions and MoLSA were contacted through structured interview to find a balanced insight in to the industry's overall practices on employee relations.

5. Major findings of the study

This chapter tries to capture the essence of employee relations in the Ethiopian construction sector in line with the objectives of this study. In doing so, it assesses the quality of work life (benefits, safety, etc.), union representation, collective agreements, disputes handling, and other key aspects of employee relations in the industry. The discussion starts with the economic contribution of the construction industry in Ethiopia then moves to generally reflect to employment framework in the sector and finally shows its employee relation practices.

5.1 The Role of the Construction Industry in the Ethiopian Economy

Construction industry makes significant contributions to the socio-economic development process of a country. Its importance emanates largely from the direct and indirect impact it has on all economic activities. It contributes to the national output and stimulates the growth of other sectors through a complex system of linkages. It is noted that about one-tenth of the global economy is dedicated to constructing and operating homes and offices (UNEP, 1996). UNEP further observes that the industry consumes one-sixth to one half of the world's wood, minerals, water and energy. It contributes to employment and creates income for the population and has multiplier effects on the economy. The construction industry employs large unskilled labor. Throughout the developing world, the majority of employees in the industry are unskilled. Women are also found to be beneficiaries of the employment in the industry. However, the employment in the industry is mainly temporary in nature and once the job is over, the workers are obliged to find other jobs or return to their place of origin.

5.2 The Employment Structure of the Construction Industry

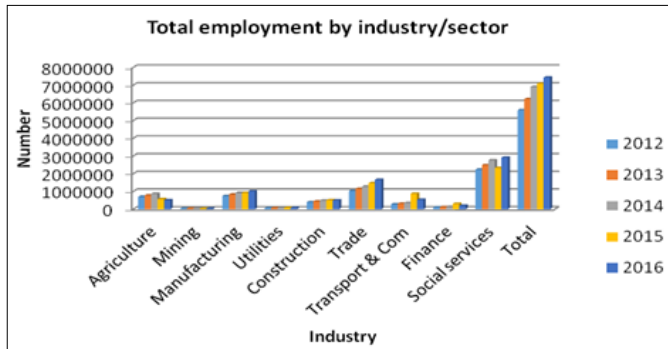
In this section, the employment opportunities created in the construction sector during the years 2012 to 2016 are briefly presented. The presentation follows a comparative approach where the employment opportunity created by the construction sector is viewed in line with that of eight industries such as agriculture, trade, services, manufacturing, etc. this helps in reflecting the status of the construction sector in contrast to that of the other sectors in creating employment basis.

5.2.1 Employment by major industrial divisions

It appears that the nine sectors/industries have created millions of jobs for Ethiopians in the last five years (2012-2016). For example, about 5.6 million jobs were created for the urban population in 2012. This grew to about 7.5 millions in 2016. By 2016, about 55.7% of the employees were male while the rest is covered with females.

When discussing the industrial distribution of employment in Ethiopia, the construction sector has absorbed about 7% of the total labour force reaching about 0.5 million people in 2016. In this regard, it must be noted that the data used here under considers only the formal employment sector in urban areas. Since Ethiopia's 80% of population is of rural back ground while more than 75% of the country's economy is still dependent on agriculture, it is quite natural for such sectors as

agriculture and small scale trade to be the leading employment source. Thus, it is significant for construction (which is among the youngest industries in the country) to provide the stated amount of employment opportunity.



Source: Computed based on data obtained from MoLSA

Fig 1: Total employment by industry (2012-2016)

5.2.2 Wages and earnings

As discussed in the employment section, the construction sector has employed more than 495 thousands of people in 2016. As per the wages and earnings data presented above (Table 5.5), the mean amount of monthly payment was Eth. Birr 2080. Majority of the construction employees (60%) get wages less than this mean monthly average. Moreover, overwhelming majority of them (75%) earn monthly rate of less than the median wage (≤ 3500 ETB or 125USD). On the other hand, as few as 4.4% employees belong to the higher monthly wage rate bracket of (≥ 6000 ETB or 250USD). Still, this will mean the annual earning the highest wage bracket group is just 6500 USD. This figure is significantly lower than other sectors in Ethiopia as well as similar (construction) sector even in neighbor countries such as Kenya.

5.3 Employee Relations

This section reflects on some indicators of the industrial relation disputes in the labour market, occupational safety and health, report and registration of statistics recorded in terms of collective agreement, trade unions, and cause of accidents during the year 2012-2016.

5.3.1 Occupational safety and health

Work accident may occur in the process of production as a result of unsafe working condition, unsafe acts, personal failure, and lack of awareness on the side of both the employers and workers. The failure on the part of the management in realizing and applying properly guarded machine, proper illumination and ventilation, non defective tools, etc, could be considered as one of the causes to work accidents.

Work accidents may result in loss of life, physical impairment, material damage and termination of work that might claim very large financial loss. The work accidents information contained in this report is limited only to 302 establishments. The figures obtained from these undertakings cannot show the nature and causes of work accidents in the country except that it shades some lights on the Occupational Safety and Health. Accordingly, detailed information on the number of

occupational safety and health effect for the year 2012-2016 is presented in the following section.

1. Registered Work Accidents by Industry

It appears that by the last five years (2012-2016) a total number 21162 work accidents were reported by 1386 establishments, of which 208 accidents were fatal and 20,954 were non-fatal. Generally, it is observed that the non-fatal accidents have decreased from 2012 to 2016 (4848 to 3249). However, the rate of fatal accidents significantly rose from 31 in 2012 to 88 in 2016.

Among the reported work accidents (of total accidents registered from 2012-2016), the share of the construction industry comes second highest (at 27%) next to the manufacturing sector (51%) and followed by the other seven sectors. The year by year contribution of the construction sector displayed here under clearly depicts the degree to which the sector is prone to work place accidents compared to other sectors.

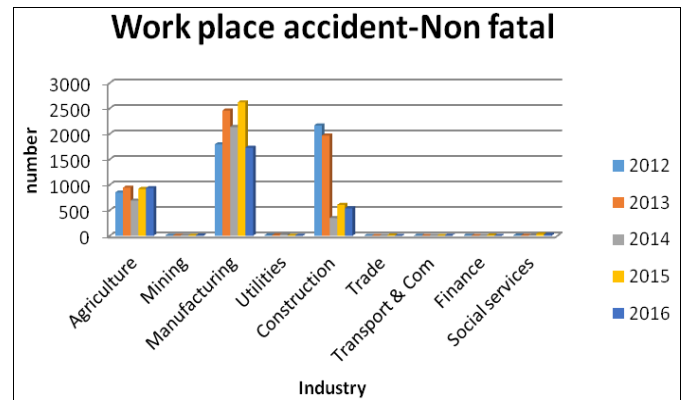
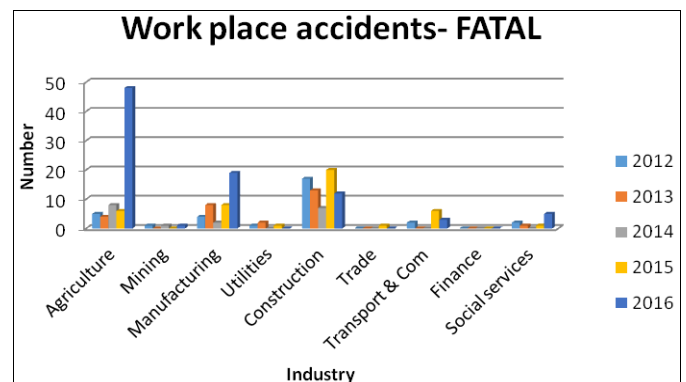


Fig 2: Non-fatal work place accidents (2012-2016)



Source: Computed based on data obtained from MoLSA

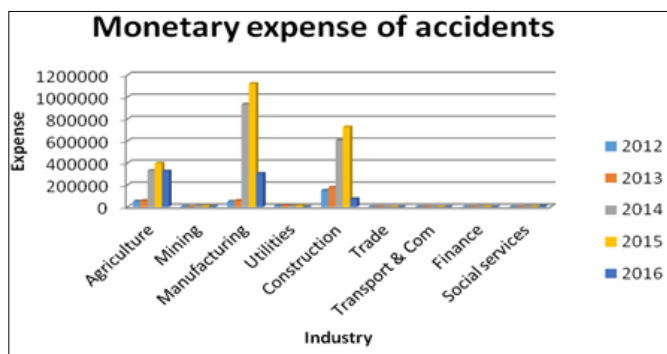
Fig 3: Fatal work place accidents

As displayed in the above graphs, the construction sector has stood out in the accidents statistics throughout the last five years (2012-2016). In all the categories the sector has faced more accident ratio per company or number employees covered by the report.

In the five years' report, the share of the construction companies observed was 283 (20% of the total 1386 companies across all industries) and the number of the construction employees was 44699 (15% of the total 294626

workers across all industries). And yet the construction industry faced 27% of the non-fatal accidents (the 2nd highest share), 34% of the fatal accidents (the highest share), and 27% of the total accidents (the 2nd highest share).

This figure becomes even bleaker when we look at the situation from another dimension: the accident per company and employee ratio. Let's compare it with the other two industries with relatively higher accident statistics: manufacturing and agriculture. The non-fatal accident ratio in the construction sector is 1 to 8 employees where as there is a fatal accident per 621. In the manufacturing industry the ratio is 1 non-fatal accident per 14 employees and a fatal one for 3550 manufacturing workers. On a similar note even agriculture, which is quite underdeveloped in Ethiopia, has shown better performance in the accident rate than the construction sector. There were non-fatal accidents per 22 people and fatal accidents for 1365 people. The comparison is similar in the accident per company ratio. Each construction company observed faced 20 non-fatal accidents and 0.3 fatal demises compared to 19 and 0.1 in the manufacturing sector respectively and 12 and 0.2 for the agricultural sector. As implied in the next graph, the monetary expense of the accidents data also shows similar trend to what has been observed above.



Source: Computed based on data obtained from MoLSA

Fig 4: Monetary expense for accidents (2012-2016)

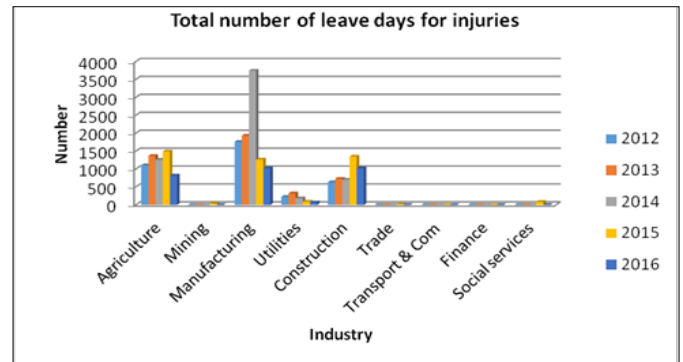
Again, looking at the graph the construction sector seems to stand next to the manufacturing sector throughout the period 2012-2016 in terms of the financial expense for accidents. The sector has incurred more than 1.72 millions in ETB during the five year period. This means, the sector covered 34% of the total expense. Compared to that of the other sectors, this basically means second to the manufacturing sector (51%).

And similar to the above analysis, this story changes when we look at the expense per company ratio. The ratio is 3116 ETB for one company in the agriculture sector, 4308 ETB for that of manufacturing and a staggering 6110 ETB for a single company in the construction sector. This shows that the construction industry is the highest in incurring expenses for accidents.

2. Leave Days Allocated as a Result of Work Accidents

For any company to maintain a good relationship with its employees, it needs to exert efforts to make them feel physically and emotionally supported and taken care of. One of the means to do so is to let them get enough rest at the event of injuries and accidents at work. So, the researcher

tried to see how the construction sector does in this regard. The results are depicted in the graph below (Figures 5).



Source: Computed based on data obtained from MoLSA

Fig 5: Number of Leave days for Injuries per Industry (2012-2016)

As it can be seen in the figure above, the construction sector has not been among the industries that offered substantial amount of leave days for workers that faced injuries at work. Actually, the highest number of leave days for work related accidents is 1.8 days in 2016. In 2013, it went down to 0.4 day per injury. In a sector such as construction, where accidents are usually consequential in one's life and health and given the fact that majority of the employees have no any insurance coverage, this amount of leave days is negligible.

The picture is even more disappointing when compared to that of other sectors, namely utilities and agriculture. In the utilities sector, companies have awarded as many as 45 days for their employees per accident. The annual average of leave days in this sector (utilities) is 20 days. Comparatively, the construction workers have got 1.3 days per accident on annual average.

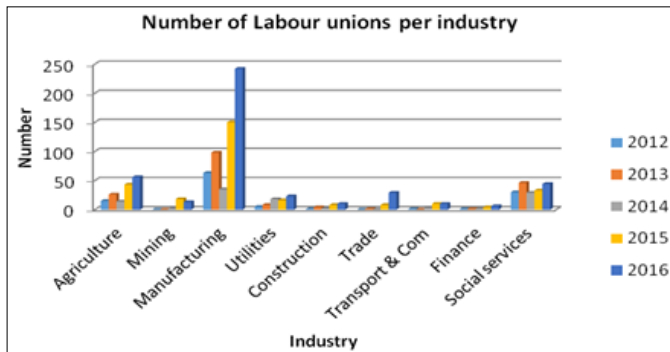
5.3.2 Labour Union Representation

The Labour Proclamation No. 377/2003 states that workers and employers shall have the right to establish and form trade unions or employers association, respectively. Accordingly, one trade union may be established in an undertaking where the number of workers is twenty or more. Moreover, workers who work in undertaking with less than twenty workers may form a general trade union, provided however, that the number of the members of the union shall not be less than twenty. Presently, nine trade union federations and one confederation have been registered at national level. Details of the registered trade unions during 2012-2016 and their members are presented in this section.

1. Registered Trade Unions by industry

There were 111 registered basic trade unions for the construction sector during the last five years (2012-2016). Of these, 96 basic trade unions were registered during 2016. In general, there have been 1608 of them in all the sectors in the five year period. The distribution of the trade unions in all the sectors for the five year period is depicted in the following graph. In countries like Ethiopia, there are no many institutions that protect the rights of employees. There are few (if any) civic organizations, media, workers' right groups, political parties, etc. that prioritize this commitment. Though, there are government agencies that have regulatory authority

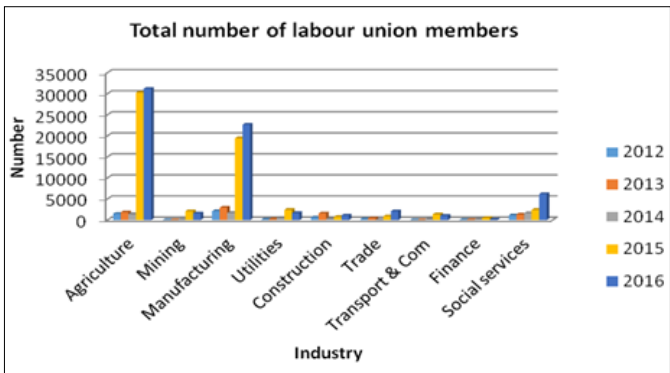
on such matters, their enforcement capacity is so limited to ensure the rights of workers are protected in their work life. Thus, the responsibility in this regard primarily rests on the trade unions/labour unions and their confederations. In this context, the presence of labour unions in labour intensive industries such as construction is expected to be active/intensive. However, during the last five years the construction has had only 111 basic unions compared to 588 in the manufacturing industrial sector, 578 in Community, Social, and Personal Sectors, and 154 in the agriculture sector. In other terms, the construction sector is represented by only 7% of the labour unions compared to that of 37% for manufacturing sector and 36% for Community, Social, and Personal Sectors.



Source: Computed based on data obtained from MoLSA

Fig 6: Number of labour unions per industry (2012-2016)

The picture is even less encouraging when it comes to employees as member of labour unions in the construction sector. In 2012-2016 periods, only 4285 workers of the construction industry are members of unions. This is only 2.9% of the total number of employees in all sectors (which is 147579). Compared to the agriculture and manufacturing industries, which make up the 45% and 33% of union members respectively, the difference is understandably very huge, and not in the advantage of the construction sector employees.



Source: Computed based on data obtained from MoLSA

Fig 7: Total members of labour unions per industry (2012-2016)

5.3.3 Collective Agreements

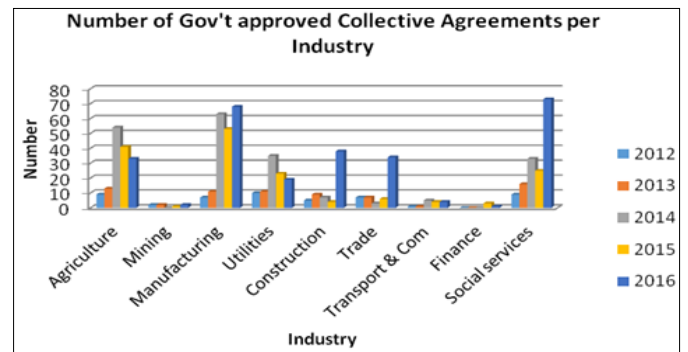
According to the Labour Proclamation No.377/2003, collective agreement means an agreement, concluded in writing between one or more representative of trade unions and one or more employers or agents and representatives of

employer’s organizations. Collective agreement is exercised through mutual discussion, understanding and negotiation between employers and workers representatives. Upon executing collective agreement, the two parties should submit sufficient copies to the competent authority for legal registration. Detailed information of the registered collective agreements is presented in this section as follows.

Registered Collective Agreements by Industry

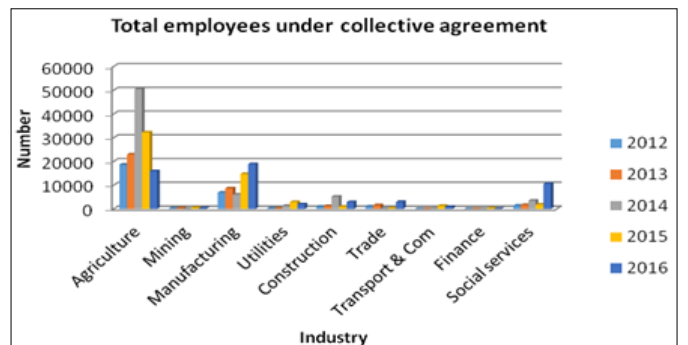
The industrial representation of collective agreements reflects similar trends to that of labour unions, particularly in the construction industry. As depicted in Table 5.8 above Figures 5.15-5.17 below, the construction sector has seen a growth in the number of collective agreements on a year to year basis. What have been only 5 agreements in 2012 has increased to 38 in 2016. Compared to other sectors (where the number has fluctuated), this scenario is positive. However, the total tally of construction companies with collective agreements and construction employees included in such agreements is not encouraging at all.

In the five years period from 2012 to 2016 a total of 63 companies and 11242 workers were included in the collective agreements. When analyzed in view of the sum of all sectors (272 companies and 241774 workers), the share of the construction sector stands at a mere 8% and 5% respectively. Comparatively the agriculture sector has 20% of its companies and 58% of its workforce covered under collective agreements while 27% the companies and 23% of the workers in the manufacturing industry are governed by collective agreements.



Source: Computed based on data obtained from MoLSA

Fig 8: Number of Collective Agreements per Industry (2012-2016)



Source: Computed based on data obtained from MoLSA

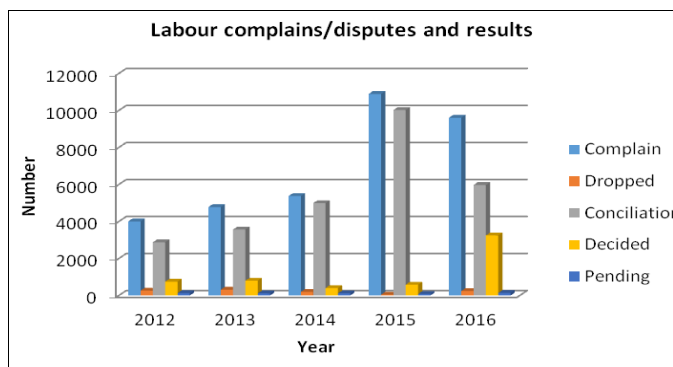
Fig 9: Total employees under Collective Agreements per Industry (2012-2016)

5.6.4 Labour Disputes

Labour dispute is a dispute arising between a worker and an employer or trade unions and employers in respect of application of labour law, collective agreements, work rules, employment contract or customary rules and also any disagreement arising during collective bargaining or in connection with collective agreements. Preventing industrial disputes are not always possible. However, organization’s culture and procedures should be created in order to prevent or reduce potential conflicts. Details of labour disputes during the reference period are provided in the following section.

1. Distribution of Labour Disputes Settlement and Their Results

As given below, there was large number of labor disputes that resulted in from 4000 complaints to about 11000 complaints annually. In total, 34640 labour disputes were registered in the five years period of 2012-2016. Of these, 1044 (3%) of them were dropped, 27410 (79%) of them were reconciled, 5757 (17%) were decided (by court) while 551 (2%) are still pending without any resolution. This trend implies the internal communication and engagement system of organizations has problems.



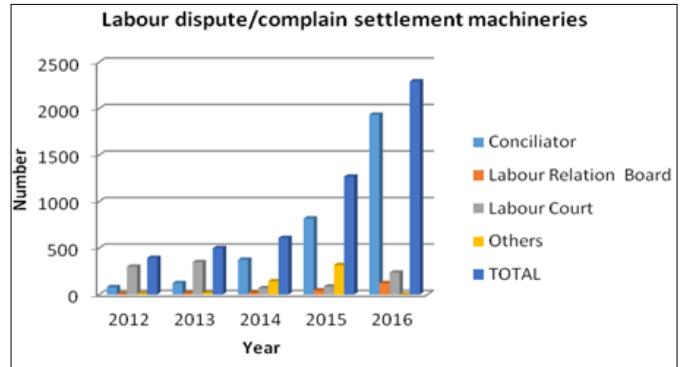
Source: Computed based on data obtained from MoLSA

Fig 10: Labour disputes results (2012-2016)

2. Distribution of Labour Disputes Settlement Mechanisms

Even among the disputes settled in the sector, the settlement mechanism (machinery) is not limited to amicable nature. As shown below (See Figure 9), among the disputes settled in the industry, most of them were in 2016. Moreover, while

conciliatory mechanisms were mainly used (66% of the cases), the conciliation approach was accepted by employees because they know they would not have the time and money to pursue legal options (such as labour courts) to voice their grievance as compared to their employers. Still, the workers went for labour courts and labour relation boards (25% in total) to seek settlement for their disputes.



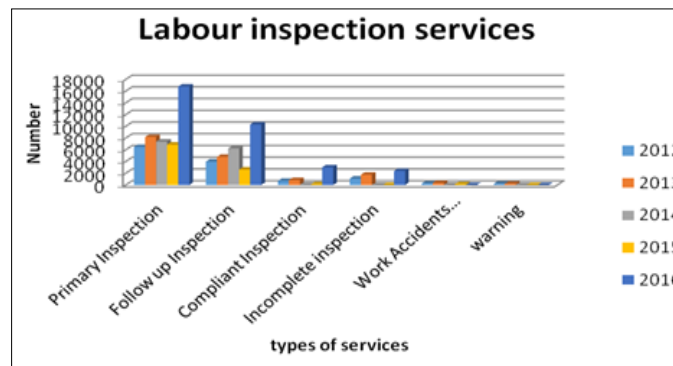
Source: Computed based on data obtained from MoLSA

Fig 11: Labour Disputes Settlements Mechanisms

5.6.5 Labour Inspection

In order to prevent and avoid or detect abuses of worker’s rights, labour inspection services, the organizational structure of inspection services on a regional level should be enhanced. As given below, the labour inspection service start with basic/primary inspection and reach up to giving warning to employers that fail to live up to the specified standards. Between these, there are follow up inspection, compliance inspection, and work accident investigations. In the last five years (2012-2016) a total of 84882 labour inspection services were rendered. The largest proportion goes to primary inspection (54%) and follow up inspection (33%). As large as the number of accidents were in the same period, less than 1% or 741 work accident investigations took place in the entire period of 2012-2016. And only 403 (0.5%) led to warning from inspectors.

This figure shows the grave need for the concerned government agency (Ministry of Labour and Social Affairs) to enhance its labour inspection packages in terms of volume and scope as well as enforcement power in order to support the employee relations practices in the sector.



Source: Computed based on data obtained from MoLSA

Fig 12: Labour inspection services (2012-2016)

As given below, there were 160 inspectors in 2012, a number that steadily grew every year to reach 205 in 2015. However, the number of inspectors skydived to 90 in 2016 (a decline of more than 200% from 2015). This requires special attention from the concerned agency.



Source: Computed based on data obtained from MoLSA

Fig 13: Labour inspectors (2012-2016)

5.6.6 Social Security

1. Social Security System

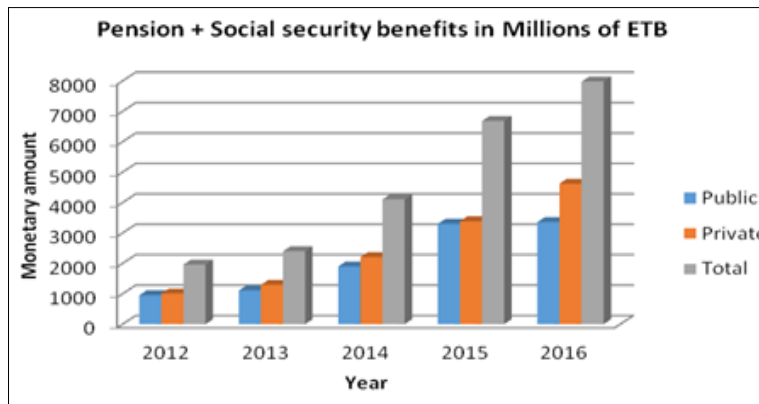
Employee benefits are the key components of employee relations in any organization. In this context, this section briefly describes the social security packages in the construction sector organizations in the last five years.

The social security system in Ethiopia comprises two major

streams: public service pension system and Private Sector Pension Scheme.

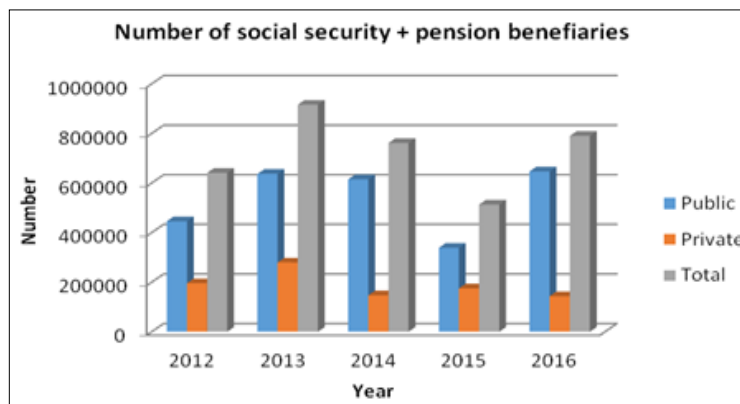
- The public service pension is regulated under public sector law, which is defined benefit pension in which employees of the federal public service may be entitled to participate. A defined benefit is designed to provide a retirement income. Benefits are based on a number's average salary and years of pensionable service, that is, complete or partial years credited to the member at retirement.
- Private Sector Pension Scheme is regulated under private sector law, according to the proclamation No 715/2011, any permanent employee, who is an Ethiopian national, of private organization- which is an organization established to engage in commerce, industry, agriculture, construction, social service or in any other lawful activity and which has salaried employees and includes charities and association is covered by this proclamation and has to the private employees pension fund.

For general information the social security benefits (pensions) of both public and private sector employees are displayed in the table and graph below. However, since the focus of this study is the construction sector (Grade 1 contractors), which belongs to the private sector, this section shall assess the social security package of this particular sector for the last five years (2012 to 2016).



Source: Computed based on data obtained from MoLSA

Fig 14: Social security & pension benefits (2012-2016)



Source: Computed based on data obtained from MoLSA

Fig 15: Number of employees with Social security & pension benefits (2012-2016)

2. Private Sector Pension Scheme

It appears from Figure 12 above that the monetary size of social security packages has been growing in the five period of 2012-2016. For example, the annual benefit package grew from 1.01 billion ETB in 2012 to 4.62 billion ETB in 2016. On the contrary, the number of beneficiaries showed fluctuating if not declining pattern. While it grew from 195460 in 2012 to 279229 in 2013, the number dropped significantly in the subsequent years to reach its lowest state of 143319 beneficiaries in 2016.

The annual benefits grew from 5167 ETB per employee in 2012 to more than 33000 in 2016 making the five year average about 13320 ETB. However, this nominal growth should not obscure the reality that the number of beneficiaries has declined instead of showing growth. As the fundamental requirement of any social benefit package is its inclusiveness, the social security system/practice in the Ethiopian construction sector has a lot to improve in this regard.

6. Conclusions and recommendation/suggestion

6.1 Conclusion

Based on the findings of the study, the researcher concludes the following points on the observed trends of the employee relation practices.

The study findings indicated that the construction industry has a huge part in the Ethiopian economy both at macro and micro level. It contributes to the national output and stimulates the growth of other sectors through a complex system of linkages. It contributes to employment and income creation for the population. It also contributes to government revenue through generation of corporate profit tax and employees income tax which in turn goes to finance public services such as schools and health institutions among others.

The GVP of the construction sector has been increasing by more than 16 percent annually over time and has now reached nearly 60 billion Birr. As of 2016, the construction sector has employed almost half a million people in the urban sector.

The domestic construction capacity of industry has been improving recently due to the increased number of investors joining the sector and increased number of trained manpower in the area of construction professions from universities and colleges. As of 2016, there were more than 6000 contractors in the Grade 1-10 level with a majority of the lesser grades. As a result, this study focused on the Grade 1 contractors due to their larger staff size, more structured system of administration, capital level, and scope of operations.

However, when it comes to key elements employee relations various gaps have been observed in the sector. The gaps include disproportionate high rate of work place accidents, inadequate leave days even after facing work place injuries, lack of representation of construction employees regarding their rights and benefits, insufficient coverage of employees under legally binding collective agreements, high rate of labour disputes and lack of proper dispute handling mechanisms, inadequate labour inspection from regulatory agencies, and finally declining coverage of employees through comprehensive social security/benefit package.

In general the findings that the employee relations practices of the Ethiopian construction sector has a lot to be improved as soon as possible.

6.2 Suggestions/Recommendations

Based on the findings and conclusions established in this study and in response to the research questions, the researcher forwards some key recommendations to help address the problems identified so far.

Given the existing realities of employee relations in the Grade 1 construction firms, the burden is huge on these external stakeholders to ensure protection of workers' rights and positively support the management of such organizations towards developing the right system of employee relations. As such,

- Federations of trade unions should continue their efforts to lobby the concerned organizations and the government to implement collective bargaining and union representation.
- Employers' associations should work more with the trade unions to avoid a confrontational and toxic environment in the employee relations system. They rather should sponsor research, seminars, and consultative meetings to build a smooth employee relationship system in the Ethiopian construction sector.
- Labor management boards and special labor affairs courts should be made more accessible to both employers and employees to facilitate dispute resolution.
- The MoLSA should undertake periodic monitoring activities on the employee relation practices in general and the dispute handling, disciplinary measures, and state of working conditions in the Grade 1 construction firms.
- Labour courts should facilitate the labour cases in their hands in order to resolve the issues of employees quickly and efficiently there by reducing the time and cost burden of employees
- Research and academic institutions should be more engaged in issues such as safety, health, risk management, communication, etc. through training and development of more conducive working environment.
- The MoLSA should push the organizations to enforce the internationally accepted standards and conventions regarding occupational safety, working time, access to operational resources, workers representation, etc.
- Civic societies and rights groups have to be more engaged in the employee relations practices of the construction sector in order to help create a smooth and positive working environment.
- The study found that compensation and benefit practices significantly influence the effectiveness of employee relations practices in the construction sector in Ethiopia. Therefore, the Ministry of Construction should promote policy guidelines that will lead to design compensations practices that can cultivate commitment and motivation among employees in all levels and thus the practices need to be timely, market driven, appropriate and effective.
- The study recommends to the Human resource practitioners in the construction sector should develop and implement appropriate policies and procedures that are unique to their situations and institutions.
- Further, the Ministry of Labour and Social Affairs in collaboration with Ministry of Construction should formulate a harmonized and detailed employee relations practices policy manual should to ensure fair employee relations practices in the construction sector.

- The study also recommends to both ministries to enforce more the application of safe working conditions in the construction sector.
- The construction Sector in Ethiopia needs to carry out a comprehensive compensation Survey to enable understanding of which practices would be more appropriate in their situations and develop appropriate compensation policies. The sector should ensure that compensation is paid on time if they are committed to improving organizational performance. This study therefore recommends to the management to ensure consistencies and uniformity in compensation practices.

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