**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background of the study**

An organization is a structural component that is made up of sub-component such as man, materials and money which work interrelated and interdependently in the achievement of organizational objective. All these sub-component must work together before an organization can increase or improve in its performance. But among them, man which is the employer and the employee must exist in a cordial relationship between themselves and with the organization so as to enable them actualized the objective of the organization, manage the materials and money and also have a satisfactory working environment. Again, the employees in the organizations are the vital elements an organization should always strive hard to satisfy because without the employees, the organization would find it difficult to survive. In that case, the employer in an organization must have a good employee relation which will help the employees feel relaxed and satisfied in their workplace.

However, in context to the prevalent discussion, employee relation is seen as the fairness, trust, and the harmonious relationship that exist among the employers and their employees within organization which has a positive effect on organizational performance (Bingham, 2016). It is also seen in simple terms as the relationship that exists between the employer and the employee. According to Muhammed, Sohail, & Riaz (2013) in their research “impact of employee relation on employee performance in hospitality industry of Pakistan” view employee relation as a set of organizational functions and practices that deals with issues related to people as staffing, compensation and benefit, performance management, organizational development, health and safety, communication and administration. These means that people separated as staff should have connections or relationships among each other which will enable them work together as a team in getting a setting work done. Nevertheless, employees who have worked so hard need to be compensated and grant benefit that will make them satisfied in their workplace. In order to determine the workplace satisfaction of employees, certain variables such as health, safety, employees’ canteen, compensation, benefit, communication and many other variables need to be considered so that the organization can improve in its performance.

Therefore, an organization can only improve in its performance when the employees that work in that organization have developed a sense of belonging, and go extra mile to help the organization prosper. It is against this boundary that this study seems to investigate the effect of employee relations on organizational performance using Michelle Pharmaceutical Company as a case study.

**1.2 Statement of the Problem**

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 them and their organization.

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.

**1.3 Objectives of the Study**

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

1. To find out the extent employee relations is practice in this organization.
2. To determine the components of employee relations the organization gives attention.
3. To examine the extent employee relations strategies could be used to improve performance.

**1.4 Research Question**

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

1. What is the extent of these organizational practices of employee relations?
2. What are the components of employee relations in this organization?
3. How can employee relations strategies improve organizational performance?

**1.5 Research Hypotheses**

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

**H1** Organizational practices of employee relation have a positive effect on organizational performance.

**H0** Organizational practices of employee relation have no positive effect on organizational performance.

**H1**  Employee relations has some component that significantly affects organizational performance.

**H0** Employee relations has no component that significantly affects organizational performance.

**H1** Employee relation strategies has a positive effect on organizational performance.

**H0** Employee relation strategies has no positive effect on organizational performance.

**1.6 Significance of the Study**

**To the organization,** it will help identify means of having better employee relations. It offers some useful information about employee relation that can be used for further scientific research.

**To the researcher,** it can contribute to build up researcher’s knowledge and understanding on the aspect of employee relation by providing awareness to the examined organizations about employee relation and how it affects organizational performance.

**To the reader,** it will widen his/her knowledge on how employee relation should practice in organization.

**To the employees,** it will help them to know how there can be able to relate with one another within the organization which will help them in making their work less stressful and it will also help them to know the better ways to get their work done more effectively and efficiently.

**1.7 Scope of the Study**

The study was done mainly in Thinkers’ Corner where the researcher was able to get all the relevant individuals.

**1.8 Limitation of the Study**

In the process of carrying out the study, the researcher encounter the following difficulties:

**Collection of Population Sample:** The researcher found it difficult to collect the population sample from the proposed company due to some privacy. It was after some series of verification through a letter submitted to the company by the researcher which serve as a means of evidence showing that the population were meant for academic purpose only.

**Administration of Questionnaire:** The researcher also at first meet for the distribution of the research questionnaire through the help of the proposed Company’s Administrative manager was turned down. It was when the researcher have to go back there with the Head of Department that the questionnaire was administered and was collected after 1 week and 5 days.

**1.9 Definition of Terms**

**1.8.1 Employee:** These are the people spending their time, energy working within an organization in exchange for money. It is a person who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business. It is also anIndividual who works part time or full time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties.

**1.8.2 Employee Relation:** It is a tripartite (it involve the employer, employee and the government) relationship that exists within an organization. It can also be seen as a relationship between the employers and the employees which makes the employee to feel comfortable in the workplace.

**1.8.3 Organizational Performance:** In the '50s organizational performance was defined as the extent to which organizations, viewed as a social system fulfilled their objectives. It can also be seen as the ability of an organization to exploit its environment for accessing and using the limited resources.

**1.8.4 Job Satisfaction:** It is referred to job satisfaction as the positive feelings and attitudes employees hold about their jobs.

**1.8.5 Performance Management:** Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Performance management is defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them by developing the capabilities of teams and individual contributors.

**CHAPTER TWO**

**REVIEW OF RELATED LITERATURE**

**2.1 Introduction**

In this chapter, the study will emphasize on employee relation starting with the conceptual framework which contains the explanation of employee relation, employee relation management as a tool for improving organizational performance, the objective of employee relations, strategies of improving employee relation, employee relationship management practices, goals of employee relationship management practice, importance and functions of employee relationship management. The study will also emphasize on the theoretical framework which contain some of the theories relating to employee relations and the. Furthermore, it states the empirical review of the related study and finally has a brief summary of the review of related literature.

**2.2 Conceptual Framework**

Employee relationship (ER) is a kind of special interpersonal relationships, which was put forward by the western scholars in the 20th century in order to replace industrial relation. It refers to the relationship of rights and obligations of management and the interests between enterprise and the staff, which is also shown as the total of cooperating, conflict management, strength and power relations, and is influenced by economic, technology, policy, legal system and social culture background in certain society. Employee-employer and or 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. Thus, employee relations can be considered to be a study of the relationship between employers or the representative managers and employees aimed at resolving conflicts and to help in improving productivity of the organization by increasing motivation and morale of the workers (Nikoloski, Dimitrova, Koleva & Kacarski, 2014).

Since the employees are the pillars for the companies building of relationship with the customers, a deliberate and well-thought-out initiative is required by the companies to build foundation for a strong relationship of employees with the organization (Rai, 2013).

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. Satisfied employees can contribute more towards employee relations and hence employee relation management status can be understood by equating employee relation management to satisfaction of employees so as to where satisfaction is taken as proxy variable.

However, employee relations are the ways in which the company is interacting with the employees to deliver important information and to give information about company policies and works to create a more productive work place. By not creating good policies for the employees it will affect the growth of company and affect the company success.

**2.3 Objectives of Employee Relations**

**2.3.1 Employee Retention:** A focus on employee relations creates a corporate culture, and the corporate policies that focus on these relations help to increase employee retention. By developing policies that address employees’ needs and help to make the staff feel respected, it is less likely that the company will experience elevated levels of turnover. Some of the examples of employee retention policies that help include health benefits with counseling options and a retirement program.

**2.3.2 Legal Issues:** The federal, state and local governments have the laws regarding employment and treatment of employees. Some potential legal issues are discrimination of employees and harassment. The main objective of employee relations is to create legal framework that protects the company and employees while creating a productive workplace.

**2.3.3 Company Growth:** Employee relations activities include employee reviews and ongoing development of employees through training and managerial guidance. When employees and company are working together to develop employee careers, the employees have a clear path to get promotions and advancement in the company.

**2.3.4 Communication:** Communication plays a key role in the success of any workplace program or policy and serves as the foundation for healthy workplace practices (APA, 2013). Transparency in communication about workplace practices helps achieve the desired outcomes for the employee and the organization. Regular and transparent sharing of the right information with organizational members on the work requirements enables employees to do the right things; this helps maintain trust and builds an engaged workforce. When employees feel that they can’t be heard, neither know what is required of them, they may become frustrated, leading to low employee morale. Low morale can result in negative perception, thus leading to poor productivity and an uncomfortable work environment.

**2.3.5 Job Satisfaction:** Job satisfaction has been outlined as a difficult entity to define even in simplistic operational terms. Job satisfaction is referred to as the positive feelings and attitudes employees hold about their jobs (Xesha, Iwu, Slabbert, & Nduna, 2014). This depends on many work-related factors, ranging from the sense of fulfillment workers get on their daily tasks and many more. Also personnel factors can affect job satisfaction. These factors include age, health, and length of job experience, emotional stability, social status, family and other social relationships. Their motivations and aspirations and how well these are satisfied by top management also affect their attitudes towards jobs. However, job satisfaction can be seen as an accurate indicator of good relationships between the employer and the employees. This is because a satisfied worker usually has good relationships with the employer.

**2.4 Strategies to Improve Employee Relations**

For any organization, the performance of employees is very important, and the employees are working comfortably with each other and work in close coordination towards a common goal. People feel responsible and motivated to do work and enjoy their work rather than feeling bored. It is important that the management has to promote a healthy employee relation at work place to extract the best out of each individual. There are some steps and strategies to promote healthy employee relationship in organization such as:

1. **Involve team members:** An individual must be assigned responsibilities according to their interests of responsibilities. The work should not be imposed for the employees. Employees should willingly accept challenges. The employees should enjoy their work otherwise they will fight with their superiors and fellow workers.
2. **Encourage individuals to share work with each other:** If employees share work with others they will talk with each other more, discuss things with others and also the comfort level will increase. Let them work together and take decisions on their own.
3. **Canteen Services or Uniform Lunch:** The management must dedicate half an hour to forty five minutes for lunch and during lunch the employees should not discuss about their work. They will discuss about other things like movies, sports, and also they will plan together for outings also.
4. **Encourage effective communication among the team members:** If there are not having a good relationship among employees it will leads to misunderstandings and confusion. If you are not comfortable with the proposal of your colleague then you do not keep things to yourself. You have to tell them about your discomfort about that particular proposal. it will prevent the conflict among employees later and improves relations among them.
5. **Written mode of communication:** The written mode of communication is more reliable when compare to verbal communication. The important information about company meetings, agendas should be circulated among all through emails. The communication should not be with individuals because any one of the employees feels that they are ignored.
6. **Organizing parties and cultural events:** Organizing birthday parties, New Year parties at workplace will have an impact on the employee relationships. The small initiatives actually go a long way in strengthening bond among the employees. Employees will take initiative and organize the things on their own and let them enjoy with each other and have fun. A healthy competition among employees promotes a positive impact at the work place and employees feel happy and they feel satisfied with their work. They will work with more interest and work hard to realize their team and as well as organization goal.

**2.5 Employee Relationship Management as a Tool for Improving Organizational Performance**

Employee relationship management can be defined as a specific field of human resource management (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 (Jing, 2013).

Oluchi defined employee relationship management as a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organization. The human resources department can play a critical role in this process, both in terms of training and coaching supervisors or managers and executives on how to effectively establish and nurture relationships with employees. It involves also measuring and monitoring those relationships to determine whether organizational objectives are being met (Oluchi, 2013).

Employee relationship management is a dynamic process of managing the relationship between knowledge worker and corporation such that knowledge workers elect to continue a mutually beneficial exchange of intellectual assets for compensation in a way that provides value to the corporation and are dissuaded from participating in activities that are unprofitable to the corporation.

Employee relationship management is all about effective organizational communications, which can build employee confidence, trust and loyalty, enabling managements to realize the potential of the skills and knowledge within the organization. It is a powerful business tool that enables employees to do their job better. The emerging discipline of employee relationship management allows organizations to identify, differentiate, interact and personalize the relationship with their employees.

Specifically, employee relationship management refers to the communication management between enterprise and the staff, this kind of communication adopts flexibility, encouraging non-compulsory means to improve staff's job satisfaction, and support enterprise to realize the goal. Employee relationship management runs through every aspect in human resource management, which begins from the first day of employing the staff in (Yongcai, 2010).

**2.6 Employee Relationship Management Practices**

Mayhew (2015) says that a good relationship between employers and employees does not just happen; they are the result of a strategy and activities that employee relations managers design to improve communication between employees and management. Different scholars have highlighted several employee relationship management practices, which include: employee empowerment and involvement, employee suggestions, collective bargaining, conflict management and grievance redress measures, training and development.

**2.6.1 Employee Empowerment and Involvement**

Aurolipy, Mishra & Dash (2016) defines employee empowerment as the process of giving employees a certain degree of autonomy and responsibility for decision-making regarding their specific organizational tasks. It is also a management practice of sharing information, rewards, and power with employees so that they can take initiative and make decision to solve problems and improve service and performance. Sofijanova & Zabijakin-Chatleska, (2013) conceive employee involvement as a process of participation and empowerment of employees in order to use their input in achieving higher individual and organizational performance. Involvement can also be refers to as the employee participation in decision making and problem solving, and increased autonomy in work processes.

Empowerment as a recent and advanced manifestation of employee involvement improves employee relations and contributes directly to organizational objectives by increasing skill sets and granting authority to the employees to make decisions that would traditionally be made by managers. It can encourage employees to be creative and to take risks, which are the key components that can give an organization a competitive edge in a fast-changing environment. Employee involvement is operationalized through a process of five essential steps like informing, consulting, sharing, delegating, and empowering.

However, organizations are making efforts to involve employees to different degrees by which staffs are encouraged, enabled and empowered to contribute towards goal attainment. Some workers with greater choice concerning how to do their own work have been found to have high job satisfaction. Employee empowerment is more relevant in today’s competitive environment where knowledge workers are more prevalent. Thus, it is of vital importance that human resource managers today understand that empowerment is really a necessary tool to increase employee satisfaction, which will result ultimately to greater productivity and organizational effectiveness.

**2.6.2 Initiating Employee Suggestions**

Employee suggestion scheme can be described as a formalized mechanism which encourages employees to contribute constructive ideas in order to improve the organization in which they work. The implemented ideas are rewarded by a monetary award or some other form of recognition usually proportionate to the benefits generated. It creates a climate of trust and confidence, job satisfaction and continuous improvement in the company. Staff (employee) suggestion scheme is define as a formalized procedure to encourage the employees to think creatively about their jobs, job environment, and to come forward with ideas for which they will be rewarded on a specific basis, if acceptable and to the advantage of the organization. Day to day employee suggestions is a useful way to obtain and utilize employees’ creative ideas especially when operating where innovation and constant improvement play an increasingly vital part in economic success.

**2.6.3 Facilitating Collective Bargaining**

Collective bargaining involves a process of joint decision making that helps to build trust and mutual respect between the parties and enhance the quality of labour relations. Collective bargaining also focus on working conditions, terms of employment, and the regulation of relations between employers or employers’ organizations and one or more trade unions (ILO, 2015).

Collective bargaining is a process of decision making between parties representing employer and employees interests; it involves the negotiation and continuous application of an agreed set of rules to govern the substantive and procedural terms of the employment relationship. It can be initiated between trade unions and individual companies or between union federations and employer associations. In all of these cases, the goal is to agree upon rules to facilitate compromises between conflicting interests over the terms and conditions of employment. In replacing unilateral decision-making by the employer, bargaining has introduced an element of industrial democracy into the workplace. It is a measurement of industrial democracy which involves the government of labour with the consent of the governed (the workers). Basically, collective bargaining is democratic: It is a joint formulation of company policy on all matters which directly affects the workers in the organization (Mamoria, Satish & Gankar, 2010).

Invariably, the range of issues over which bargaining takes place has narrowed in the last 20 years, but at the same time the scope of collective bargaining had rarely gone beyond pay and hours. Irrespective of the level at which bargaining takes place, a central goal is to reach consensus and agree upon rules for facilitating conflict resolution. For workers, this provides a protective function (ensuring adequate wages and working conditions), a voice function (influencing personnel and labour relations practices), and a distributive function (sharing in the fruits of technological progress and productivity). Thus collective bargaining system not only determines the terms and conditions of employment, but also fosters better employee relations in organizations.

Collective bargaining should also consider job evaluation to determine the relative worth of a job; this is necessary in considering compensable factors like skills, effort, responsibilities and working conditions. Nevertheless, incentive pay is a pay tied to individual performance, profits and other measures of success. Organizations select forms of incentive pay to energize, direct or control employees’ behavior. It is influential because the amount paid is linked to predefined behaviors or outcomes. Again, incentives are usually paid to specific employees whose work is above standard. Employee benefits, on the other hand, should be available to all employees based on their membership in the organization; provision of benefits for selected groups of employees could induce some friction due to perceptions of inequity (Onyango, 2014).

**2.6.4 Conflict Management and Grievance Redress Measures**

Conflict may be defined as a struggle or contest between people with opposing needs, ideas, beliefs, values, or goals. Conflict on teams is inevitable; however, the results of conflict are not predetermined. Conflict might escalate and lead to nonproductive results, or conflict can be beneficially resolved and lead to quality final products. Conflict management is the principle that all conflicts cannot necessarily be resolved, but learning how to manage conflicts can decrease the odds of nonproductive escalation. Conflict management involves acquiring skills related to conflict resolution, self-awareness about conflict modes, conflict communication skills, and establishing a structure for management of conflict in your environment (The Foundation Coalition, 2018).

When problems arise, it is important to understand how to handle them. This is a fundamental aspect of employee relationship management. Sometimes those conflicts occur between employees and employers. The sheer volume of grievances and disciplinary actions that arise will affect the costs of managing an organization. To the extent that management and unions devote time and effort to these formal adversarial procedures, they limit resources available for training, problem solving, communications, and other activities linked to productivity, human resource management, or organizational development. Consequently, volume of grievances and disciplinary actions should be systematically related to other measures of the performance of an industrial relations system. High degree of conflict between labour and management lead to lower efficiency, poorer quality and poorer organizational performance, and eventual negative perception of the organization by the public and prospective employees. Therefore, grievance and conflict resolution measures serve important and useful functions for labour and management for resolving the inevitable conflicts of employment relationships and for protecting the individual rights of employees.

**2.6.5 Training and Development**

Traininggenerally refers to the process of teaching staff how to do their job more efficiently and effectively by boosting their knowledge and skills. Developmentrefers to activities that prepare staff to take on greater responsibility in the future. Therefore, training and development means improving employees’ skills and abilities that are necessary for both personal and organizational growth (WEB, 2018).

According to Hollenbeck, Gerhart and Wright (2004), in the economics of work, the forward looking management is one which provides opportunities for development of human capital. Employees can be best partners in business if they are maximally developed and when they reach their optimum potential. They also said that job applicants when hired, consciously or unconsciously, think of how they can grow in and on the job within the organization. It is not enough that whatever knowledge and skills employees bring to their organization when newly hired are fully utilized. They should acquire additional capabilities for more responsibilities in their current and future positions. Employers need to update the workers to adjust to a very fast changing business environment; update is critical in order for the organization to compete, survive, and excel.

**2.7 Goals of Employee Relationship Management**

Employee relationship management aim is to produce successful world-class organizations through relationship-building with and amongst employees. High-performing organizations have a few common employee relations practices, but this being an inexact 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 given that change is inevitable (and essential for survival and growth), and employee relations management is increasingly geared towards increasing productivity, returns on investment and competitiveness. Employee relationship management aims towards building and maintaining commitment, morale and trust so as to create a productive and secure workplace environment.

Employee relationship management goals are summarized in the following points:

1. Establishing a link and a congruency between employee contract and the employment relationship through a psychological commitment.
2. 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.
3. 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.
4. Defining and clarifying performance management expectations and standards to enable employees to strategize and plan for the achievement of tasks and targets set for their job positions.
5. Developing effective communication channels and systems that ensure the information needs of employees are met.

**2.8 Importance of Employee Relationship Management**

It is desirable for an organization to have proper and effective employee relationship management since this enables the personalizing of employee relations. A good employee relationship contributes significantly to the success of the organization. The importance of employee relationship management is summarized in the following point:

**2.8.1.** Employee relationship management promotes commitment, morale and trust in the organization. It establishes a link and congruency through psychological commitment between employees contract and employment relationship. It also aims at principle of fairness and ensures that organizational objectives as well as employee needs are fulfilled.

**2.8.2.** Employee relationship management facilitates employees in achievement of organizational objectives. It further tries to 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.

**2.8.3.** It helps in improving working conditions, administrating effective Human Resource policies, establishing healthy relations among employees; it inculcates a sense of belongingness among employees. They develop mutual responsibility which enhances performance, productivity, morale and empowers them and also encourages them to improve organizations pride.

**2.8.4.** Employee relationship management minimizes workplace conflict and increases trust.

**2.8.5.** It is important as it promotes and develops employer-employee relationship, it minimizes workplace conflict, at individual level, inter group team and intra group team levels. In the current scenario where respect and trust are losing its level everywhere, employee relationship management helps to secure the highest possible level of mutual understanding and respect.

**2.8.6.** Employee relationship management Motivates Employees, it provides motivational incentives and benefits to employees and establishes democratic systems.

**2.8.7.** It improves the quality of work life and minimizes stress.

**2.9** **Functions of Employee Relationship Management**

The following are the important functions of employee relationship management. They are

1. It create healthy and balanced relation with the organization and as well as with the employer and employees.
2. To build confidence and moral values as well as to encourage the people to give their performance fully.
3. It brings out the inner potentials and makes employees to come out with new innovative ideas and opinions.
4. To ensure that all employees are been treated equally without any favoritism and without any discrimination.
5. To Develop the good coordination and improves better communication to avoid conflicts.
6. They have to encourage employees in decision making, seminars, and cultural events.
7. To help employees be more flexible so that they will able to take additional responsibilities.
8. To help make employees more effective, efficient and more productive in their work.
9. They help in maintaining work culture where employees feel stress free and having better infrastructure and other additional benefits like food court, music while having coffee in rack room.

**2.10 Theoretical Framework**

**2.10.1 Scientific Management Theory (The Unitaristic School of Thought):**

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, the workers need to have a clear understanding of the tasks they are expected to perform, and not be restricted from their right to control the pace and processes under which they work. Therefore, 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 organizational power by ensuring that management retains superior knowledge about the structure and organization of work, and has the authority to direct workers as it sees fit.

**2.10.2 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.

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.

**2.10.3 Conflict Theory**

Conflict theory is synonymous with the pluralist or the pluralistic frame of reference which is also credited to Alan Fox (1966). Conflict theory views the organization as coalescence of sectional groups with different values, interests and objectives. Thus, employees have different values and aspirations from those of management, and these values and aspirations are always in conflict with those of management. Conflict theorists argue that conflict is inevitable, rational, functional and normal situation in organizations, which is resolved through compromise and agreement or collective bargaining. Conflict theorists view trade unions as legitimate challenges to managerial rule or prerogatives and emphasize competition and collaboration. This view recognizes trade unions as legitimate representative organizations which enable groups of employees to influence management decisions. The author further states that the pluralist perspective would seem to be much more relevant than the unitary perspective in the analysis of industrial relations in many large unionized organizations and congruent with developments in contemporary society.

**2.10.4 Two-Factor Theory**

The two-factor theory also known as Herzberg's motivation-hygiene theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. It was developed by Frederick Herzberg, a psychologist, who theorized that job satisfaction and job dissatisfaction act independently of each other. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work, for example, those associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. So far, this appears to parallel Maslow's theory of a need hierarchy.

Therefore, employee relations is not a simple selling process, but more the establishment of an environment where there is trust and confidence about the motives of management when they talk about subjects and initiatives of an environment within which employees feel valued for their contribution and intelligence. Employee relations do not have the same acceptance as other human resources functions because it is not held together by tangible facts, universally applied strategy or precise methodology and program evaluation techniques. It is less defined than other aspects of human resources and as a result is more challenging for human resources people wishing to become employee relations proficient.

**2.11 Empirical Review**

Al-Khozondar (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. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance.

Anton (2009) researched that Businesses are recognizing people who are skilled, knowledgeable and motivated and can make a significant difference.

Burns (2012) declared that good employer-employee relations are essential for different reasons. These reasons might include employees who are inspired to work produce better and more results, the level of competency of the staff increases because of their drive to become better and customer service is improved because employees who have good relations with their employer are usually viewed as good customer consultants.

Howes (2010) argued that better communication and attention to personal needs of employees help to improve motivation and organization performance.

Muhammed et al (2013) conceive that employee relations create competitive advantage over competitors. The researcher also said that performance management of employees is a complex and integrated process of setting up a common employees‟ understanding about targets to be achieved in an organization and aligning the corporate objectives with the measures like skills, competencies required for a job, employee development plans and the ultimate results delivered by them.

Smith (2010) stated that Nigerian Organizations that are focusing on workforce development, are moving towards a more competitive and productive workforce. Successful companies, that invest in skills development process of employees and recognize efforts of employees, improved their profits and financial figures far more than those that do not.

Werbler & Harris (2009) commented that 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. Poor communication from management is always at the top of the list. Too many rules, less career enhancement plans, sense of being ignored, and absence of training, complex strategy are far below in the list.

**2.5 Summary of Literature Review**

In summarizing the related literature, the conceptual framework states how employee relation is conceive and to the extent it means a lot to the organization. It further, emphasizes on some objective employee relation can offer to the organization and showing strategies to improve employee relation within the workplace environment. The conceptual framework also observes that employee relationship management can serve as a better tool for improving the effect of employee relation on organizational performance. This is because it is the management of the relationship of employees. Basically, the conceptual framework also give emphasis on employee relations practices an organization should adopt in contribution to improve better employee relations. Invariably, the goals, importance and function of employee relationship management are the means through which employee relationship management use to produce world-class organizations through relationship-building with and amongst employees.

The study also discusses some theories of employee relations by stating how those theories viewed employees within and organization. Specifically, the scientific management theory (the unitaristic school of thought) observe that the workers need to have a clear understanding of the tasks they are expected to perform and not be restricted from their right to control the pace and processes under which they work. The human relation theory then conceived that reduction of organizational tension is held to rest on the ability of individuals to achieve self-fulfillment in the workplace. The conflict theorist argues that conflict is inevitable, rationale, functional and normal situations in organizations are resolved through compromises and agreement or collective bargaining. The Herzbeg two-factor theories comment that individuals are not contented with the satisfaction of lower-order needs at work such as salary levels or safe and pleasant working conditions by stating that the individuals look for the gratification of higher-level psychological needs such as achievement, recognition, responsibility, advancement, and the nature of the work itself.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Introduction**

This chapter describes the methods and procedures that were followed in conducting the research. It describes the research design, area of the study, population for the study, sample technique, sources of data, and validation of instrument, reliability of instrument, method of data collection and methods of data analysis. The method adopted by this study was specifically a survey research using a questionnaire**.** This study adopted the mixed method approach utilizing both qualitative and quantitative methods. Qualitative approach was used to supplement and strengthen the quantitative aspects and provide an opportunity for the researcher to observe the effect of employee relations on organizational performance.

**3.2 Research Design**

A research design is the conceptual structure within which the research is conducted. It is the blue print and a detailed plan of how a research study is to be conducted. The study will be using a descriptive research design that was triangulated with both qualitative and quantitative tools of analysis. A descriptive design was used because it helps describe characteristics associated with the subject population and explain the variables that exist between these variables in order to provide a picture of a particular phenomenon (Cooper and Schindler, 2009).

**3.3 Area of the Study**

The targeted area of the study is the effect of employee relation on organizational performance of Michelle Pharmaceutical Industry which is in Thinkers’ Corner located in Enugu North Local Government Area of Enugu State, Nigeria.

**3.4 Sources of data collection**

The study is based on both primary and secondary data. Both primary and secondary data was collected for the present study.

**3.4.1 Primary data:** The primary data for the study was collected through the following methods andtechniques. It is often undertaken after the researcher has gained some insight into theissue by reviewing secondary research or by analyzing previously collected primarydata like data collected for pilot study.

**3.4.2 Secondary data:** Secondary data is information that has already been collected and analyzed by other researchers for academic and other purposes. Secondary data was gathered from various sources namely, conferences papers, text books and journals articles.

**3.5 Research Population**

Population means the whole body of items, objects, materials or people that fall within the geographical location in which a researcher intends to investigate for his study. That is the whole participants of a study. The constituents of population have certain attributes in common; the number may be large or small. In the context of this research, the population included every individual or element within the research environment that was likely to be affected in one way or another by the findings of the research. Therefore, the target population for this research consisted of the entire employee in the targeted community which is Michelle Pharmaceutical Industry, Thinkers’ Corner in Enugu North Local Government Area, Enugu State, Nigeria.

**TABLE 3.1 POPULATION OF THE STUDY (STATISTICS)**

**MICHELLE PHARMACEUTICAL INDUSTRY THINKERS’ CORNER**

|  |  |  |
| --- | --- | --- |
| **Staff Category** | **Staff Numbers** | **Staff Strength (%)** |
| Managers Cadre | 15 | 5 |
| Senior Staff Cadre | 20 | 6.7 |
| Supervisors | 15 | 5 |
| Junior Workers | 250 | 83.3 |
| **Total** | **300** | **100** |

**Source:** *Field Survey 2018.*

**3.6 Determination of Sample Size**

Sample is a fraction or segment of the total population whose characteristics is used to represent the entire population. The formula adopted in determining the sample size is given by Taro Yamane (1964).

*N*

*n =*

*1 +N (e)2*

Where:

n = Sample size to be determined

N = Population

1 = Fixed Numerical Factor

e = margin of error usually 5%

*N*

*n =*

*1 +N (e)2*

*300*

*n =*

*1 +300 (0.05)2*

*300*

*n =*

*1 +300 (0.0025)*

*300*

*n =*

*1 +0.75*

*300*

*n =*

*1.75* *n= 171*

Therefore, this research will be using a population sample size of 171 which have been tested using the Taro Yamane formula.

**3.7 Description of the Research Instrument**

The research instruments used for the study are questionnaire. Questionnaire is designed to have two sections. All the questions section A contain biographic data while the questions section B are aimed at obtaining data and information that addressed the research objectives, questions and hypotheses. The questionnaire was designed using the 5-Likert Scale format of Strongly Agreed, Agree, Disagree, Strongly Disagree, and Undecided.

**3.8 Validity of the Instrument**

Validity is the ability of the research instrument to measure what it is supposed to measure. In order to ensure the validity of the research instrument proper structuring of the questionnaire and a conduct of a pretest of all the questions contained in the questionnaire were carried out. Also the design of the questionnaire was made easy for respondents to tick their preferred choice from the options provided.

**3.9 Reliability of Test**

Reliabilityrefers to the stability of the measurement used to study the relationships between variables. The questions in the questionnaire were designed taking into consideration the research questions on the subject. To ascertain the reliability of the research instrument, the Cronbach alpha reliability test/method will be used. This method is based on a scale of 0.60 and above. Any coefficient below this scale will be rejected as having the characteristics of inter inconsistency.

**3.9 Method of Data Analysis**

Data analysis method entailed editing, coding and tabulation of data collected into manageable summaries. To ensure easy analysis, the questionnaire was coded according to each variable of the study to ensure accuracy during analysis. This analysis was conducted using the Statistical Package for Social Sciences (SPSS). Data was analyzed using descriptive statistics, which include frequencies and percentages, mean, standard deviation and variance. The mean, standard deviation and variance were used to describe the effect of employee relations on organizational performance in this study. The results from the analysis were tested using a Z-test. The Z-Test formula is stated as follow:

*X – N*

*Ƶ =*

*S*

X = the sample Mean

N = the population mean

S = the standard deviation

**Decision Rule**

If the Z-test value is below the critical value of 0.05 we accept the null hypotheses and reject the alternative hypotheses. If the Z-test value is greater than the critical value we accept the alternative hypotheses and reject the null hypotheses.

**CHAPTER FOUR**

**PRESENTATION AND ANALYSIS OF DATA**

**4.1 Introduction**

The nerve centre of this chapter is specifically the analysis and interpretation of data collected to address the research objectives. This section is set to present findings that were obtained from the field through a well-structured questionnaires conducted on the effect of employee relations on organizational performance of Michelle Pharmaceutical Company. Frequency table were used in analyzing the section A part of the questionnaire and the section B part of the question is analyzed with the help of descriptive statistics. The statistical methodologies and the statistical software that were used to carry out the estimation was the Statistical Package for Social Sciences (SPSS).

**4.2 Questionnaire Return Rate**

In the study, 171 questionnaires were distributed to the respondents and in the course of collection, 160 were collected and filled properly.

*QR* 100

*QRR* = X

*QD* 1

Where: QRR = Questionnaire Response Rate.

QR = Questionnaire Returned

QD = Questionnaire Distributed.

160 100

QRR = X = 93.6%

171 1

**Table 4.2.1 Questionnaire Return Rate**

|  |  |  |  |
| --- | --- | --- | --- |
| **QUESTIONNAIRE DISTRIBUTED** | **QUESTIONNAIRE NOT RETURNED** | **QUESTIONNAIRE RETURNED** | **RESPONSE PERCENTAGE%** |
| 171 | 11 | 160 | 93.6% |

***Source:*** *Field Survey, 2018.*

**4.3 Table of Frequency and Percentage**

**SECTION A – Bio – Data of Respondents**

Below is the tabular presentation of the demographic information of the respondents in frequencies and percentages

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.1 Sex of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Male | 64 | 40.0 | 40.0 | 40.0 |
| Female | 96 | 60.0 | 60.0 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

From table 4.3.1 demographic information, it can be seen that 96 (60%) of the respondents were female while 64 (40%) of the respondents are male. Hence, in this research there were more female to male.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.2 Marital Status of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Married | 144 | 90.0 | 90.0 | 90.0 |
| Single | 16 | 10.0 | 10.0 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

Table 4.3.2 shows that out of a total number of 160 respondents, 90% of them are married as at the time of this study and 10% are single. This means that we have more married people than single people in the study.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.3 Age of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | 21 -30 Years | 48 | 30.0 | 30.0 | 30.0 |
| 31 - 40 Years | 96 | 60.0 | 60.0 | 90.0 |
| 51 Years and above | 16 | 10.0 | 10.0 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

Table 4.3.3 shows that 30% of respondents falls into the age category of 21 – 30Years, 60% of respondents fall into the age category of 31 – 40Years and10% falls within the age category of 51Years and above.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.4 Academic Qualification of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | ND/NCE | 16 | 10.0 | 10.0 | 10.0 |
| B.A/B.Sc./HND | 127 | 79.4 | 79.4 | 89.4 |
| M.Sc./M.A/MBA/M.Ed | 17 | 10.6 | 10.6 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

Table 4.3.4 shows that 10% of the respondents possess ND/NCE as their academic qualification, 79.4% are B.A/B.Sc/HND holders and 10.6% are M.Sc./M.A/MBA/M.Ed holder.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.5 Number of Years in Service of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Less than 10 Years | 144 | 90.0 | 90.0 | 90.0 |
| 11 - 20 Years | 16 | 10.0 | 10.0 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

To ascertain the level of the employee’s working experience, it was discovered as displayed in the table 4.3.5 that 90% of the respondents which constitute the highest have a working experience of less than 10Years and 10% of the respondents have a working experience of 11 – 20Years which is the lowest.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4.3.6 Staff Category** **of the Respondents** | | | | | |
| **Item** | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Supervisors | 16 | 10.0 | 10.0 | 10.0 |
| Senior Staff | 16 | 10.0 | 10.0 | 20.0 |
| Managers | 128 | 80.0 | 80.0 | 100.0 |
| Total | 160 | 100.0 | 100.0 |  |

***Source:*** *Field Survey, 2018 via SPSS 23.0*

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 supervisors, 10% of the respondents are senior staff and 80% of the respondents are managers.

**4.4 The Effect of Employee Relations on Organizational Performance**

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

**Table 4.4.1 Descriptive Statistics on Employee Relations Practices**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **N** | **MEAN** | **ST. DEVIATION** | **VARIANCE** |
| **1**  **2**  **3**  **4**  **5** | The organization empowers and involves employees in contributing their ideas directly to the organizational objectives.  The organization practices employee suggestion scheme.  The organization uses collective bargaining in settling labour dispute.  My organization has an established structure for management of conflicts in this workplace environment.  To an extent, the organization encourages employee’s development.  Overall Mean  Valid N (listwise) | 160  160  160  160  160  4.76  160 | 5.0  4.9  4.6  4.6  4.7 | 0.00  0.30  0.49  0.49  0.46 | 0.00  0.91  0.242  0.242  0.211 |

***Source:*** *Field Survey, 2018 via SPSS*

Table 4.4.1 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.

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

**Table 4.4.2 The Components of Employee Relations your organization gives attention to.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **N** | **MEAN** | **ST. DEVIATION** | **VARIANCE** |
| **1**  **2**  **3**  **4**  **5** | The corporate culture and corporate policies of my organization enhance 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.  This organization has a staff clinic.  Overall Mean  Valid N (listwise) | 160  160  160  160  160  4.72  160 | 4.38  4.7  4.8  4.7  5.0 | 0.66  0.46  0.40  0.46  0.00 | 0.44  0.21  0.16  0.21  0.00 |

***Source:*** *Field Survey, 2018 via SPSS*

Table 4.4.2 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 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 figure 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 performance?**

**Table 4.4.3 Employee Relations Strategies.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S/N** | **DESCRIPTION** | **N** | **MEAN** | **ST. DEVIATION** | **VARIANCE** |
| **1**  **2**  **3**  **4**  **5** | My organization involves team members according to their interest of responsibilities.  The written mode of communication in my organization is more reliable when compare to verbal communication.  Canteen services and uniform lunch are adopted in my organization.  The organization encourages effective communication among and between employees during working hours.  The organization supports and organizes parties (e.g., New Year or birthday party) and cultural events for the employees.  Overall Mean  Valid N (listwise) | 160  160  160  160  160  4.70  160 | 4.5  4.6  4.9  4.5  5.0 | 0.50  0.49  0.30  0.50  0.00 | 0.25  0.24  0.09  0.24  0.00 |

***Source:*** *Field Survey, 2018 via SPSS*

Table 4.4.3 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.

Hence, the researcher conclude 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 hypotheses test used when data is normally distributed.

**Table 4.5.1**

**H1** Organizational practices of employee relation have a positive effect on organizational performance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **N** | **Mean** | **St. Deviation** | **Z-Test** |
| Zscore | 160 | 4.76 | 1.47 | 1.816 |

***Source:*** *Field Survey, 2018*

The table above was to know if organizational practices of employee relation have a positive effect on organizational performance. The researcher found out 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 aspect 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 4.5.2**

**H1**  The components of employee relations have a significant effect on organizational performance.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **N** | **Mean** | **St. Deviation** | **Z-Test** |
| Zscore | 160 | 4.72 | 1.98 | 1.576 |

***Source:*** *Field Survey, 2018.*

Table 4.5.2 is a Z-Test table which was used to know the significant on the 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 4.5.3**

**H1** Do employee relation strategies have a positive effect on organizational performance?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **N** | **Mean** | **ST. Deviation** | **Z-Test** |
| Zscore | 160 | 4.70 | 1.79 | 1.732 |

***Source:*** *Field Survey, 2018*

The result in table 4.5.3 tested the positive effect of employee relations 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 this cases, the employee relation strategies adopted in Michelle Pharmaceutical Laboratory Limited has to an extent contribute a lot to the performance of the organization.

**4.6 Reliability of the Studies**

|  |  |
| --- | --- |
| **Table 4.6.1** | |
| Cronbach's Alpha | N of Items |
| 0.947 | 15 |

***Source:*** *Field Survey, 2018 via SPSS*

Table 4.4.4 is a statement of the reliability of the study. The adopted reliability of this study is a crombach’s alpha of 0.6. The study shows a reliability of 0.947 which indicates that all the data presented and analyzed are reliable. Therefore, this study past the test of reliability.

**4.7 Discussion of the Findings**

Table 4:3.1 to table 4:3.6 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 4:4.1 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 4:4.2 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 organization have to put in place in other to achieve better performance.

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.

Table 4:4.3 was used to answer the third research question, can employee relations strategies improve organizational performance. This results shows that employee relations strategies can improve organizational performance through supporting and organizing parties (e.g., New Year or birthday party) and cultural events for the employees.

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. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance.

**CHAPTER FIVE**

**SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Introduction**

This chapter is aimed at summing up the findings of this study as well as to draw the conclusion from the research work. Secondly the researcher gives recommendations based on the findings of the study.

**5.2 Summary of findings**

From the analysis of data presented, a number of findings were made from the study which investigated the effect of employee relations on organization performance are as follows:

1. That to a great extent Michelle Pharmaceutical organization practices employee relations.
2. Some Components of employee relations in this organization were identified.
3. Employee relations strategies improve organizational performance.

**5.3 Conclusion**

The study was carried out to establish the effect of employee relations on organization performance. The findings of the study indicated that to a great extent Michelle Pharmaceutical 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 performance. 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.

**5.4 Recommendations**

Based on the findings, the researcher recommended as follows;

1. In other to maintain a proper and productive employee relation practices, the organization should always maintain the identified 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.
2. It will be marvelously ok if the organization sticks to the stated components of employee relations and also look for better ways in which they can improve the identified component of employee relations.
3. It is advised that Michelle Pharmaceutical Laboratory Limited needs to manage the stated employee relations strategies and will have to follow it accordingly in other to fit in with the identified component of employee relation so that the employee relation practices will be effective practiced.

It is hoped that if these recommendations are strictly adhered to by all concerned, it will increase the employee relations which leads to organizational performance.

**5.5 Suggestion for Further Studies**

A further research could be carried out on the following

1. effect of employee engagement on organizational performance of academic staff
2. Influence of Human Resources Management on employee relation in organization
3. Effect of Manager and Employee relations in organization.

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**Appendix 1**

Department of Business Management

Faculty of Management and Social Sciences

Godfrey Okoye University

Thinker’s Corner Enugu

13th April, 2018.

The Administrative Manager

Michelle Pharmaceutical Company

Thinker’s Corner Enugu

Dear Sir,

**A REQUEST FOR RESEARCH DATA**

I, Elendu, Vincent Chibuike, 400level student in Management Program, Business Management Department, Registration No. U14/MSS/MAN/029 humbly seeks for the total number of employees in your organization as at 13th April, 2018 base on the following categories:

|  |  |
| --- | --- |
| **Staff Category** | **Total** |
| Managers | 15 |
| Senior Staff | 20 |
| Supervisors | 15 |
| Junior Workers | 250 |
| **TOTAL** | **300** |

Please Sir, I will be glad if you help me with the data I am seeking for.

Thanks.

Yours Sincerely

Elendu, Vincent Chibuike

U14/MSS/MAN/029

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**Appendix 2**

Department of Business Management

Faculty of Management and Social Sciences

Godfrey Okoye University

Thinker’s Corner Enugu

11th April, 2018.

Dear Respondent,

**QUESTIONNAIRE**

This letter is an introduction to the main reason as to why your participation in this questionnaire is required.

This study is titled **“THE EFFECT OF EMPLOYEE RELATIONS ON ORGANIZATIONAL PERFORMANCE”** using Michelle Pharmaceutical Company, Thinker’s Corner Enugu, Enugu State as a case study.

The project endeavours to generate knowledge to be utilized in understanding employee relations and organizational performance. As a representative of your company, your views are very necessary to the questionnaire. This is purely for academic purposes and your responses will be confidential and anonymous.

Thank you for your time, co-operation and contribution to this study.

Yours Sincerely

Elendu, Vincent Chibuike

U14/MSS/MAN/029

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**Appendix 3**

**Questionnaire**

Instruction: In each of the questions below, there are options in the boxes. Tick √ against any option of your choice in the box provided at the end of each question.

**Section A**

**Biography**

1. Sex: a) Male [ ] b) Female [ ]

2. Marital status: a) Married [ ] b) Single [ ] c) Divorced [ ] d) Widow [ ] e) Widower[ ] f) Separated [ ]

3. Age: a) 21 – 30yrs [ ] b) 31-40yrs[ ] c) 41-50 yrs [ ]

d) 51-above [ ]

4. Academic Qualification:

a) FLSC [ ] b) WAEC [ ] c) ND/NCE [ ]

d) BA/B.Sc/HND[ ] e) M.Sc/MA/MBA/MED [ ]

f) Ph.D [ ]

5. How long have you worked in the organization:

a) Less than 10 year[ ] b) 11 – 20 years [ ] c) 21 – 30 years[ ]

d) 31 – 40 years [ ]

6. Staff Category:

a) Junior Staf [ ] b) Supervisors[ ] c) Senior Staff [ ]

d) Managers [ ]

**Section B**

**Effect of Employee Relation on Organizational Performance**

Kindly indicate to the extent you agree with the following statements on employee relations towards organizational performance. Key: SA=Strongly Agree; A=Agree; UD=Undecided D=Disagree; and SD=Strongly Disagree;

**Employee Relations Practices**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **QUESTIONNAIRE ITMES** | **SA** | **A** | **UD** | **D** | **SD** |
|  |  |  |  |  |  |  |
| **1** | The organization empowers and involves employees in contributing their ideas directly to the organizational objectives. |  |  |  |  |  |
| **2** | The organization practices employee suggestion scheme. |  |  |  |  |  |
| **3** | The organization uses collective bargaining in settling labour dispute. |  |  |  |  |  |
| **4** | My organization has an established structure for management of conflicts in this workplace environment. |  |  |  |  |  |
| **5** | To an extent, the organization encourages employee’s development. |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **QUESTIONNAIRE ITMES** | **SA** | **A** | **UD** | **D** | **SD** |
| **The Components of Employee Relations your organization gives attention to.** |  |  |  |  |  |  |
| **1** | The corporate culture and corporate policies of my organization enhance employee retention. |  |  |  |  |  |
| **2** | Discrimination and harassment of employees are not found in my organization. |  |  |  |  |  |
| **3** | My organization does regular employee training and development. |  |  |  |  |  |
| **4** | Communication plays a key role in the success of my organization’s program or policies. |  |  |  |  |  |
| **5** | This organization has a staff clinic. |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S/N** | **QUESTIONNAIRE ITMES** | **SA** | **A** | **UD** | **D** | **SD** |
|  |  |  |  |  |  | **Employee Relations Strategies.** |
| **1** | My organization involves team members according to their interest of responsibilities. |  |  |  |  |  |
| **2** | The written mode of communication in my organization is more reliable when compare to verbal communication. |  |  |  |  |  |
| **3** | Canteen services and uniform lunch are adopted in my organization. |  |  |  |  |  |
| **4** | The organization encourages effective communication among and between employees during working hours. |  |  |  |  |  |
| **5** | The organization supports and organizes parties (e.g., New Year or birthday party) and cultural events for the employees. |  |  |  |  |  |