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## A Study on Employer Employee Relationship in AMachinery Manufacturing Company

*Dhruvi Bhatt<sup>1</sup>, Dr. Anuradha Pathak<sup>2</sup>*

<sup>1</sup>Student, <sup>2</sup>Associate Professor, B.V Patel Institute Of Management  
Uka Tarsadia University-Bardoli

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### ABSTRACT

A study was conducted on the level of employer employee relationship in the company and results revealed that the level employer employee relationship in the company is healthy. Employees are happy with each other and support each other. They themselves think that good communication increases level of employee engagement. The study reveals that, in the company, communication is the most important factor or variable affecting employer employee relationship and creating better relations with subordinates, thus creating the most positive impact on employees.

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### INTRODUCTION

A relationship is characterized by the way two individuals or groups of people view and behaves toward each other. An employer/employee relationship, then, is the way an employer (either an individual or an entity) and employees view and treat one another in a work setting. From the moment a person signs his or her employment contract, a relationship starts to develop between that employee and their employer. The nature of that relationship depends on many factors, which vary from organization to organization, including the work environment and the nature of the industry.

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. While developing and maintaining good employee relations can be challenging in most workplaces, healthy relationships among workers are beneficial not only to the individuals but to the entire organization. Managers should set a good example when it comes to employee relations. Managers who have a good working relationship with their employees help establish a culture that encourages great employee relations.

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### REVIEW OF LITRATURE

**Daraneekorn Supanti, Ken Butcher, Liz Fredline (2015) Enhancing the employer-employee relationship through corporate socialresponsibility (CSR) engagement:** Managers from all functional areas and levels acknowledged that CSR substantially enhanced the employer-employee relationship. Five themes depicting the beneficial effects were identified: a relationship unifying process, having fun, feeling pride, developing skills and building teamwork. These themes reflect three core factors of emotional responses, social capital and task-related skills.

**Richard D. Waters, Denise Sevick Bortree, Natalie T.J. Tindall (2013)**in their study titled ‘Can public relations improve the workplace?’ measured the impact of stewardship on the employer-employee relationship and also measured the impact of stewardship on the employer-employee relationship. This study found that the four dimensions of stewardship significantly impact feelings of trust, commitment, satisfaction, and balanced power between the employer and the employee. Additionally, increased use of stewardship resulted in increased involvement by employees.

**Josée Bloemer, Gaby Odekerken-Schröder (2006)**studied The role of employee relationship proneness in creating employee. Structural equation modelling results reveal that employee relationship proneness is a strong antecedent of affective and normative commitment. Affective commitment

plays a pivotal role in creating all positive loyalty behaviours of employees, whereas normative commitment only supports intention to stay and benefit intensity while it has a negative impact on complaining. Calculative commitment has a negative impact on benefit intensity and complaining.

**Neeti Leekha Chhabra, Sanjeev Sharma (2014) Employer branding: strategy for improving employer attractiveness:** It was found that among the students, most preferred organizational attributes were organizational culture, brand name and compensation. Students rated job portal to be the preferred channel for employer attractiveness. The study showed that there exists a significant and positive correlation between strong brand image and likelihood to apply.

**Lida Holtzhausen, Lynette Fourie (2009)** tried to study Employees' perceptions of company values and objectives and employer-employee relationships. A preliminary model was proposed indicating that non-visual corporate identity elements, especially organizational values and objectives impact on employer-employee relationships.

**Robert Sharkie (2009) Trust in leadership is vital for employee performance:** There is strong evidence that the vulnerability of employees in the employment relationship has increased the importance of trust in encouraging employee extra-role behaviour outside their legal and contractual obligation.

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## RESEARCH OBJECTIVE

- To study major variables of employer-employee relations
- To study which factors are more significant to employer-employee relationship.
- To study whether better employer employee relations have positive impact on employees or not.

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## RESEARCH METHODOLOGY

This study is conducted through primary data. A structured questionnaire was created on the basis of that data was collected from 100 employees. Various tools like Tabular Analysis, Pie Chart, Descriptive Analysis, Cross Tabulation, Chi Square, ANOVA Analysis, etc. were used. All of the analysis was done through SPSS software.

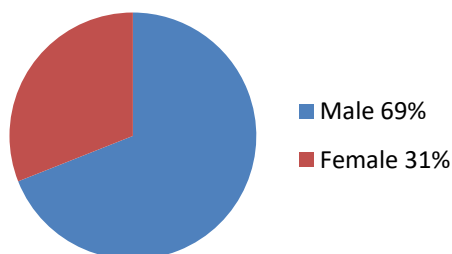
## HYPOTHESIS

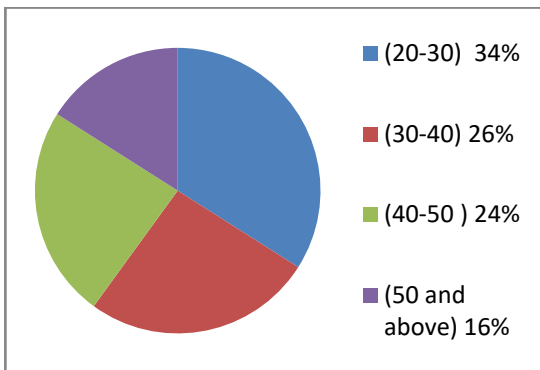
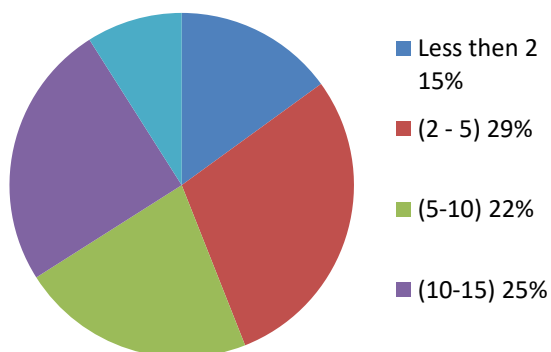
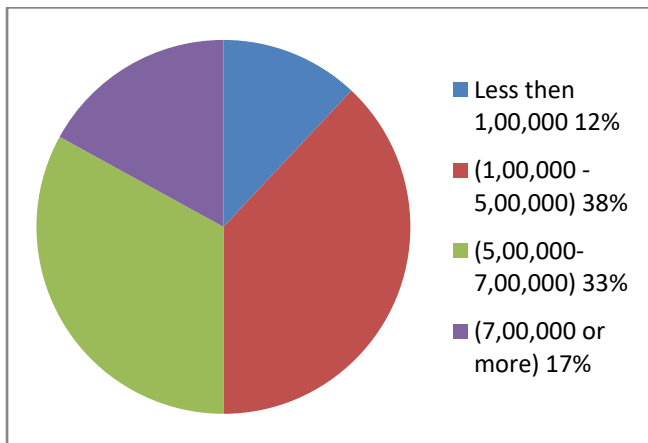
**H1:** All factors of employer employee relationship are equally significant.

**H2:** Better employer employee relationship does not have any positive impact on employees.

## DEMOGRAPHIC DETAILS OF RESPONDANTS

### Gender

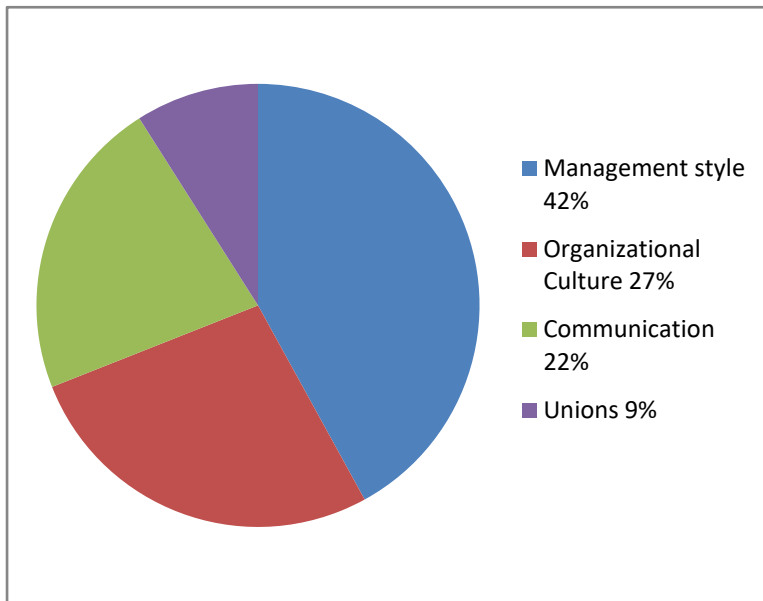


**Experience****Annual Income**

The demographic details collected from respondents have been presented in the form of various pie charts. The graphs indicate there are 69% of males working in the organization and there are only 31% females.

It can also be seen that 34% of employees fall in the age group of 20-30 years and only 16% fall under the age group 50 and above. So, it can be interpreted that that maximum staff in the company is young and very few are old.

Most of the employees has an experience of 2-5 years and a very few has an experience of less than 2 years and their annual income is between 1,00,000 – 5,00,000 for 38% employees.

**Factors that affect the most to the employee relationship in the organization according to the employees**

Most of the employees (42%) feel that management style affects the most to the employer employee relations in the organization, 27% feels that organizational culture affects the organization's employer employee relations, 22% feels that communication affects the most to employer relations and only 9% feels that unions affects employer employee relationship.

**CROSS TABULATION AND CHI SQUARE****Age\*Gender**

Crosstab				
Count				
		Gender		Total
		Male	Female	
Age	20-30	18	16	34
	30-40	19	5	24
	40-50	18	8	26
	50 <	14	2	16
Total		69	31	100

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.820 <sup>a</sup>	3	.050
Likelihood Ratio	8.087	3	.044
Linear-by-Linear Association	5.123	1	.024
N of Valid Cases	100		

The crosstabs analysis above is for two categorical variables, Age and Gender .The null hypothesis of the hypothetical study is that these variables are not associated with each other – they are independent variables. From the above tables we can see that most of the males in the company belong to the age group of 30-40 and females belong to the age group of 20-30.

The chi square test allows us to test this hypothesis.The p-value (.050) appears in the same row in the “Asymptotic Significance (2-sided)” column. The result is significant if this value is equal to or less than the designated alpha level (normally .05). In this case, the p-value is equal to the significant value so the result is significant.

#### Gender \* Factors

Crosstab						
Count						
		Factor				Total
		Management Style	Organizational Culture	Communication	Unions	
Gender	Male	12	30	6	21	69
	Female	10	12	3	6	31
Total		22	42	9	27	100

Chi-Square Tests			
	Value	DF	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.260 <sup>a</sup>	3	.353
Likelihood Ratio	3.188	3	.364
N of Valid Cases	100		

The crosstabs analysis above is for two categorical variables, Factors and Gender .The null hypothesis of the hypothetical study is that these variables are not associated with each other – they are independent variables. From the above tables we can see that both of the males as well as females in the company believe that Organizational Culture affects employee relations.

The chi square test allows us to test this hypothesis.The p-value (.353) appears in the same row in the “Asymptotic Significance (2-sided)” column. The result is significant if this value is equal to or less than the designated alpha level (normally .05). In this case, the p-value is higher to the significant value so the result is not significant.

#### DESCRIPTIVE STATISTICS

Descriptive statistics was applied to the below tables to find out which factor has the most and the least impact on the level of employer employee relationship in the company and also to find whether employer employee relationship has a positive impact on employees or not.

In the table **Mean, Standard Deviation, Skewness, and Krutosis** was found, and on the basis of all of these the final rank was given.

**Mean** is the average of a data set.

**Standard Deviation** is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance.

**Skewness** refers to a distortion or asymmetry that deviates from the symmetrical bell curve, or normal distribution, in a set of data. If the curve is shifted to the left or to the right, it is said to be skewed

**Krutosis** is a measure of the combined weight of a distribution's tails relative to the center of the distribution.

Table 1

**FACTORS OR AFFECTING THE MOST TO THE EMPLOYER EMPLOYEE RELATIONSHIP IN THE COMPANY**

Statements	SA	A	N	D	SD	Tot- al	Val id	Mean	SD	Variance	SKW	Kurtios	Ranks
Satisfaction with the level of employee relationship in the organization	36	42	20	0	2	100	100	4.1	0.859	0.737	-0.977	1.597	3rd
Managers in the organisation take time to get to know employees personally	33	41	24	1	1	100	100	4.04	0.84	0.705	-0.598	0.332	7th
Strong relationship between employers and employees affects the organisation	37	49	13	1	0	100	100	4.22	0.705	0.497	-0.516	-0.181	10th
Employees find their work engaging	40	40	17	2	1	100	100	4.16	0.849	0.722	-0.920	0.905	5th
Employee opinions count at your workplace	43	33	23	0	1	100	100	4.16	0.877	0.77	-0.787	0.284	8th
Employees feel recognised when they contribute to the organization's success.	49	37	12	2	0	100	100	4.33	0.766	0.587	-0.92	0.234	9th
Employees trust their managers to lead the organization to future success	38	45	14	2	1	100	100	4.17	0.817	0.668	-1.005	1.471	4th
Employees in the organization communicate freely	47	39	11	3	0	100	100	4.3	0.785	0.616	-0.972	0.496	6th
Good employer employee relationship reduces grievances & strikes and promotes trust & communication	39	42	15	1	3	100	100	4.13	0.917	0.842	-1.305	2.292	1st
Managers let employees know what work is expected	39	46	13	1	1	100	100	4.21	0.782	0.612	-1.035	1.869	2nd

Source: Primary Data

According to the table we can interpret that most positive response was received for the statement "Good employer employee relationship reduces grievances & strikes and promotes trust & communication?". This means that trust and communication is the most important factor affecting the level of employer employee relationship in the Company.

The statement "Strong relationship between employers and employees affects the organisation?" got the least number of positive responses. This means that even though recognition is an important factor affecting employer employee relationship, in this company it does not play a huge role.

Most of the other statements received a neutral response.

Table 2

**IMPACT OF EMPLOYER EMPLOYEE RELATIONSHIP IN THE ORGANISATION**

Source: Primary Data

STATEMENT	SA	A	N	D	SD	Total	Valid	MEAN	SD	Variance	SKW	KRUTOSIS	Rank
Better relations with superiors help employees work better	29	40	27	2	2	100	100	3.92	0.907	0.822	-0.67	0.584	2nd
Better relations with peers help employees work better	36	37	24	3	0	100	100	4.06	0.851	0.724	-0.417	-0.789	5th
Better relations with subordinates help employees work better	42	42	15	0	1	100	100	4.24	0.78	0.608	-0.972	1.539	1st
Employees feel their best when they are recognized properly in the organization	44	41	12	3	0	100	100	4.26	0.787	0.619	-0.88	0.326	3rd
Employees feel like working for more than the scheduled hours	45	28	14	11	2	100	100	4.04	1.1	1.211	-0.963	-0.055	4th

According to the table we can interpret that most positive response was received for the statement "Better relations with subordinates help you work better." This means that better relations with subordinates creates the most positive impact on the employer employee relations.

The statement "You feel like working for more than the scheduled hours" got the least number of positive responses. This means that working extra hours does not create a positive impact on employer employee relations. Most of the other statements received a neutral response.

**ANOVA ANALYSIS**

In the given tables we can see the ANOVA Analysis of 2 Likert Scales.

ANOVA is a technique used to see the significant relationship between the independent variable and dependent variable.

The significance value for ANOVA is less than or equal to 0.05.

A group of various statements and age is taken into consideration in the given two tables.

Table 1

ANOVA						
		Sum of Squares	DF	Mean Square	F	Sig
1. Satisfaction with the level of employee relationship in the organisation	Between Groups	16.186	3	5.395	9.116	.000
	Within Groups	56.814	96	.592		
	Total	73.000	99			
2. Managers in the organisation take time to get to know employees personally	Between Groups	11.912	3	3.971	6.580	.000
	Within Groups	57.928	96	.603		
	Total	69.840	99			
3. Strong relationship between employers and employees affects the organisation	Between Groups	7.338	3	2.446	5.615	.001
	Within Groups	41.822	96	.436		
	Total	49.160	99			
4. Employees find their	Between Groups	10.989	3	3.663	5.817	.001

<b>work engaging</b>	Within Groups	60.451	96	.630		
	Total	71.440	99			
<b>5. Employee opinions count at the workplace</b>	Between Groups	19.945	3	6.648	11.501	.000
	Within Groups	55.495	96	.578		
	Total	75.440	99			
<b>6. Employees feel recognised when they contribute to the organization's success.</b>	Between Groups	14.147	3	4.716	10.297	.000
	Within Groups	43.963	96	.458		
	Total	58.110	99			
<b>7. Employees trust their managers to lead the organization to future success</b>	Between Groups	9.239	3	3.080	5.199	.002
	Within Groups	56.871	96	.592		
	Total	66.110	99			
<b>8. Employees in the organization communicate freely</b>	Between Groups	11.206	3	3.735	7.202	.000
	Within Groups	49.794	96	.519		
	Total	61.000	99			

Grouping Variable: Age

From table 1 we can see that all of the statements have values less than 0.05, in the 1<sup>st</sup> statement it is 0.00, in 2<sup>nd</sup> its again 0.00, in 3<sup>rd</sup> and 4<sup>th</sup> its 0.001, in 5<sup>th</sup> and 6<sup>th</sup> its again 0.00, in 7<sup>th</sup> its 0.002 and its 0.00 in 8<sup>th</sup> so this shows that all on the statements are significant.

The statement "Satisfaction with the level of employee relationship in your organisation" has the highest sum of squares (73), their mean square between groups is 5.3 9and within groups is 0.59 and statement "Strong relationship between employers and employees affects the organisation" has the least sum of squares (49.16), the mean square between groups is 2.44 and within groups is 0.43.

Table 2

ANOVA						
Statement		Sum of Squares	DF	Mean Square	F	Sig.
<b>1. Better relations with superiors help employees work better</b>	Between Groups	1.988	3	0.663	0.802	0.496
	Within Groups	79.372	96	0.827		
	Total	81.36	99			
<b>2. Better relations with peers help employees work better</b>	Between Groups	4.748	3	1.583	2.271	0.085
	Within Groups	66.892	96	0.697		
	Total	71.64	99			
<b>3. Better relations with subordinates help employees work better</b>	Between Groups	1.06	3	0.353	0.573	0.634
	Within Groups	59.18	96	0.616		
	Total	60.24	99			
<b>4. Employees feel like giving their best when they are recognized properly in the organization</b>	Between Groups	1.638	3	0.546	0.88	0.455
	Within Groups	59.602	96	0.621		
	Total	61.24	99			
<b>5. Working for more than the scheduled hours</b>	Between Groups	11.527	3	3.842	3.406	0.021
	Within Groups	108.313	96	1.128		
	Total	119.84	99			



**Grouping Variable: Age**

From table 2 we can see that all of the statements except the statement “Working for more than the scheduled hours” has significance values more than 0.05, the 1<sup>st</sup> statement has 0.49, 2<sup>nd</sup> is 0.085, 3<sup>rd</sup> is 0.634 and 4<sup>th</sup> is 0.455 so there are all not significant and only statement 5 which is “Working for more than the scheduled hours” is significant.

The statement “Working for more than the scheduled hours” has the highest sum of squares (119.84), their mean square between groups is 3.84 and within groups is 1.12 and statement “Better relations with subordinates help employees work better” has the least sum of squares (60.24) their mean square between groups is 0.53 and within groups is 0.16.

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**CONCLUSION**

From the above study we can conclude that the level of employer employee relationship in the company is good and employees can communicate freely. Employees also trust their managers and leaders.

The employees are also satisfied with the level of relationship in the company, but they still need to build strategies to improve their relationships even further.

**SUGGESTIONS**

- Even though the level of employee relationship is good, the company should still try to make their relationships better.
- The company should increase training in the organization.
- Employees who contribute to the organization should feel recognised.
- Company should focus more on two way communications.

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