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### RESEARCH ARTICLE

#### MANAGEMENT OF EMPLOYEE RELATIONS IN CORPORATE HOUSES: A CONCEPTUAL ANALYSIS

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#### Manuscript Info

#### Abstract

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#### Introduction:-

##### Preamble:

Employees constitute the internal publics who work in various capacities such as executives, managers, supervisors and workers. They depend on the management for job security, job satisfaction and job advancement purposes. The management has to maintain healthy employee relations on the basis of human values and professional ethics. The employees are also great human resources who contribute for the prosperity of the organization. The employees play a major role in the production of goods and services which benefit the organizations. Employees constitute the major stakeholder group in modern organizations regardless of the nature of goals, goods and services. The leaders of the organization are responsible for establishing cordial, fruitful and rewarding relationship between the employees and organization. The need and importance of employee relations management is emphasized in this article on the basis of conceptual analysis.

##### Concept of Employee Relations:

The term 'employee relations' refers to the management of relationships between employers and employees in modern organizations. It is necessary to create and maintain a positive, constructive and favorable relationship with the employees who are the driving force behind the organizational success. The management is responsible for the enforcement of policies and implementation of programs for the benefit of employees.

Employee relation is that part of personnel; management that enable competent managers through the development of institutions, procedures and policies to reconcile within acceptable limits to the organization, the interest of employers as the buyers of labor service and those of employees as the suppliers of labor services (Institute of Personnel and Development). Employee relations are a vital component of human resources management in modern organizations.

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Employee relations consist of all those areas of human resource management that deals with employees directly and through collective agreements where trade unions are recognized. Employee relations are concerned with generally managing the relationship between employer and employees at the workplace that can be formal (Armstrong, 2003:02). Employee relations have become an important aspect of human resource management and business management in modern times. The organizations cannot march towards progress without active employee relations and engagement in the business environment.

**Need for Employee Relations:**

Employee relations refer to developing, maintaining, and improving the communication and general relation between management and employees regarding workplace decisions, conflicts, unions, grievances and issue resolutions (Spooner and Haidar, 2005:29). The organizational leaders, managers and supervisors are responsible for maintaining a healthy relationship among employees who are the backbone of organizational prosperity.

The concept of employee relations also spans through various efforts of the organization to ensure that a wholesome relationship exists between the management and employees. The organization develops the frameworks and structures to bolster the relationship between employees and employer. Employee relations are basically the establishment and maintenance of useful relationship between the management and workforce. It is typically part of a human resource strategy designed to ensure the most effective use of people to accomplish the organization's mission.

Employee relations is required to strengthen the employer-employee relationship through identifying and resolving workplace issues, measuring employee satisfaction and morale, and providing support and input to the company's performance management system. It is also a prominent human resources strategy for ensuring organizational success through active employee engagement in various developmental activities.

Employee relations are necessary to maintain solid working relationships between the employer and employees. There are certain specific goals and activities of employee relations which are undertaken by the employee relations specialists. Employee relations specialists utilize their knowledge, experience, skills and expertise to handle workplace issues systematically.

**Tools of Employee Relations:**

Prakash (2007:25) conducted a comprehensive study on the tools of Public Relations in modern corporate houses. Certain tools of Employee Relations identified by the scholar include - personal contacts, group meetings, in-house publications, visual thinking, desktop scrolling, video conferencing, teleconferencing, opinion leaders meeting, promotion events, official visits/ project visits, open house for stakeholders, joint consultative committee, coordination committee, coalition building, social/political action committee, seminars/workshops, media publicity campaigns, media advertising campaigns, outdoor campaigns, social intranet, webcasting events, android applications, social media networks, business to business relations, trainings and orientation, product/service review, slide presentation and opinion survey. These tools of employee relations should be adopted by the practitioners of Human Resource Management and Public Relations in modern corporate houses to establish good rapport with the employees.

**Techniques of Employee Relations:**

Daniel (2003:07) examined the tools and techniques of employee relations comprehensively. Certain employee relations techniques identified by the scholar include - strong management, loyalty from management, sound HR policy, good work conditions, interesting work, tactful discipline, good wages, job security, recognition of good work, understanding attitude, empathetic approaches, promotion opportunities, open communications, proper work assignments, providing performance feedback, adoption of professional approaches, time management, conflict resolution, hiring the right people, open door policies, a fair grievance process, mediation, arbitration, facilitation, ombudsperson, comprehensive employee benefits plans, frequent employee communications, performance appraisal and feedback systems, internal audits, follow-up and tracking systems. These techniques of employee relations should be adopted by the management in modern organizations in order to build and sustain employee relations for better corporate reputation and prosperity.

**Management of Employee Relations:**

Employer-employee relations do not function in a vacuum since it primarily involves practically useful collaboration

between the management and workforce (Singh, 1968:28). Employer-employee relations are an integral part of organizational culture, climate, management and development processes. The employer-employee relations system in a country is conditioned by economic and institutional factors regardless of time and space. There are several stakeholders of employee relations in modern organizations. The government, management, trade associations, civil society and Public Relations are prominent among them. An organization is required to maintain harmonious relationships with the employees on the basis of humanitarian considerations and employee welfare approaches.

Concerned with the interaction between primary parties who pay for work and those who provide it in the labor market - employers and employees, those acting as secondary parties on their behalf - management or management organization and trade unions, and those providing a third party role on employment matters - state agencies and EU institutions (Farnham, 1993:13). Employee relations basically are concerned with the contractual, emotional, physical and practical relationship between employer and employee. It is an important aspect of industrial relations, business relations and organizational relations in modern times.

Employee responses vary in accordance with quasi-spot contract, under-investment, mutual investment and over-investment. The higher level of affective commitment to the agency, improved overall job satisfaction, higher perception of fairness, higher perception of work options and lower turnover intentions affect employee relations (William and Yer, 2000:30). Employee-organization relationships should be promoted to increase the positive attitude among employees and ensure effective management of employees for better organizational progress.

Family-friendly policies improve commitment in the case of employees working in the modern organizations. Flexible working arrangements increase the commitment of the employees for better engagement and achievement (Dex and Smith, 2001:09). The management should undertake employee's friendly measures to increase employee commitment for better organizational performance and development.

The notion of a clearly defined employer employee relationship becomes difficult to uphold under conditions where the employee is working in project teams, or on site alongside employees from other organizations, where responsibilities for performance and for health and safety are not clearly defined, or involve organizations other than the employer (Rubery et al, 2002:27). The employees relations emerges on the basis of interaction between the management and employees. It is highly essential to carry the employees together and produce maximum goods and services which are beneficial to modern organizations.

Employee relations are an integral aspect based on fairness, trust and mutual respect between the employees and employer. It is an important area of practice in which there is an integration of people into the work situation in a way that motivates them to work together to enhance value productively, cooperatively and with economic, psychological and social satisfaction (Jacob, 2002:16). Practically, healthy human interactions and relationship between the management and work force constitute employee relations which are an important branch of Public Relations.

The employment relationship is about organizing human resources in the light of the productive aims of the firm but also aims of employees. It is necessarily open ended, uncertain and a blend of inherently contradictory principles concerning control and consent (Edwards, 2003:12). The employees spend their maximum time at the workplace and play a vital role in making the destiny of modern organizations. They need a congenial working environment in order to increase their productivity and contributions for the success of organizations.

Better work environment, inter-personal relationship, sense of responsibility and belongingness and empathetic approaches enhance employee relations in organizations (Kumar, 2003:18). Decentralization of authority and decision making power, recognition of good work and incentives for better performance and promotional policies are the prerequisites to better employee relationship management.

Employee relations are indistinguishable from industrial relations. It is a more acceptable term than industrial relations as it avoids the negative connotations (Blyton and Turnbull, 2004:04). Employee relations are the relationship shared between the employees and employers in an organization. The management has the responsibility of creating a healthy environment at work place.

Employee relations affect the performance of the employees in organizations. Success of knowledge sharing in organizations is associated with the behavioral factors of the employees (Liao et. al, 2004:19). Employee relationship management should be enriched on the basis of adoption of organizational behavior/ theory and techniques of human resource management.

Employee relations management depends on a highly personalized relationship through modern web portals. Internet connectivity actually connects organization and employees. It enables the organization to know about their employees, their preference in job and career goals. A company can develop good rapport with the employees through employee relationship management (Gillenson and Sanders, 2005:15). Modern organizations need to maintain cordial relations with the employees on the basis of appropriate initiatives and achieve success.

Employees need adequate training, motivation and facilities to play an effective role in the management of organizational delivery system. Employee communication, employee relations and employee welfare activities are essential to secure active participation of employees in the institution building activities (Pande, 2006:24). The corporate leaders should promote employee relations on the basis of adoption of sound principles of Human Resources Management and employee welfare approaches.

Unchallenging work environments, long working hours, limited career growth, less promotional opportunities, lack of proper leadership, non-attractive compensation packages, job opportunities elsewhere and poaching of talent by the competitors have adversely affected the employees (Chaudhuri, 2007:06). Voluntary turnover has become a persistent problem for human resource management practitioners in modern organizations.

Organizational commitment is a key measure of loyalty, job satisfaction and intent for the continued service of the employees in the organizations (Aniisu, 2007:01). Consistent internal communication and redressal of grievances of employees have a direct impact on how employees perceive organizational commitment and employee relations management.

A deep understanding of the field and practice of human resource management is impossible without fully appreciating the models of the employment relationship such as egoist employment relationship, unitarist employment relationship, pluralist employment relationship and critical employment relationship. Employment relationship can be modeled as a mutually advantageous transaction in a free market, a long-term partnership of employees and employers with common interests. These models are essential for understanding the scholarship and practice of human resource management (Budd and Bhawe, 2008:05).

Career advancement opportunities of employees improve the performance of the employees. Strategic human resource management, employee relationship and firm performance have contributed to the operational performance and employee relations in organizations (Daniela and Ionel, 2008:08). Effective employee relations facilitate conflict resolution, trust building and maximum productivity.

Employee relations deals with the regulation of the employment relationship between employer and employee, both collectively and individually and the determination of both substantive and procedural issues at industrial, organizational and workplace levels (Rose, 2008:26). In modern work place, sound internal relationship between the employer and employees is undeniably critical for the long-term success of organizations.

Adoption of corporate social responsibility centric approaches to management facilitates the retention of committed employees in organizations (Mamantov, 2009:20). The management should adopt employee welfare programmes to enhance employee engagement in modern times.

Employee Relations Management is a specific field of human resource management based on communication and interaction between enterprise and the employees (Yongcai, 2010:31). The human resources management section should enable the corporate leaders to reach out to the employees, deliver employees' friendly services and enlist employees' participation in the affairs of the institution.

Employee relations are a field of study that deals with the formal and informal relationship between an organization and its employees. This involves the wide range of interactions and processes by which the parties to the relationship adjust to the needs, wants and expectations of each other in the employment situation (Dundon and Rollinson,

2011:11). Employee relations is a branch of human resources that deals with policies relating to fostering of rewarding employees relations in modern times. A positive climate of employee relations - with high levels of employee involvement, commitment and engagement contribute to the achievement of business goals.

Employee relations encompass both individual and collective relations in an organization. The management determines the nature and scope of employee relations which is crucial for organizational productivity and prosperity. There are numerous factors associated with employee relations which is primarily concerned with the contractual, emotional, physical and the functional relationship between an employee and his employer (Marchington and Wilkinson, 2012:21). The employers should develop empathy towards the employees, share information, consider feedback seriously and maintain trustworthy relationships within the organization. Effective internal corporate communication and employee relations are the pre-requisites to organizational performance (Fenech, 2013:14). Internal communication strategies should focus on employee welfare activities of the organization.

Internal communication is a driving force in employee engagement in organizations. Internal communication is important for building a culture of transparency between management and employees (Mishra et. al, 2014:22). Effective internal communication promotes sense of belongingness among the employees and increases their participation in the institution building activities.

Working conditions in the retail sector are closely influenced by national labor market institutions and employment regulations. The shift towards more diversified employment has substantially affected career patterns, with both labor market and sectorial regulations (International Labor Organization, 2015). The employment relationship is also one of interdependency. Employers and employees are required to maintain good relations and secure their respective goals.

Employee relationship does not stand alone but is affected by the social, economic and legal environment in which an organization operates. The organizational culture and employees' aspirations play an important role in the maintenance of employee relations (Bingham, 2016:03). The ethical behaviors of the organization and fulfillment of the aspirations of employees matter most in the management of employee relations.

Employee relations affect the commitment of employees in organizations. Job satisfaction has a positive relationship with commitment both to an employee's career and the institutions (Duah and Danso, 2017:10). Corporate leaders should increase the salaries and facilities to the employees to enhance their performance and morale.

Modern corporate houses have realized the significance of employee relations and adopted the principle of strategic employee relations management (Mohamad and Bakar, 2018:23). Employee relations management is basically dependent on the adoption of human values and professional ethics in organizations.

### **Conclusion:-**

The organizational psychology and organizational behavior impact the employee and labor-management relationships (Kochan et. al, 2019:17). Employee relations also contribute significantly to improve business outcomes through employees' well-being and participation in the activities of the organization. Employee relations are necessary to promote employee relationship management for better productive human relationships. Employee relations are the maintenance of healthy human relationships between the management and workforce on the basis of progressive policy, employee engagement practices and employee welfare activities in modern organizations.

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