Employee Relations – and its Impact on Employee's Performance

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Abstract

This paper seeks to review the literature on employee relations and its impact on employee's performance in an organization. It aims to explain the importance relations between employer and employee and how its effect the performance of the individuals and as well as an organization. The paper intends to provide a conceptual review of the past literature in the areas of evolution of employee relations. The main limitation of this review is that the study is completely based on secondary source of review and no primary study is done. Thus, the study does not provide any empirical evidence to support the literature of the article. All the provided literature is written based on the findings gained from the previous studies. This study can increase the knowledge to strengthen the employee relations by using of few methods/ways to control the conflicts, build the trust among the individuals and best human resourse practices.

This will help in the formulation and implementation of Strategies for employee relations in any organization which will in turn enhance the effectiveness of the organization as a whole. This in turn can help the organization to operate at high efficiency. The study helps the scholars orient their research in employee relations by providing them a better understanding of the construct. Also provides a ray of direction in which the field is going and what are the existing gaps.

Introduction

Today almost all organizations facing the issue of employee productivity and they are working through various models to improve the same. There is a faith that growth of productivity can be seen through a fundamental reform in the area of employer – employee relations. Changes are necessary both in the organizational structure of work and in the way in which workers are rewarded, recognized, remunerated.

These changes can be brought through proper representation and dispute resolution, Actions of trade unions/associations and the operations of arbitration tribunals are often viewed as impediments to management efforts to lift the competitive performance of their employees towards the goals of organizations.

Experiencing the best employee relations in an organization is a pre-requisite for success of organization. Strong employee relations are required for maximum productivity and employee satisfaction. Employee relations commonly associating with avoiding and resolving issues concerning individuals which might arise out of or influence the work scenario.

Employees are the focal point in the success of every organization. If the employees work together and share a good relationship with employers they can achieve their tasks much easier and faster. Managing employee relationship is important and valuable to the organizational success and achieving competitive advantage. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance.

Brief history of the Study:

Scientific Management Theory:

Unitarist assumptions and values have played a significant role in three schools of theoretical and practical thought. The first is Taylor's (1974) theory of scientific management. As a management practice, this particular theory holds that the employment relations choices of management must start from the assumption that employees are immature in the ways of work, are prone to avoid it whenever possible, and have limited, self-centered aspirations and time-horizons.

In so far as this conflict with the aspirations and time-horizons of organizations, efforts to reduce the outward manifestation of internal tension are to be undertaken by direct and highly rigid control of the workplace activities of employees. leadership when recruiting and directing workers, to have a clear understanding of the tasks employees are expected to perform, and to have untrammeled prerogatives to control the pace and processes under which they work. Companies subscribing to this form of management practice should reduce work to its basic elements, such that the skills of workers necessary to undertake tasks are kept to a minimum. Employees should be treated impersonally and collectively, with any workplace issues being referred to management. Under these conditions the management approach to employee relations is one that seeks to suppress internal tension over the distribution of organisational power by ensuring that management retains superior knowledge about the structure and organisation of work, and has the authority to direct workers as it sees.

Human Relations Theory:

The second theory comes from the so-called human relations school. In this case the reduction of organizational tension is held to rest on the ability of individuals to achieve self- fulfillment in the workplace. Workers are regarded as qualitatively different to other resources used in production. Thus, if workers are denied autonomy on the job, or are reduced to acting as mere extensions of the machinery they operate, or are given work that inhibits their capacity to create and think, it is argued that they will invariably find ways to subvert the methods of control that enforce these conditions.

The principal task of management on this conception is to manipulate workplace relations in ways that enable employees to feel personal satisfaction with being involved with the organization. To this end, companies operating on this basis are expected to recognize the right of employees to have a say in how they are governed (Judge, 2002).

They are also expected to take an active interest in developing the skills of employees as a means of demonstrating a commitment to their personal well-being. In whatever form, the aim of this managerial approach to employee relations is one that seeks to reduce internal tensions by developing the sense of workplace satisfaction felt by employees through techniques that involve them in the organization and regulation of work (Cropanzano).

Next Face: In the early 70s the relationship between employers and employees in work place was more of a collective relationship which involves collective bargaining where representatives of both employer and employees meet to

negotiate on matters relating to pay, terms of employment and working conditions, representatives of employees are known as trade union. Organizations were encouraged to recognize and work with trade unions so as to improve the employment rights of workers through collective bargaining (Marchington and Wilkinson 2005).

However, in the early 1990s, countries like UK where trade unionism were highly recognized witnessed a significant decline in trade unionism, employee relations changed from the traditional collective method of bargain to a more individualized method as a result of increase in sophisticated HRM style initiative in communication, participation and recognition.

Human Resource Management Practices:

This theory refers to human resource management practices (Stone, 1995). This form of management practice differs from the previous two in that it starts from the belief that organizational tensions can be completely resolved by nurturing a psychological contract based on cooperation. The employee relations choices in this instance are predicated on the belief that the forces uniting managers and employees are far stronger than the forces dividing them. It is the task of management to facilitate these unifying forces by establishing workplace conditions that encourage autonomous individuals, whether employees or management, to work collaboratively for the common good (Kathryn, 2008). Companies taking this approach are expected to regard workplace relations holistically, whereby collaboration between management and employees is encouraged through the development of a unifying culture, strong and pervasive leadership, and a clear vision of organizational goals. The employee relations aim of these techniques is to resolve internal tensions by breaking down workplace social classes, developing open lines of communication and promoting a collective understanding that the interests of all are better served by working together and avoiding conflict.

Definition of Employee Relations

ERM is a term that refers to relationship development and management between employers and their employees. There are a lot of different issues that can affect employee satisfaction, which has a direct result on employee productivity and overall corporate culture (employeesurveys.com, 2013).

Employee relationship (ER) is a kind of special interpersonal relationships , which is a concept put forward by the western scholars in the 20th century in order to replace industrial relation, it refers to the relationship of right and obligation, management and obeying caused by the interests between enterprise and the staff, which is also shown as the total of cooperating , conflict , strength and power relations, and is influenced by economic, technology, policy, legal system and social culture back ground in certain society (Yongcai,2010,p.940).

Employee employer and employee organization relationships are part of a business's internal relationship management. Much research regarding this internal relationship management has focused on organizational behavior/theory and human resource management (Liao et al., 2004, pp. 25-26).

Eemployee Relataions is a relatively new concept, a general definition hence understands ERM as strategy, programs and technology to effectively manage how firms relate to prospective, current and former employees. There are many similarities to customer relationship management (CRM), which is understandable since the notion of ERM has been derived from that concept(Lagergren&Andersson,2013,p.21).

More over there are comparable terms such as human capital management and talent management (Buttle, 2009, p. 357), although it is unclear whether these terms denote the same concept.

Employee Relations can be defined as a specific field of human resource management (Yongcai, 2010, p. 940). It is the process of adopting various controlling methods and practices to regulate the relations between company vs. staff and employee vs. employee, and enables the company to achieve its goals(Jing,2013,p.2).

The basic content of ERM is shown as in the table below.

Table 1: Basic Content of Employee Relationship Management

category	basic content
labor relationship management	As the key part, it includes the labor dispute solution, labor interview of admission or severance ,labor pleading , personnel dispute and emergency solution
communication management	Guarantee the smooth of communicative channel, adopt the effective way of communication to guide the two-way exchange between enterprise and the staff
employee participation management	Build good staff's participating environment, take the effective management style to give play to the staff's intelligence and wisdom, fully realize the self-value , bring about an advance in harmonious enterprise of the labor and capital
employee information management	Set up employee information management system, offer information support for the enterprise's strategy and human resource management, and promote the information sharing of every department , promote the communication inside enterprises
enterprise culture construction	Build and popularize the corporate culture, lead staff to keep unanimity with company's values, impel the common development of enterprises and staff

Source: Yongcai, "Employee Relationship", 2010, p. 941

Employee Relation Process

Applying ERM requires specific processes that offer operational measures to

achieve the objective of individualized, mutually valuable relationships. A first group exclusively focuses on recruiting which explains the term "candidate relationship management". By contrast, a second group focuses on all customary HR domains, i.e., beyond recruiting also development, compensation, etc. The combination of domains and characteristics as categorization criteria hence offers an instructive possibility to categorize ERM processes as well.

Effect of ERM on Employees Performance:

Success in a scientific endeavor depends significantly on imaginative and flexible systems of management and administration, which will help in realization of the full potential of the gifted, trained and highly valuable manpower resources, and ensure conditions for the highest level of performance. It is imperative to have a dynamic and sensitive management, and appropriate working conditions and incentives which will attract, retain and deploy in a patently efficient manner these precious human resources. It is now commonly accepted that employees constitute an important resource of completive advantage for firms. As a result, it is important for a firm to adopt ERM that make the best use of its employees.

More specifically, ERM allows HR professionals to more accurately identify employee's motivations, needs and preferences as well as better align employment practices to real needs, which minimizes staff turnover and at the same time maximizes staff retention by the definition of more appropriate recruitment profiles. The final s results promoted by ERM adoption are better-equipped managers, employee loyalty, empowered employees, improved employee satisfaction, preferred employer status, and reduced costs.

Goals of Employee Relations

Employee Relations aim to produce successful world-class organizations through relationship-building with and amongst its employees. High-performing organizations have a few common employee relations practices, but this being an in exact science at best, a simple, do-it-yourself formula fitting all situations does not exist. There are also clearly identifiable organizational issues that are responsible for productivity gaps. Employee relations, therefore, tries to inculcate characteristics that render an organization a success, and at the same time, proactively sensitizes itself to the organizational issues that can retard productivity. It is a given that change is inevitable (and essential for survival and growth), and employee relations management is increasingly geared towards increasing productivity, returns and competitiveness. ER aims towards building and maintaining commitment, morale and trust so as to create a productive and secure work place environment.

Employee Relation goals are summarized as follows

Establishing a link and a congruency between employee contract and the employment relationship through a psychological commitment.

1. Terms and conditions of employment to be based on the principle of fairness and ensuring the organizational objectives as well as individual needs and aspirations are fulfilled.
2. Developing policies, procedures, rules and regulations that are fair just and conform to the basic objectives as well as individual needs and

    Aspirations are fulfilled.
3. Definingandclarifyingperformancemanagementexpectationsandstandardsto enableemployees tostrategizeandplanfortheachievementoftasksandtargetssetfortheirjobpositi ons.
4. Developing effective communication channels and systems that ensure the information needs of employees are met.

After this study any one could understand as....

The major purpose of this research is to investigate the effect of Employee Relations on employees' performance in an organization. It is agreed that Employee Relatons components has positive effect on the employees' performance in the ogrgainzation. Organizations are realizing that ER helps them to build stronger relationship with employees. As such ER can build and enhance relationships and reinforce commitment to the company and improve the employee's performance.

From this study it becomes evident that ER can bring benefits for organizations. Employee Relations can work by strengthening and increasing the relationship between organizations and their employees. To reap the required objectives from ER there is a need to implement them according to strategy. Many companies built strategy by keeping an eye on their employees.

The results of the study reveals that if ER components (HR practices, communication, trust, shared goals and values and leadership styles, wlefare of the employees, inter personal relationship) are implemented in organizations and managers give it high attention, it can enhance ER status in organizations through help employees in achieving tasks and targets set for their job positions and helps in developing effective communication channels and systems so that information needs of employees are met.

It emphasizes on performance, growth and development of employees for creating competitive advantage. It helps in improving working conditions, establishing healthy relations among employees; it inculcates a sense of belongingness among employees.

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