

## The Impact of Strategic Human Resource Management on Organizational Performance in 21<sup>st</sup> Century

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### Abstract

In recent years there has been increasing the importance of human resource. The concept of dealing human resource is known as employee relation. All the physical resources have been used and handle by employee of the organisation. All type of creativity and innovation only done by employees of the organisation. This is only possible when employees are in healthy mind and existence of good climate in the organisation which help employees as well as organisational growth and sustainability. An organization with a good employee relations program provides fair and consistent treatment to all employees so they will be committed to their jobs and loyal to the company. Employees loyalty, commitment, dedication are key factor for organisational growth and success. It is only possible when there is healthy employee relation persist in the organization. The aim of this paper is to study the employee relations and also to identify various employee relations practices used by

manufacturing organisation in Odisha. The study adopted a cross-sectional survey research design and used a stratified random sampling technique from selected manufacturing organizations in Odisha. Data was collected using structured questionnaires and analyzed using descriptive statistics and the results presented using tables.

**Keywords:** *Employee Relation, Sustainability, Loyalty, Commitment, Dedication.*

### Introduction:

Employee relation is an important driver to helping the organization & employee towards inclusive growth as well as sustainability. Good employee relations results in a highly committed, motivated, engagement and feel positive about their identity. As the most important part of any organization is its employee no organization can run effectively without them. Employee needs to manage relationship in the workplace to keep the organization smoothly. An organization with a good employee relation can achieve

their entire target as they committed to the job and loyal to the company. Many organizations boast that their employees are their company's most valuable asset, However there is still a prevalence of employee relations issues in the workforce that is stopping employees from reaching their full potential.

#### **Aspect Influencing Employee Relation:**

Employee relations are influenced by a number of aspects, all of which affect the strategic balance between employees themselves & with employer.

#### **Communication**

Communication is a key factor influencing employee relations. Employees who feel they can air grievances, and be heard, normally have high morale. Effective communication in the workplace involves keeping employees cultured of performance prospect and keeping them well-informed of any changes in organisation guidelines or procedure that may affect them. Open communications, such as in daily meetings or through weekly memos, help in alerting management to workplace trouble before these troubles begin to influence morale.

#### **Organisation Culture**

Each organisation or corporation has its own culture. Organisation culture encompasses many things, not the least of

which is they way managers relate to employees. Organisation culture often dictates how employees are treated. For instance, aorganisation culture that emphasizes punishment over reward usually creates an environment of fear and low morale. Aorganisation culture that embraces employees' unique attributes and emphasizes reward tends to improve relations between management and employee.

#### **Wages**

Wages are important factor influencing strategic employee relations. When anorganisation provides employees with industry-standard wages or wages that are above industry standards employee relations typically run more smoothly. Benefits and incentives also affect employee relations, as they tend to make employees feel valued and appreciated.

#### **Unions**

Unions and union organizing extensively affect employee relations. Once a union is established, employees do not negotiate on their own behalf. Instead, union representatives negotiate for them. Unions can be a source of employee empowerment, as union employees may feel as though they contribute to a common goal. Additionally, unions

provide arbitration of employee disputes and grievance procedures.

### **Literature Review:**

Good employer&employee relations are essential to the organization because it inspiresEmployees to work better and produce more results (Burns, 2012).

Organizations can have competent, qualified and motivated employees but if there is no peace and harmony at the workplace their performance will be in danger. Because the relationship between the employer and the employee is very crucial, employers need to pay attention to this relationship if they want their businesses to grow and succeed (Bhattacharya, 2008)

Employee relationship management has many documented positive effect in organizations such asstrengthening corporate communication and culture, fostering about company products, services andcustomer providing real-time access to company training, targeting information to an employee based on their needs (Wargborn, 2008).

According to Shweitzer and Lyons (2008) factors that lead to good employee relations in the organization include employee empowerment and involvement, initiating employee suggestions, conflict management and grievance redress

measures,facilitating collective bargaining, expertize training and development, encouraging teamwork and transparency in communicating.

Pearce and Robinson(2009) observed that organizations should strive to satisfy their employees with good pay, good supervision and good stimulating work

Howes (2010) researched that better communication and attention to personal needs of employees are to improve motivation and performance.

Werbler& Harris (2009) researched that employees are 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

Woods & King (2006) stated that conflict occurs to get control over resources, desire to achieve targets and interdependence, unclear power structure, struggle to enjoy better power level and status, Communication barriers and differences in expertise. It is reflected from their study that managers can handle it through their Listening skills, Feedback skills, Conflict-management styles, and selection of right conflict, Evaluation of participants in conflicts, assessing sources and by knowing and opting best conflict management options.

**Objective:**

- To study the employee relation of manufacturing organization in Odisha.
- To identify various employee relation practices adopted by the manufacturing organization.

**Methodology:**

To achieve the objective of the study 50 workers were selected. The random sampling technique used for data collection. Data were collected in both primary and secondary sources. The descriptive analyses in the form of percentage and mean were used to analyses the data.

**Results and Discussion:**

TABLE-1 EMPLOYEE RELATION PRACTICES

| Sl. No. | Employee Relations   | STRONGLY AGREE % | AGREE % | NEUTRAL % | DISAGREE % | STRONGLY DISAGREE % | TOTAL % |
|---------|--|------------------|---------|-----------|------------|---------------------|---------|
| 1       | Work policies are well developed and organized   | 32               | 52      | 12        | 4          | 0                   | 100     |
| 2       | Company does a good job communicating about changes or decisions that affect employees   | 32               | 52      | 8         | 8          | 0                   | 100     |
| 3       | Management establishes a clear direction for addressing grievances   | 44               | 28      | 12        | 4          | 12                  | 100     |
| 4       | Here people are rewarded according to their job performance  | 20               | 60      | 8         | 8          | 4                   | 100     |
| 5       | In the last 12 months, my Manager has talked to me about my progress   | 16               | 52      | 16        | 12         | 4                   | 100     |
| 6       | Company investigates issues of harassment and other workplace misconduct allegations before taking a decision                    | 28               | 44      | 28        | 0          | 0                   | 100     |
| 7       | Company values its employees and therefore manages compensation effectively  | 12               | 56      | 16        | 12         | 4                   | 100     |
| 8       | Managers empower employees to make effective decisions   | 4                | 60      | 24        | 8          | 4                   | 100     |
| 9       | I am given the necessary career advice by my direct manager or the human resource manager when I need it                         | 12               | 60      | 24        | 4          | 0                   | 100     |
| 10      | I have been told about the Company's succession plan, the possible replacement of other managers and the potential for promotion | 16               | 64      | 20        | 0          | 0                   | 100     |

The study on work policies are well developed and organized, most of the respondents agreed as 52% held this view. They were supported by 32 % of respondents. 12% remain neutral 4%

disagreed, 32% of the respondents agreed strongly that company has a good communicating about changes or decision that affect employers , 52% agreed, 8 % remain neutral, 8 % disagreed. Clear

direction for addressing grievance affects the quality of employee relation and therefore respondents were asked to share their views on that from the response, 44 % strongly agree, 28% agree while 12 % strongly disagreed. From people are rewarded accordingly to their job performance 20% strongly agree and 60 % of responds only agree. The respondents also added 52% agree that in last 12 months managers has talked to employees for their progress. As many as 44% of respondents agree that company investigate the issues of harassment and other workplace misconduct allegation

before taking a decision. Where 28% not sure and 28% strongly agree. In addition 12% strongly agree that its employees and therefore manages compensation effectively 56% agreed, 12 % not agreed and 4 % strongly disagreed while 16 % were not sure. Most of respondents (60%) were agree that managers empower employees to make effective decision while same of the respondents agreed that HR manager directs and advice the employees regarding carrier development. Most of the respondents like 64% agree that their aware of company succession plan and the potential for promotion.

TABLE 2 EMPLOYEE RELATION PROXIES

| Sl. No. | Employee Relations  | STRONGLY AGREE % | AGREE % | NEUTRAL % | DISAGREE % | STRONGLY DISAGREE % | TOTAL % |
|---------|---|------------------|---------|-----------|------------|---------------------|---------|
| 1       | I feel satisfied at this company  | 44               | 56      | 0         | 0          | 0                   | 100     |
| 2       | I can see how I contribute to the Company's bottom line                         | 12               | 64      | 20        | 0          | 4                   | 100     |
| 3       | I get a sense of personal accomplishment from my work                           | 16               | 48      | 28        | 4          | 4                   | 100     |
| 4       | I have good working relationship with my co-workers                             | 36               | 52      | 4         | 4          | 4                   | 100     |
| 5       | I am paid appropriately for the work-related experience that I have             | 8                | 44      | 44        | 4          | 0                   | 100     |
| 6       | I get regular feedback from my Supervisor on my work                            | 8                | 64      | 24        | 4          | 0                   | 100     |
| 7       | My job challenges me to give my best  | 4                | 64      | 16        | 12         | 4                   | 100     |
| 8       | I feel free to express my opinions without worrying about negative consequences | 20               | 52      | 24        | 0          | 4                   | 100     |
| 9       | I am able to balance work priorities with my personal life                      | 12               | 56      | 20        | 4          | 8                   | 100     |
| 10      | Company provides opportunities to grow and learn                                | 4                | 64      | 16        | 8          | 8                   | 100     |

|    |  |    |    |    |   |    |     |
|----|--|----|----|----|---|----|-----|
| 11 | I consider employee career commitment a key element in ensuring career success and job satisfaction      | 28 | 48 | 24 | 0 | 0  | 100 |
| 12 | The responsibility for employee career planning & management rests in both the employer and the employee | 12 | 48 | 20 | 8 | 12 | 100 |
| 13 | I possess the skills needed to cultivate business networks and professional relationships                | 12 | 64 | 16 | 0 | 8  | 100 |
| 14 | I see my current position as a training ground to move to another organization                           | 12 | 40 | 44 | 0 | 4  | 100 |
| 15 | At company, there is recognition for skills and accomplishments  | 20 | 64 | 12 | 0 | 4  | 100 |

From the responses above, 100% of respondents felt satisfied at company, 76 % of respondents indicated that they could see how they contributed to the organization. 64% of respondents have good working relationship with co-workers. Most of the respondents agree with job satisfaction, like scope for giving views, taking challenges, training, professional relationship and recognition. So both the employees and the company can be acquired shared goal from employee's good relation.

### Conclusion:

It can be deduced from the outcomes and findings of the study that good recompense, pleasant co-worker relationship together with good working conditions play an important role in getting employees to be satisfied on their jobs and subsequently directly reflecting in

their intention to remain committed in an organization. By these outcomes, it is unbiased to accomplish that job satisfaction has a relationship with commitment both to an employee's career and the organization they work for. Maintaining pleasant relations is very vital for the existence, prosperity and growth of the organization. A good and strong employee relation leads to better organizational performance. The study found that manufacturing organizations are aware of the benefits of maintaining good employee relations and correct remedial actions to minimize poor employee relations in the organization. Therefore the study recommends that the organization should maintain the prevailing employee relations and further act on awareness & communication of employee relation practices for the organizations to achieve the strong employee relation. Furthermore,

the study recommends that the organization should focus more on building effective, strong and sustainable employee relations that will ensure towards inclusive growth as well as sustainability.

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