A study on significance of Employees-Employer relations and its effects on organizational development with special reference to steel Industrial units in Trichy

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The study was carried out to establish the effect of employee relations on organization development. The findings of the study indicated that to a great extent Trichy Steel Roll mills organization practices employee relations. This study shows that Some Components of employee relations in this organization were identified. Finally, the researcher found out that employee relations strategies improve organizational development. Employees are ever ready to make an extra effort if they are satisfied with strategic decisions of their organizations. Employees give importance to employers for their communication procedures that affect their efficiency and motivation level. Employee relations create competitive advantage over competitors. Significance of Employee relations was also discussed in this paper. 100 samples were selected at three categories from sample industry for the study.

Keywords: Significance of Employee relations, Employee relations practice, Organizational development

Introduction

In recent time, some organizations have been decreasing in its performance due to inadequate management abilities of employee relations by the human resource department which is in charge of the employee’s welfare within the organization. Organizations can only improve in its performance if only a proper employee relation is adopted and maintained. However, relatively little has been written about the everyday management strategies involved in management of the contemporary relationship. Over the years the Chartered Institute of personnel and Development has undertaken a series of interviews with human resource professionals that were designed to establish what significance the term employee relation has for. Nevertheless, the vital determinants of work place performance are employee relationship which has been given little, if any priority.

The aspect of employee- employee relations and how it relates to performance has not been given the attention it deserves by management. This is based on the fact that employees in every organization should be regarded as the most valuable assets in that organization. Hence their workplace environment impacts a lot on whether the organization achieves its goals.

Significance of Employer–Employee relations

Every individual at the workplace shares a certain relationship with his fellow workers. Human beings are not machines who can start working just at the push of a mere button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. An individual cannot work on his own, he need people around. If the organization is all empty, you will not feel like sitting there and working. An isolated environment demotivates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit towards a common goal.

It is important that employees share a healthy relation with each other at the work place. Let us find out why employee relations are important in an organization:

There are several issues on which an individual cannot take decisions alone. He needs the guidance and advice of others as well. Sometimes we might miss out on important points, but our fellow workers may come out with a brilliant idea which would help us to achieve our targets at a much faster rate. Before implementing any plan, the pros and cons must be evaluated on an open forum where every employee has the right to express his opinions freely.

Work becomes easy if it is shared among all. A healthy relation with your fellow workers would ease the work load on you and in turn increases your productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame.

The organization becomes a happy place to work if the employees work together as a family. An individual tends to
lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, you will feel relaxed. One doesn’t feel like going to office if he is not in talking terms with the person sitting next to him [13].

An individual feels motivated in the company of others whom he can trust and fall back on whenever needed. One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line [14, 15]. A sense of trust is important [16].

Healthy employee relations also discourage conflicts and fights among individuals. People tend to adjust more and stop finding faults in each other. Individuals don’t waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy [17].

A healthy employee relation reduces the problem of absenteeism at the work place. Individuals are more serious towards their work and feel like coming to office daily [18]. They do not take frequent leaves and start enjoying their work. Employees stop complaining against each other and give their best [19].

It is wise to share a warm relation with your fellow workers, because you never know when you need them. You may need them any time [20, 21]. They would come to your help only when you are nice to them. You might need leaves for some personal reasons; you must have a trusted colleague who can handle the work on your behalf. Moreover healthy employee relations also spread positivity around [22].

It is essential that employees are comfortable with each other for better focus and concentration, lesser conflicts and increased productivity [23].

**Objectives of the Study**

The objectives which this study seems to achieve are as follows:

I. To find out the extent employee relations is practice in Trichy Steel Rolling Mills Limited, Trichy

II. To determine the components of employee relations the organization gives attention.

III. To examine the extent employee relations strategies could be used to organizational development.

**Research Question**

I. In the context of this study, the research asks the following questions:

II. What is the extent of these organizational practices of employee relations?

III. What are the components of employee relations in sample organization?

IV. How can employee relations strategies improve organizational development?

**Research Hypotheses**

The hypotheses will be testing the significant of the research question base on the following:

H0 Organizational practices of employee relation have a positive effect on organizational development.

H1 Organizational practices of employee relation have no positive effect on organizational development.

H1 Employee relations have some component that significantly affects organizational development.

**Review of Literature**

Sinha & Bajaj (2013) states that employers should take care of the needs of the employees and this can be understood by human resource management practices like training, job satisfaction, job rotation, participative management, performance appraisal and career planning for their employees [24, 25, 26]. According to Al-Khozondar N. O. (2015) researched that 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 faster. Managing employee relationship is important and valuable to the organizational success and achieving competitive advantage [27, 28]. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance [29].

**Research methodology**

The research methodology, adopted for the study mainly consists of collecting, primary and secondary data by going through the various HR manuals of TSR Mills Ltd, and other literature available. TSR Mills Ltd website was also screened to known about the various HR initiatives being adopted [30]. The reports of various surveys carried out internally and by external agencies were also studied for data collection. In addition to literature study during the training period, one to one interaction with HR persons also was adopted to seek clarification on different topics [31].

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>% Valid</th>
<th>% Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>16</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Supervisors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Staff</td>
<td>16</td>
<td>10.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Managers</td>
<td>128</td>
<td>80.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

To identify the category of staff available for the study as it was discovered in table 4.3.6 that 10% of the respondents are
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supervisors, 10% of the respondents are senior staff and 80% of the respondents are managers.

The Effect of Employee Relations on Organizational development

Research Question One: What is the extent of these organizational practices of employee relations?

Table 1.1 shows the descriptive statistics on the extent the organization practices employee relations. Therefore, the researcher figure out that a 5.0 mean with its standard deviation of 0.00 and its variance of 0.00 shows that the organization empowers and involves employees in contributing their ideas directly to the organizational objectives which tend to be the highest, a mean of 4.9 with a standard deviation 0.30 and a variance of 0.91 indicates that the organization practices employee suggestion scheme, a mean of 4.6 with its standard deviation of 0.49 and its variance of 0.24 shows that the organization uses collective bargaining in settling labour dispute for better employee relation, a mean of 4.6 with its standard deviation of 0.49 and its variance of 0.24 shows that the proposed organization has an established structure for management of conflicts in their workplace environment and finally, a mean of 4.7 with a standard deviation of 0.46 and its variance of 0.21 shows that to an extent, the organization encourages employee’s development as a means of better employee relation practices. Hence, the research found out that the employee relation which is best practiced in the organization is the empowerment and involvement of employees in contributing their ideas directly to the organizational objectives. This is because it is the best alternative for employee relation practices.

Table 1.2 Descriptive Statistics on Employee Relations Practices

<table>
<thead>
<tr>
<th>S/N</th>
<th>Description</th>
<th>N</th>
<th>mean</th>
<th>St. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The organization empowers and involves employees in contributing their ideas directly to the organizational objectives.</td>
<td>160</td>
<td>5.0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2</td>
<td>The organization practices employee suggestion scheme</td>
<td>160</td>
<td>4.6</td>
<td>0.30</td>
<td>0.91</td>
</tr>
</tbody>
</table>

Research question two: What are the components of employee relations in this organization?

Table 1.3 The Components of Employee Relations your organization gives attention to

<table>
<thead>
<tr>
<th>S/N</th>
<th>Description</th>
<th>N</th>
<th>mean</th>
<th>St. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The corporate culture and corporate policies of my organization enhance employee retention.</td>
<td>160</td>
<td>4.38</td>
<td>0.66</td>
<td>0.44</td>
</tr>
<tr>
<td>2</td>
<td>Discrimination and harassment of employees are not found in my organization.</td>
<td>160</td>
<td>4.7</td>
<td>0.46</td>
<td>0.21</td>
</tr>
<tr>
<td>3</td>
<td>My organization does regular employee</td>
<td>160</td>
<td>4.8</td>
<td>0.40</td>
<td>0.16</td>
</tr>
</tbody>
</table>
A study on the significance of Employees-Employer relations and its effects on organizational development with special reference to steel industrial units in Trichy.

Table 1.3 intend to identify the components of employee relations the organization gives attention to through the following observation; a mean of 4.38 with its standard deviation of 0.66 and the variance of 0.44 shows that the corporate culture and corporate policies of the organization enhance employee retention, a mean of 4.7 with its standard deviation of 0.46 and a variance of 0.21 indicates that discrimination and harassment of employees are not found in the organization, 4.8 mean with a standard deviation of 0.40 and a variance of 0.16 pointed that the organization does regular employee training and development, a mean of 4.7 with its standard deviation of 0.21 shows that communication plays a key role in the success of the organization’s program or policies and finally, a mean of 5.0 with its standard deviation of 0.00 and a variance of 0.00 appends that the organization has a staff clinic.

Hence, the researcher figures out that the component of employee relations the organization gives more attention to is having a staff clinic which will help solve the issue of employee illness within the working environment. This is chosen as the best employee relation component because it shows the highest response.

Research question three: How can employee relations strategies improve organizational development?

Table 1.3 intend to show the process through which employee relations strategies can improve organizational performance through the following; a 4.5 mean with its standard deviation of 0.50 and the variance of 0.25 shows that involving team members according to their interest of responsibilities could be a strategy, a mean of 4.6 with a standard deviation of 0.49 and a variance of 0.24 entails that adopting a strategy of writing mode of communication within organization which can be more reliable when compare to verbal communication could be taken as a strategy, a mean of 4.9 with a standard deviation of 0.30 and a variance of 0.09 conceive that canteen services and uniform lunch can be adopted in the organization as a strategy and finally, a 5.0 mean with its standard deviation of 0.00 and the variance of 0.00 states that supporting and organizing parties (e.g., New Year or birthday party) and cultural events for the employees should be taken as a strategy for employee relation which will eventually increase the organizational performance.

Table 1.3 Employee Relations Strategies

<table>
<thead>
<tr>
<th>S/</th>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My organization involves team members according to their interest of responsibilitie s</td>
<td>160</td>
<td>4.5</td>
<td>0.50</td>
</tr>
<tr>
<td>2</td>
<td>The written mode of communication in my organization is more reliable when compare to verbal communication</td>
<td>160</td>
<td>4.6</td>
<td>0.49</td>
</tr>
<tr>
<td>3</td>
<td>Canteen services and uniform lunch are adopted in my organization</td>
<td>160</td>
<td>4.9</td>
<td>0.30</td>
</tr>
<tr>
<td>4</td>
<td>The organization encourages effective communication among and between employees during working hours</td>
<td>160</td>
<td>4.5</td>
<td>0.50</td>
</tr>
<tr>
<td>5</td>
<td>The organization supports and organizes parties (e.g., New Year or</td>
<td>160</td>
<td>5.0</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Hence, the researcher concludes that the best employee relation strategy the organization should adopt as a means of improving organizational performance is supporting and organizing parties (e.g., New Year or birthday party) and cultural events for the employees. By so doing it will make the employee in the organization to have the sense of belongingness. The researcher decided to choose this strategy because it has the highest response.

4.5 Test of Hypotheses
The hypotheses of the study were tested using Z-Test. It is a test used when data is normally distributed.

Table 1.4
H1: Organizational practices of employee relation have a positive effect on organizational performance.

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>mean</th>
<th>St. Deviation</th>
<th>Z-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z score</td>
<td>160</td>
<td>4.70</td>
<td>1.47</td>
<td>1.816</td>
</tr>
</tbody>
</table>

The table above was to know if organizational practices of employee relation have a positive effect on organizational performance. The researcher found that the identified employee relation practices positively have an effect on the performance of Michelle Pharmaceutical Laboratory Limited at a Z-Test value of 1.816 which is above the expected critical value of 0.05. Therefore, the researcher accepts the alternative hypotheses. Employee relation practices can be seen as one of the most important aspects in the human resource management practices which involves the organizational empowerment and involvement of employees in contributing their ideas directly to the organizational objectives, employee suggestion scheme, using collective bargaining in settling labour dispute, an established structure for management of conflicts in the workplace environment, and encouragement of employee’s development.

Table 1.5
H1: The components of employee relations have a significant effect on organizational performance.

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>mean</th>
<th>St. Deviation</th>
<th>Z-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z score</td>
<td>160</td>
<td>4.72</td>
<td>1.98</td>
<td>1.576</td>
</tr>
</tbody>
</table>

Table 1.5 is a Z-Test table which was used to know the significant effect of the component of employee relations on organizational performance. The above statement was tested significant showing that the component of employee relations has an effect on organizational performance with the Z-Test value of 1.576 which is greater than the stated critical value of 0.05. Thus, the researcher chooses the alternative hypotheses.

Table 1.6
H1: Do employee relation strategies have a positive effect on organizational development?

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>mean</th>
<th>St. Deviation</th>
<th>Z-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Z score</td>
<td>160</td>
<td>4.70</td>
<td>1.79</td>
<td>1.732</td>
</tr>
</tbody>
</table>

The result in table 4.5.3 tested the positive effect of employee relation strategies on organizational performance. From the Z-Test above, a 1.732 Z-score was found positively significant due to the Z-Test value is greater than the critical value of 0.05. Thus, the researcher is advised to accept the alternative hypotheses and rejects the null hypotheses. In these cases, the employee relation strategies adopted in Michelle Pharmaceutical Laboratory Limited has to an extent contributed a lot to the performance of the organization.

Discussion of the Findings
Table 1.1 was meant to find out the bio data of the respondent. The result shows that majority of the respondents are female, majorities are married, majority of the respondent are 31-40 years old, the majority of the respondent are BA/B.Sc/HND while majority of the respondent have worked for the organization for less than 10 years.

Table 1.4 was used to answer the question of Employee Relations Practices or the extent employee relations are practice in this organization. From the result of the findings it showed that to great extent employee relations is practice in the organization through the empowerment and involvement of employees in contributing their ideas directly to the organizational objectives.

This is also in line with (Yongcai, 2010). It is the process of adopting various controlling methods and practices to regulate the relations between company and staff and employee versus employee, which enables the company to achieve its goals.

Table 1.5 was meant to find out the components of employee relations in this organization, which include the corporate culture and corporate policies of the organization enhances employee retention, discrimination and harassment of employees are not found in my organization. My organization does regular employee training and development,
Communication plays a key role in the success of my organization’s program or policies and this organization has a staff clinic. These are the components of employee relations but from the findings, it was made clear that having a staff clinic is the best component the organizations have to put in place in order to achieve better performance.

References


[6]. Bingham, C. (2016) Employee Relation. SAGE Publications Ltd, 1 Oliver’s Yard, 55 City Road, London EC1Y 1SP


