

A STUDY ON RELATIONSHIP BETWEEN EMPLOYEE PERFORMANCE AND EMPLOYEE RELATIONSHIP MANAGEMENT

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Abstract:

It is very important that the management promotes healthy employee relations to have effective Employee Relationship Management (ERM) in their organization. Employees should have a healthy relationship with their employers as well as among the employees at the workplace. So, the purpose of this research is to study “Employee Relationship Management at Lanson Toyota Private Limited” and the study was conducted over a period of 3 weeks. Primary and secondary data were used for the study. The total sample for the study is 30. The type of sample design used for the study is simple random sampling. The primary and secondary data were used for the study as primary data was collected through questionnaire and secondary data was collected from books, articles and journals. The gathered information was critically analysed by using various statistical tools like percentage analysis and correlation to arrive at a meaningful conclusion. From the study by using Correlation, it was found that there is no significant relationship between Employee Performance and Employee Relationship Management.

Keywords: Employee Performance, Employee Relationship Management, Employee Relation

I. Introduction

Oluchi (2013) defined ERM 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 managers and executives on how to effectively establish and nurture relationships with employees and in measuring and monitoring those relationships to determine whether objectives are being met.” Employee relationship management refers to managing the relation between the various employees in an organization. The relationship can be between employee and the employer as well as between employees at the same level. Employee relationship management includes various activities on which an organization implemented by the management so as to develop friendly cooperative relationship with its employees. It helps to create cohesive work environment in which all employees work together in collaboration to ensure the realization of its goals. Besides, it promotes commitment, facilitates employees in achievement of organizational objectives minimizes workplace conflict and increases trust - Bajaj et al., (2013).

II. Review of Literature

Employee relationship Management

Lashkari Kaniz Fatima, Mr. Mohamad Ikramullah Aman (2020) Employee relations can make or break an organization. Great employee relations will make a business successful in the long run. A good understanding between employees and employers is important to reduce industrial disputes. A positive relationship between employers and employees leads to higher motivation and employee engagement. When employees are happy, they are more productive. They will put more effort into their work, and this translates into satisfied customers and more revenue. Hagos Brhane (2018) - the relationship between employee relations and employee performance is explored in-depth. The basic concepts employee relation and its effects on employee performance through investigating a number of employee relationship management components such as communication, participative leadership, shared goals and value, mutual trust, motivation and conflict management. Mohammed Sahedur Rahman (2017) - Employee Relationship Management is a motion that focuses on new forms of communication. Maintaining good employee relations benefit both employer and employee. The study was conducted to test the impact of ERM on performance of banking sector employees. Gren and Anderson (2013) - Employee relationship management is relatively a recent term defined as a strategy to effectively manage employees in a way they can attain organizational objectives. Employers should take care of the needs of the employees and this can be understood by HRM 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 ERM status can be understood by equating ERM to satisfaction of employees where satisfaction is taken as proxy variable (Sinha& Bajaj, 2013, p. 32). Employer-employee relations is concerned with the provision of information to employees with regards to the objectives of the organization so that they have a clear understanding of the direction of management. Effective employee relations focuses also on creating an open-door system in the organization where employees can freely express their grievances, initiate ideas, suggestions without fear of intimidation and suppression. Ultimately, the sense of belonging and a high self-esteem is built in the employees. Nikoloski et al. (2014).

Employee Performance

Anitha (2014) reports that the performance of an individual or an organization depends strongly on all organizational activities, policies, practices, knowledge management practices and employee engagement. These elements are vital determinants fostering high levels of employee performance. Islami, Mulolli and Mustafa (2018) recognize managing performance as a planned process of which the key elements are agreement, measurement, support, feedback and positive reinforcement, which shaped outcomes in terms of performance expectation. Bataineh (2017) highlight Employee’s performance as a combination of efficiency and effectiveness of the employee’s daily tasks to meet the expectations of the stakeholders.

Objectives:

1. To identify the factors influencing Employee Relationship Management at Lanson Toyota.
2. To find the significant relationship between employee performance and Employee Relationship Management.

Hypothesis:

H0: There is no significant relationship between Employee Performance and Employee Relationship Management.

H1: There is a significant relationship between Employee Performance and Employee Relationship Management.

III. Research Methodology

The study was carried out in Lanson Toyota Private limited and the sample size for the study was 157. The design used in the study is Descriptive design. Descriptive Research aims at describing the characteristics of a population in various aspects. The sampling technique used in the study was Simple random Sampling. Both primary and secondary data were used for the study. The primary data is directly collected from the employees of Lanson Toyota Private Limited by using a questionnaire.

Tool for Analysis:

The statistical analysis of data was done through computer application using IBM SPSS Statistics 20. The intention of the data analysis was to test the hypothesis using the statistical tool Correlation.

IV. Analysis

Correlations			
		Employee Relationship Management	Employee Performance
Employee Relationship Management	Pearson Correlation	1	.176
	Sig. (2-tailed)		.353
	N	30	30
Employee Performance	Pearson Correlation	.176	1
	Sig. (2-tailed)	.353	
	N	30	30

Source: Primary Data

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From the above table it was inferred that the correlation value $r = 0.176$ and $p = 0.353$, Hence, we accept null hypothesis and reject the alternative hypothesis. Therefore, there is no significant relationship between Employee Relationship Management and Employee Performance.

V. Discussion and Conclusion

The results of the research conducted to study the relationship between Employee Performance and Employee Relationship Management and it is concluded that there is no significant relationship between Employee Performance and Employee Relationship Management. It is suggested to the employees to have good relationship among their employees. The company should help the employees to maintain a healthy relationship among them as well as to their superiors. The superior has to help the employees so that they can improve their performance. Organization should provide some amount of autonomy to its employees to perform their work effectively. Employee relationship management is an element of human resource that focuses on building strong, positive relationships between employees and their employers. Effective employee and employer relationship management aims to create an environment where both parties are satisfied, engaged, and motivated to work collaboratively toward common goals. This research study was conducted to know the Employee Relationship Management at Lanson Toyota Private Limited. By using chi – square it was found that there is no significant relationship between Employee Relationship Management and Employee Performance.

VI. References

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