

# The Impact of Employees Management Relationship on Productivity

“A Case Study of Hawassa Flour Factory”

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## ABSTRACT

This study has conducted the title of "employee-management relationship on productivity (in the case of Hawassa flour factory). The study has focused on identifying and explaining the effect of employee-management relationship on the productivity of the organisation. The primary objective of the study assessed how employee management relationship affects employee productivity and analysis the degree of the different method of data collection and questionnaire from that of primary data(source) and an official document from that secondary source data such as literature review and background of the organisation.

Finally, the result of the study has an invaluable contribution to the maintenance of right relationship and an organisation to attain their overall organisational objectives, missions and vision.

**Keywords:** Employee Management, Productivity, Employee Relationship Management, Communication

**Paper Type:** Descriptive Research Paper

## Introduction

The relationship between people was the most decisive factor for their co-existence peacefully. Also, such a relationship was very vital when it between organisations employees and management.

Puts it the existence of a proper positive relationship between an employee and management can be considered as to have better output. Thus working to have better relationship means working for having better productivity. (asefa.2000).

Means while such a better relationship between employee and management have been not given that much emphasis in most organisations as the management in the same organisation tries to keep the status only the side motivation of the employee internally by creating a better relationship. (chanson, 1987).

Consequently, for the better relationship between management and employees, there must be a practice which has required as from both sides. In this regard, Levacive (1989) stated that having good communication being accountable, present of transparency,

Unbiased performance appraisal—then in an organisation to have better production, a good relationship between two parties do play an important role. Also, it is with such issue that this study based on and being proposed to conduct.

Mean which, this study focus which in Hawassa flour factory

In Hawassa, a total of 110 employees. Among those employees 32 are female, and 78 are male including the manager.

### **Statement of the problem**

Any organisation needs employees and employer there must be good communication and understanding between them so as function properly. Further, in the workplace, there should be a good relationship which spring out trust, respect, loyalty – between management and employees. (Levgcive,1959). According organizational productivity is depending on employees and available resource basically the study should identify some problem associated with employee management relationship and productivity of organization, such as lack of right managerial decision to giving feed to the employee, payment of salary can satisfy the employee so that it affects the effectiveness of the organization and lack available raw materials, inefficient utilization of resource is the main factor of affecting the performance of productivity in order to achieve the organizational goal. Based on the above problem I went to investigate the employee and management relationship and its impact on productivities of Hawassa flour factory in the Hawassa city.

### **The significance of the study**

The research has been the following significance. Some of them are:-

It could light on the problem, and with that, it will enable management members and employees, labour unions, and other stakeholders to be aware of the factors which affect good labour and management relationship and its impact on productivity.

It might also serve as it stepping stone in conducting a similar study.

It could also believe that the study will be critical in identifying the weakness and strength of employee-management relationship on productivity in the organisation.

### **Research objectives**

#### **Central objectives**

The general of this study is to examine or investigate the impacts of employee management relationship on productivity in Hawassa flour factory, in the Hawassa city.

#### **Specific objectives**

To assess the practice of employees and management and relationship

To identify significant challenges in the employee and management relationship.

To evaluate the managerial decision in performance feedback to the employee

To examine performance in the utilisation of resource and increasing the productivity rate of the organisation in order to maximise the profitability.

### **Research questions:**

This study has an attempt to address the following research question.

Is there a good employee and management relationship?

Also, how it impacts on productivity?

Are there challenges which arise out of not having a good relationship?

What its impact on productivity?

How do challenges to be tackled?

Scope and limitation of the study

### **The scope of the study:**

This study was delaminated to explore the impact of employee management relationship on productivity in the case Hawassa flour factory in Hawassa city.

The research supposes to limit the study. The research relied on the factory for vital in for motion as well as information from the secondary source. The research was the duration of 8 months to in October –May 2016-17

### **Limitation of the study**

this study or research has faced the following difficult to incorporate some more data in the paper that could strengthen the analysis, discussion and finding, lack of sound pre-researched study on this topic specifically in the enterprise limits the scope of paper, in addition to miss information of questionnaire, unwillingness of respondents, dishonesty of the mandatory and inadequate funds and availability of time also a limitation

### **Literature Review:**

#### **Employee relation management**

Employee relationship a kind of special interpersonal relationship, which is a concept put forward by the western scholars in the 20th century in order to replace industrial relation, it refers to the relationship and obligation, management and obeying caused by the interests between enterprise and the staff, which is also shown as the total of cooperating, conflict, strength and power relations and is lanced by economic, technology, policy, legal system and socio-culture background in specific society.

Employee-employer and employee organisation relationships are part of a business's internal relationship management. Much research regarding this internal relationship management has focused on organisational behaviour/theory and human resource management.

Thus, employee relationship has defined as a relationship between an employer or the representative manager and employees, aimed towards main training. Commitment morale and trust so as for creating a productive and secure workplace environment (Bajaj et al.,2013).

ERM is a relatively new concept; a general definition hence understands ERM as strategy, programs and technology to effectively manage how firms relate to prospective, current and former employees.

There are many similarities to customer relationship management (CRM), which is understandable since the notion of ERM has derived from that concept. ERM can be defined as specified of human resource management. It is the process of adopting various controlling methods and practices to regulate the relations between the company to achieve its goal (Jing, 2013).

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

ERM 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 has dissuaded from participating in activities that are unprofitable to the corporation.

It is all about effective organisational communications, which can build employee confidence, trust and loyalty, enabling management to realise the potential of the skills and knowledge within the organisation. It is a powerful business tool that enables employees to do their job better; the emerging discipline of ERM allows organisations to identify, differentiate, interact and personalise the relationship with their employees. (Rai and Pareek, 2012)

### **ERM process**

Applying ERM requires spec process that offers operational measures to achieve the objective of individualised, mutually valuable relationships. A first group exclusively focuses on recruiting which explains the term "cand; date relationship management."

By contrast, a second group focuses on all customary HR domains,:- e, beyond also recruiting development, compensation. The combination of domains and characteristics as cartage organisation criteria hence offers an intrusive possibility to categorise the ERM process as well. The core of the ERM process can be classified into three general areas according to their general roles (stormier, 2013).

### **Goals of ERM**

ERM aim to produce successful World Class Organizations through relationship

Building with and amongst its employees.

High-performing organisations have a few common employee relation practices, this being an interacts science at best, a simple, do \_ it is formula fitting all situations does not exist. There are also clearly identifiable organizational issues that are responsible for productivity 99ps-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 we retard productivity .is a given that change is inevitable (and essential for survival and growth), and employee relations management has increasingly geared towards

increasing productivity, returns and competitiveness. ERM aims towards building and maintaining commitment, morale and trust to create a productive and secure workplace environment.

ERM goals have summarised in the following points (Singh and Kumar, 2011).

We have established a link and a congruency between employee contract and the employment relationship through a psychological commitment.

Terms and conditions of employment to be based on the principle of fairness and ensuring the organisational objectives, as well as individual needs and aspirations, are fulfilled.

Develop policies, procedures, rules, and regulations that are fair and conform to the primary objective, as well as individual needs and aspirations, are fulfilled.

we have to define and clarifying performance management expectations and standards to enable employees to strategise and plan for the achievement of tasks and targets set for their job positions.

Developing active communication channels and systems that ensure the information needs of employees had met.

**Trust:** trust is a critical variable influencing the performance, effectiveness, and efficiency of the organisation.

Trust is considered one of the most influential on organisational performance. Trust may grow, decline, or even remerge throughout a relationship. As the length of a relationship increases, people have more opportunities to observe and learn about each other, and the judgment about a given actor can conclude as either trustworthy or untrustworthy. Majority of researchers posit trust as consisting of two elements: integrity and reliability. In an employee-employer relationship trust is the level of reliance one can place upon the information received from another person and confidence in the relationship partner. As such, trust is a vital relationship element. If employees do not trust their management, the flow of upward communication had compromised (or will not happen): the downward flow of communication will be negatively affected (Daniel, 2003).

**Communication:** communication is essential in an organisation. It serves as the coordination link between people and organisation functions. Ongoing, frequent two way of a comprehensive employee relations strategy, interactive communication both giving a message and actively listening to what has said in response builds trust between employees and their managers. Communication in the instruction refers to the extent to which the institution informs employees about important 'issues in the organisation.

Such essential issues include business policies, values, mission, strategies, competitive performance, events, and changes that affect the institution and employees; institutional communication can be done either formally through formal structures or informally by means unstructured procedures. However informal communication is more reliable than the formal one as it allows team flexibility, open discussion, better flow of ideas and greater efficiency and productivity. Communication with employees strengthens their identification with the institution and creates institutional solidarity due to trust among employees or between different departments (Chino Mona and San Dada, 20013).

**Leadership style:-** leadership is considered a factor that has a significant influence on the performance of organisations, managers, and employees leadership style, often called ‘ management style, describes the approach managers use to deal with people in their teams. There are many styles of leadership leaders can be classified in extremes A) follows (Armstrong, 2009)

As charismatic/ non –charismatic. Charismatic leaders rely on their aura. They are visionary leaders who are achievement-oriented, minimum risk takers and good communions. Non –charismatic leaders rely mainly on their know –how (authority goes to the person who knows). Their quiet confidence and their fresh, analytical approach to dealing with problems.

Democratic. Strong democratic leaders impose their decisions, using their position to force people to do as they had told democratic leaders to encourage people to participate and involve themselves in decision making.

Enable/r cont. Roller:- enablers inspire people with their vision of the future and empower them to accomplish team goals.

Controllers many pupate people to obtain their compliance.

Transactional/ transformation/. Transactional leaders trade money jobs and security for compliance. Transformational leaders motivate people to strive for higher –level goals.

**Shared goals and values:-** in the business context, a goal is most commonly viewed as something that a firm 'values" and the extent to which employees value the same goal provide a sharing of something of value between employees and the firm. Shored value has defined as the extent to which partners have beliefs in common about what behaviours, goal, and policies are essential or an important, appropriate or inappropriate, and right or wrong.

Sharing common goals enables employees to direct their efforts to the achievement of that particular goal, but for that to happen there should be inter-dependence and collaboration among employees. Sharing common goals can positivity impact on employee performance and organisational outcomes (Chino Mona and Sand Ada, 20013).

## **Productivity**

The meaning of productivity is that it is a quantitative relationship between output and input. This meaning enjoys general acceptability because of two related considerations. One, the definition suggests what productivity is thought of to be in the reference of an enterprise, an industry or an economy as a whole. Two, regardless of the type of production, economic or political system, this meaning of productivity remains the same the basic concept is the relationship between the quantity and quality of goods and services produced and the number of resources used to produce them (Prokopenko, 1987). Eat well, and Newman (1991) defined productivity as a ration of some measure of performance to some index of input use. Put differently; output is nothing more than the arithmetic ratio between the number of goods produced and the number of resources used in the course of production. This conception of productivity goes to imply that it can indeed be perceived as the output per unit input or the efficiency with which resources have utilised. By way of analogy, an example of productivity ratio is kilometres driven per gallon of petrol where petrol is the input and kilometres covered constitute the output. However, the input measure of petrol is not used to determine the efficiency of the performance of the car. Other related factors such as speed, traffic flow, the engines efficiency and the efficiency of the fuel are equally involved in the computation of the input index. The output measure of kilometres driven therefore becomes a gauge of the magnitude of effectiveness of the results achieved.

## How can productivity be improved?

As explained earlier on, it cannot be said by that defining and measuring productivity constitutes an end in itself. Productivity measurement must produce an effective control technique, which in turn will produce corrective action and which finally, results in increased productivity. Factors that can influence productivity categorised into three namely; general factors, organisation and technical factors and human factors. These Factors raise some interesting issues relating to productivity. Growth wages the linkages between financial rewards and productivity. To have become so low particularly in the under developing countries that they have eliminated economic incentives. In the case of government productivity nexus, the government is to provide the necessary infrastructure and to create opportunities. The growth of the organisation where covers education, training, health, housing, power, transport, research and the availability of advanced technology. For productivity measurement, Whether imaginary or real, the primary indicator of improved productivity becomes a decreasing ration of input to output at the constant or improved quality(NECA, 1991).

### Research Methodology:

#### Description of the study area

The study had conducted Hawassa flour Factory which Found in Hawassa city.

#### Data type and sources

To collect reliable and up-to-date the researcher was used primary sources ha bed collected From samples. Also, secondary sources of data were used.

#### Research Design

This study was performed through descriptive research design because Descriptive research connects detailed information about a given subject and uses it in order to address the research problem.

#### Sampling techniques and size determination.

The researcher has used a probability sampling method to cope – up with the number of employees in the organisation. It was because addressing the total population was difficult for many reasons such as time limitation, budget constraints privacy. For this study, the target population was 110, and the researcher was determined to sample size from this target population as follows:

$$n = \frac{N}{1 + N(e)^2} \text{ (Yamane, 1967)}$$

Where n is sample size

N is the total population

E is error tolerant

Given

N=110

E= 0.1 (error tolerated when the researcher use 90% Level of confidence)

Required

N=?

Solution

$$N = N/1 + N(2)^2 = 110/1 + 110(0.1)^2 = 110/2.1 = 52$$

### 3.5 Data Collection methods

The study had conducted through by using primary and secondary data collection methods was used principally self – administrated questionnaires have proposed a tool for primary data collection method. As additionally, Secondary data collected through review related literature.

### Method of data analysis

The gathered or collected data was organised, analysed and interpreted by using statistical tools such as tables, and qualitative methods of data analysis had reached into reliable conclusion.

### Conclusion:

This research has various analysis techniques and research methods that encountered at the Hawassa Flory factory S.C.

The research includes interaction, material literature result reviews, methodology, the result of analysis conclusion and recommendation. As in the data analysis some of them are presented in the following:-

It has found that in the Hawassa Flour Factory S.C. the number of male employees greater than female employee participants.

The majority of employees within the organisation are not much educated.

We have found from the majority of respondents on the present performance appraisal system; the employee was satisfied with the organisation. As the policy of the organisation most of the time it uses the meeting as the types of communication.

From the aggregate response of respondents' majority said that the factory does not give a chance for employees to decide current issues and non-current issues. So, it creates some misunderstanding on the organisation — the way of achievement among employees. About the relationship between employee and management in the organisation, it indicates that the majority of employee said there is no positive relationship between employee and management. It is possible to say the absence of a positive relationship between employee and management, its challenges on organisational productivity.

- (1) The study has found out that there is no clear way of salary increment and management inability to accept the suggestion. It has decrease employees creativity.
- (2) The management could not use the suggestion that reflected from the employee which could be one way of creating a good plan and strategy for the productivity of the organisation.
- (3) The analysis from the data collected on the decision making has given the following reason why they do not have involved due to:-

- (i) Miss perception of the manager on the employee
- (ii) Less confidence in the employee
- (iii) Level of education
- (iv) Discrimination
- (v) Principle /rule of the organisation.

Some of the respondents indicate that the significant impact of the employee and management and relationship on production process of the organization are:-it reduce the quality of the out, overlapping of schedule process, also reduce the customer of the organization, may create opportunity to stopping the plant and reduce the organization profit and maximize the cost of the production.

**Suggestion:**

From the finding the following recommendations are advised to manage those areas that require further improvement.

√It was better to recognise the organisation hires qualified, professional and well-experienced employees, in such way the organisation have been produced a quality product and maximising the productivity rate.

Whereas, the factory or organisation should participate in employees relationship management in every activity and decision. To build up capacity, upgrading the skill of the production techniques, quality control, conducting training and workshop for employee and creating a good relationship between employee and management.

The management should allow and encourage their employee to have involvement in decision making. The organisation needed to achieve the objectives and increasing productivity, in order to considered incremental uses or to the increased salary of the employee. The concerned body should evaluate every activity in them, and to give performance feedback to the employee and management utilisation of resource in order to accomplish the objective of the factory.

The communication between employees and management in the organisation has performed mostly daily; therefore, the management keeps this kind of communication between them. It has a kind of indication that the organisation has attention to employees and this creates to have shared ideas between them.

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