

A STUDY ON RELATIONSHIP BETWEEN ERM AND ORGANISATIONAL PERFORMANCE

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ABSTRACT

This article focuses on the relationship between employee, employer and organisation. It focused on organisation internal relationship management that means good industrial relations along with individual job satisfaction of the employee and organizational commitment. In simple industrial relations deals with the employee and employer relation to solving dispute and to reduce the chance of dispute towards creating a healthy working environment. Success and failure of an organisation always directly proportional to efforts put by employees. So, Employee relations as an organisational strategy includes general communication activities as well as the concerns of employee retention, employee engagement, employee loyalty, employee satisfaction and employee performance. Nowadays, it has become soul responsibility to every industry to develop and maintain the latest and effective management relations system to make employee motivated, Efficient and satisfied.

KEYWORDS

Employee, Employer, Industrial Relations, Organizational Performance, Job Satisfaction.

1.INTRODUCTION

Employee performance powerfully impacts on organizational performance. Employee relationship management is a business strategy for an organisation to enhance employee skills. Employee – Employer relationship is crucial to organizational productivity and can lead to an improved corporate association between employee and manager. Organisation internal relationship management that means good industrial relations along with individual job satisfaction of the employee and organizational commitment. Domestic relationship means working environment, conditions of respect, State of support, justice perception, relationships with superiors, self – satisfaction, self – learning and knowledge sharing. The internal organizational affiliation that can build on trust and understanding can make managers and employees more efficient. In an internal relationship, several elements make up the manager-employee relationship that needs to be understood by both parties for the link to be active and efficient. Employee

relationship management is not a software product and not a technology, but its focus on values of employer and employees. Erm is a tool for managing employee relationship long term to manage and develop motivation in the employee's mind towards organizational success and achieving competitive advantage.

1.1 THE NEED FOR THE STUDY

It is maintaining a reliable employer and employee relationship that can minimize unnecessary conflict and improves cooperation between employers and employees. It is a fact that if a healthy relationship is in an organization that enable employees to play a part in decision making, employees will more productive, more efficient, create less conflict and will more loyal.

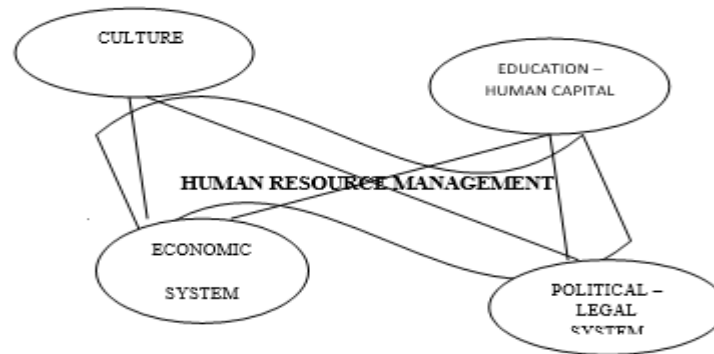
1.2 OBJECTIVES

- To know about strongly industrial relations
- To know about factors effect on industrial relations
- To know about the relationship between organizational performance and job satisfaction of the employee

1.3 REVIEW OF LITERATURE

(Priyadharshini and Sudhahar, 2019) Examines the determinants of employee loyalty in the way of the success of every organisation related to the loyalty of employees because a loyalty employee creates value and they are always responsible for the success and growth of the organisation—certain factors positively associated with job satisfaction and employee loyalty. The factors are supervisor support, teamwork, and working environment, fringe benefits. Leadership style, commitment, motivation, belongingness, career development, bonding, job security, peer corporation, flexible time policies, managers treatments of employees, organisational communication Employee engagement, employee satisfaction, commitment have a positive and significant impact on loyalty. Gender, age, job level, and tenure had only limited influence on loyalty. From the articles, it is concluded that “Employee loyalty cannot be taken for granted it must be frosted and cultivated”. **(Brhane and Zewdie, 2018)** Human resource practices are crucial for every employer to bring changes in ERM. HR practices always motivate employees to achieve organizational goals. In this process, communication serves coordination between all department employees and employers to implement organizational functions. Internal coordination between employer and employee is influencing the performance and efficiency of the organisation, and it is considered as a trust. Trust may increase and decrease directly proportional to course of employee and employer relationship. Trust between employees and employers depend upon integrity and reliability. **(Parashar, 2018)** Examines the Industrial relation management in Indian ordnance factories in Madhya Pradesh. The main aim of this study explains industrial relations in simple words like solve the disputes for creating a healthy environment to increase organizational performance. **(Caldwell**

and Anderson, 2018). Human Resource place a pivotal role in achieving competitive advantage for organisation 21st century. Entire world total less than 15% of employees concede they engage at work efficiently. The awful information is e history of HRM has been unsatisfactory, Human Resource Professionals (HRPs) have mainly been unprepared, and organisation managers focused on technology and innovation apart that create worth for their companies.



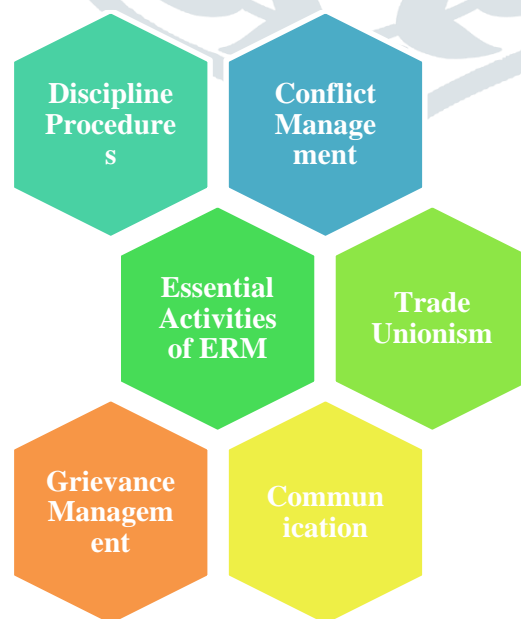
The excellent information is that many numbers of outstanding managers provide good customer service with design, and higher profits through improved productivity. The impact o globalization makes changes in the roles and obligations of human resource departments in at present modern organizations. Human resources plays a crucial role in the social, economic, and political scenario. Managing human resource create a significant challenge in the international scenario.

(Chaubey, Mishra and Dimri, 2017) examines the relationship between employees relationship and training and development practices. He investigated based on 217 question survey of small and medium organisations in Dehradun. The analysis of his study despite the strong relationship between employee relations and training and development practices with evidence that there is a positive relationship between employees training and their outcome. (Mishra and Dimri, 2017) examines the relation of employees and management is an essential tool for motivating employees to enhance their skills with high job satisfaction. He investigated based on 167 question survey of small and medium organisations in Dehradun. The analysis of this study, despite the communication, plays a crucial role to build a relation between employees. (Duah and Danso, 2017) Examines employee relations and their effects on organizational performance. In this article, majorly focused on to establish the role of employees' relations in enhancing organizational performance rates GCB based on 100 workers. (Marginson, 2015) Examines the developments in four aspects of collective employment relations they are collective bargaining coverage and structure, collective representation and organisation, collective bargaining and agenda, joint consultation arrangements. (Marginson, 2015) Examines the practical factors on the employers, employee relationship for the motivation of associate level. In this article, majorly focused on the most useful factors for the motivational enhancement of associate-level of employees. The analysis of the study based on 100 respondents.

2. EMPLOYEE RELATIONSHIP MANAGEMENT

Employee means an individual who works part under a contract of employment, whether oral or written, express or implied, and has organised rights and duties. Employee relationship is more valuable than employee relation and employee attracting practices. Employee relation practices depend on objectives of the organisation and needs of the employee for improving quality of work-life and running a business smoothly. The functional relationship between employer and employee indicates the term industrial relations. Industrial relations sign of excellent communication to create a positive workplace culture. The negative sign of industrial relations effect on long term success of the organisation. The negative sign of industrial relations impact on six factors they are as follows Management – Employee Relations, Employee Commitment and Responsibilities, Nature of work, Employee motivation climate, Safety measures, Work participation. The employer-employee relationship is the product of an employment relationship in an organisation. This relationship cannot exist without employers and employees. It is the organisation which offers the atmosphere for the employer-employee relationship.

The connection contains individual and collective relations. Relationship between employer and employees entails personal relations while mutual relations include employers' associations and trade unions and the State's role in regulating these relations. Employer-employee link is not static. It changes with the organizational atmosphere. When an employer hires a employee, the employer is starting a new relationship. It is the same relationship that also exists between the employer and all other employees in the organisation, and it determines the force and the length of stay of employees in the organisation. Relationship of employers with the employees had to be nurtured for it to be of benefit to the subordinates and the organisation. The success of any business organisation is causally related to the job satisfaction of employees. Every organisation considered and implement some key activities to encourage employees to fulfil the team responsibilities.



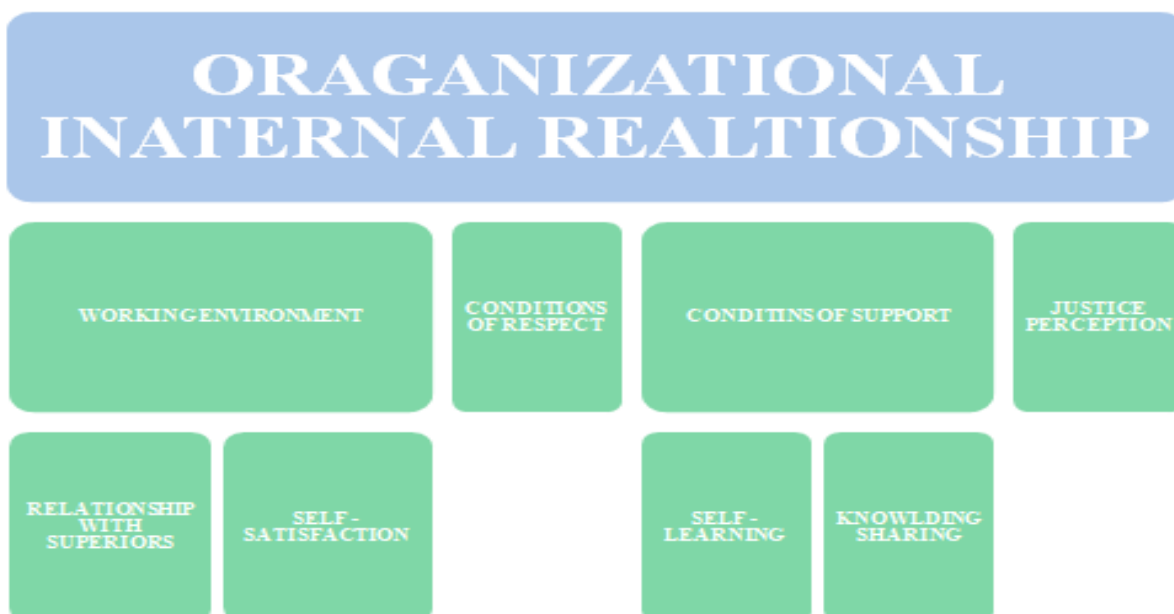
2.1 ELEMENTS OF EMPLOYEE RELATIONSHIP MANAGEMENT

“Informal relationships between people within organizations can potentially either hinder or facilitate organizational functioning. Employee relations are focused on maintaining employment relationship and handling the pay -work bargain, in favour of employment practices.

- a) Employee - Organizational Relationship
- b) Employer-Employee Relationship
- c) Employee performance – Organizational Performance
- d) Employee performance - Job Satisfaction

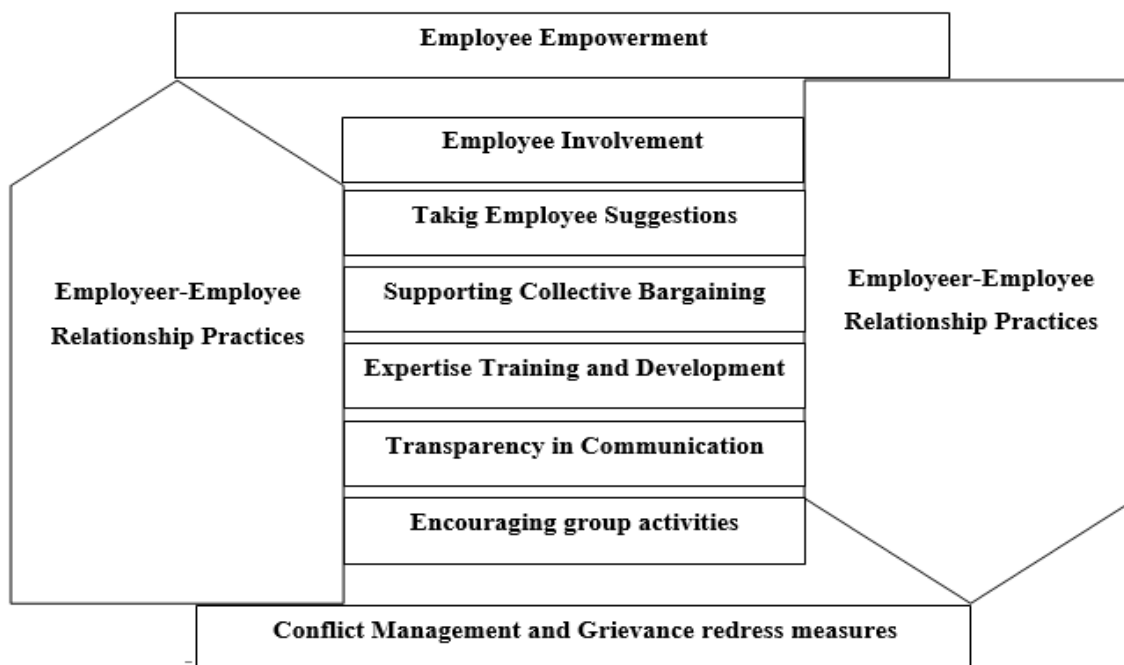
2.1.1 EMPLOYEE - ORGANIZATIONAL RELATIONSHIP

Relationship means the relationship between variables like correlation. Employee relationship means strong relationships between employees and employers. The organisation is “a social unit of people that is structured and managed to meet a need or to pursue collective goals”. Every organisation have a management structure that determines the relationship between the different activities and the members and subdivided and assign roles, responsibilities, and authority to carry out various tasks. Organizations are open systems; they affect and are affected by the environment. The organizational relationship is on trust, which comes in many forms, i.e. deterrence based, knowledge-based and identification based. The deterrence-based trust is found in most delicate relationships. Single violation or contradiction may put an end to the link. Employees in this type of relationship do what they say since they are afraid of the repercussions of not performing their requirement.



2.1.2 EMPLOYER-EMPLOYEE RELATIONSHIP

Relationship means in simple words feelings of both employee and employer either positive or negative. Relationship explains interacting with each other. An organization's human resource consists of management and employees when management allows employees to be involved in the discussion of matters which concern them and the organisation with positive feelings increases their levels of commitment. If there is a negative relationship between employees and employer that influence the behaviour of work. In simple words, management means managing the workforce effectively. Employee relations begins with determining the requirements of the company wants in the workplace. Every employee and employer believe that good relation between them indicates communication and attitude between them. That promotes the entire well-being of employees during their tenure at the organisation and supporting both to solve arising problems in work affects situations. Employee relationship management is a crucial element for employers to the ability to balancing both personal and professional life needs and the ability of the organisation to keep good relations with its stakeholders including trade unions, employees, suppliers and customers and measuring and monitoring results with management practices.

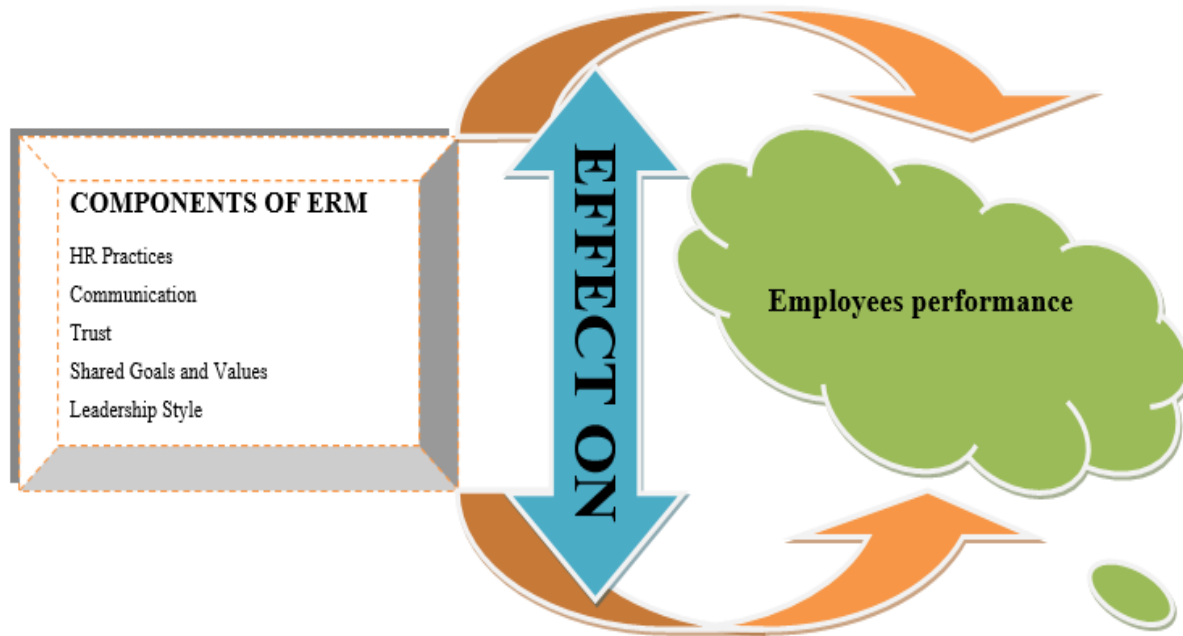


This employee relationship practices can strengthen corporate communication and improving employee involvement towards contributes employee efforts directly to achieve organizational objectives.

2.1.3 EMPLOYEE PERFORMANCE - ORGANISATIONAL PERFORMANCE

In every organisation, every individual employee shares a specific relationship with his co-workers at the workplace for managing to make the people comfortable with each other and work together towards a common goal. The

Harvard human resource framework model composed of five components. These components explained the relationship between employee relationship with the organisation to words by management strategies included stakeholder interest that defines human resource policies and impacted by situational factors, to improve employee work performance and then it leads to positive hr outcomes in the way of efficient organizational performance by solving long – term consequences. Employee performance depends upon the influence of the components of employee relationship management. They are as follows



Human resource practices are crucial for every employer to bring changes in ERM. HR practices always motivate employees to achieve organizational goals. In this process, communication serves coordination between all department employees and employers to implement organizational functions. Internal coordination between employer and employee is influencing the performance and efficiency of the organisation, and it is considered as a trust. Trust may increase and decrease directly proportional to course of employee and employer relationship. Trust between employees and employers depend upon integrity and reliability.

If there is no trust between employees and employers, the flow of communication, either upward or downward, is affected. To overcome this situation to build effective employee relationship management in an organisation, the very employer should follow a management style which describes the approach employer to handle and deal with people in their teams. The goal of every employer and organisation is every employee share goals and values of the organisation. Shared values mean beliefs in common regarding what behaviours, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong.

2.1.4 EMPLOYEE PERFORMANCE AND JOB SATISFACTION

Happy employees are productive employees. A successful manager knows how to manage relationships to build lasting employee satisfaction. An organisation with a good employee relations program facilitate fair and consistent treatment to employees so they will be committed for their jobs and loyal to the company. Such programs focus on issues affecting employees, such as pay and benefits, supporting work-life balance and safe working conditions. One of the most effective ways for a company to ensure proper employee relationship management is to adopt an HR strategy that places a high value on employees as stakeholders in the business.



CONCLUSION

The employer-Employee relationship is a universal stimulating process, which grows the members of the team to pull their weight successfully, to give their loyalty to the group, to carry out right the responsibilities that they have accepted and generally to play a functional role in the job. Employee relationship management (ERM) constitutes an emerging trend of managing human resources by building and maintaining individualized and mutually valuable relationships with employees.

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