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RESEARCH ARTICLE

CRUCIAL FACTORS FOR GOOD EMPLOYEE RELATIONS: A CASE STUDY IN PUBLIC SECTORS

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ABSTRACT

Glucose The objective of this study was to understand the crucial factors that are helpful in building good employee relations, specifically in public sectors. The study determined that although the human resource function plays an important role in building strong Employee Relations in any organization measures of HR practices are not being properly implemented in state PSUs.

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INTRODUCTION

Organisations need human resources to achieve success because in today's increasingly global economy competitive advantages can only be achieved through the specialised skills and knowledge of their employees. Other resources can be managed in modern era, but it is the specialised skills and knowledge that are the major strengths of an organisation. HRM, therefore, is important for increasing productivity and efficiency within an organisation. For an organisation to improve performance, it is necessary that the complex human resources dynamic share a healthy relationship with the employees, each of whom is different and has a different working style. In the past, employees had trade unions in organisations in an effort to maintain a harmonious relationship with the organisation, but collectivism was gradually shown to be unworkable, with individual employees wanting the organisation to recognise their individual potential and contributions. Furthermore, the workforce culture involves employees from all demographics, including men, women, retired people, students and people with disabilities. These groups require varying levels and types of attention. Therefore, the industrial relation has gradually declined, giving way to a new concept known as employee relationship management. This concept involves the relationship between management and workers, between co-workers, between supervisor and subordinate or any members of management. Thus, it is essential for any organisation to have healthy relationships among its employees, supervisors, employer or peers, as these relationships motivate employees to perform at their best and enhance the productivity of the organisation. In India, where a major part of economy is shared by Public Sector Undertakings (PSUs), it is important to know the crucial factors that contribute to good Employee Relationship Management because PSUs include a large number of workforces, resulting in many human resources-related issues. The central part of Indian PSUs is large and consists of various PSUs. Madhya Pradesh has 23 PSUs that are run by the government of Madhya Pradesh (M.P.). The M.P. PSUs were established in the same period as other Central PSUs with the objective of providing basic amenities and other facilities for the welfare and betterment of the public.

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It has been revealed that although the PSUs in M.P. represent a large portion of the economy, they still neglect certain financial, managerial and other issues. HRM practices in Indian organisations are not optimal, especially in PSUs. Therefore, the operative functions, such as HRD and Human Relations, must be focused and monitored quantitatively. This study considers the HRD and Human Relation functions to determine the status of ERM through HRM functions (HRD and Human Relations) in M.P. PSUs.

METHODOLOGY

The PSUs were chosen based on a lottery system. Approximately 50 percent of the 23 PSUs were selected for the study. The 10 PSUs that were chosen had different perceptions of various ERM-related issues. Research indicates that the operative functions of HRM can lead to increased employee satisfaction. This satisfaction can be achieved if the employers provide employees with healthy conditions and a better environment. Employers should care for the needs of the employees. These needs can be identified through HRM practices, such as training, job rotation, participative management, performance appraisal and career planning, motivational measures and grievance redress for their employees. Satisfied employees can contribute more to strong employee relations. Therefore, the status of ERM can be understood by equating ERM to employee satisfaction, where the latter is taken as a proxy variable. By this method, the status of ERM in M.P. PSUs is explored in this study. To determine employee satisfaction, it was important to know the HRM operative functions. This study found that variables, such as HRD and Human Relations functions, are crucial in M.P. PSUs. Thus the status of ERM could be evaluated by measuring employee satisfaction. Various statistical tools, such as the Chi-square test, the ANOVA test and SPSS software, are used to quantitatively determine the importance of these factors. The questionnaire was prepared for and distributed to employees. The results were analysed, and the employees' collective opinions were statistically quantified through tables, graphs and charts. The results were put in tables and a question by question approach was used to analyse the results using graphs, tables, charts, MS Excel spread sheets and other statistical tools. The correlation table indicates the effect of various HRD and Human Relations

variables on employee satisfaction. Performance Appraisal was found to be negative in the 10 PSUs studied, suggesting that Performance Appraisal warrants much improvement. Motivational measures and Participative Management also showed a need for improvement.

Findings

HRD and Human Relations aspects were combined with the views of employees and the findings illustrate that several practices related to HRD, such as training, job rotation, performance appraisal, participative management and career planning, and human relations practices, such as motivational measures and grievance redress, are not satisfactory. These functions should be critically monitored and practiced to improve employee satisfaction and the status of ERM in the organisations. The detailed findings related to the questionnaire in this particular study are as follows:

HRD

Training

- Training policy is not highly effective and negatively affects employee satisfaction.
- Employees are very rarely sent for training off of the premises, implying that employees do not have sufficient opportunities to know their training competencies.
- The effectiveness of the training programme is not assessed after the training is completed; therefore, an improved training programme assessment should be implemented in the organisations. In this case, the ERM status is affected because neither the satisfaction of employees nor that of employers is high.

Job Rotation

- The results reveal that employees are not given many opportunities to fulfil different types of roles, and they would feel more satisfied if such an opportunity were provided. PSUs should implement the policy of job rotation for better employee satisfaction.
- The employees are of the view that employers make little effort to make work more interesting and effective, which can help to motivate employees. Thus, job rotation will improve employee satisfaction if implemented.

Participative Management

- The results reveal that employees feel that the organisation cares little for their needs and those of their families once their yearly objectives are achieved
- Organisations make little effort to understand the problems and suggestions related to their job. It is therefore suggested that employees and employers make efforts to better know each other. Participative management should be implemented to improve employee satisfaction.
- Employees feel satisfied when they are given an opportunity to participate in different activities and in framing the policies of the organisation. Thus participative management helps to increase employee satisfaction.

Performance Appraisal

- Variable pay incentives can improve employee motivation because deserving employees will not feel unmotivated.
- Employees feel more motivated if a policy of variable pay performance is implemented in the organisation.
- Governmental pay scales and DAs are not appropriate to motivate employees, which mean that performance cannot be properly represented according to the scales given to the employees. A change in the performance appraisal system is necessary for increased employee satisfaction.

Career Planning and Development

- Career advancement policies are not highly effective in motivating employees and the satisfaction level is not very high in case of Career Advancement policies.
- Promotion policies are not sufficient to motivate employees, and they are not satisfied with career advancement policy, making them less able to plan their careers.
- Employees are also of the view that there are insufficient promotion opportunities in the organisation and are therefore not motivated to plan their careers.

Human Relations

Motivational Measures

- The results reveal that employees do not feel that their day-to-day work is interesting, and they are, therefore, not satisfied with their work
- The results reveal that human relations measures can enhance employee motivation. Monetary gains were shown to be very important for employees, although some employees feel that non-monetary gains are also important for employee motivation.

Grievance Redress

- The grievance redress system is not highly effective in addressing complaints. If grievances are redressed, it definitely helps to improve the ERM status in the organisation. Therefore, human relations should be improved in the organisations to improve employee motivation.
- Unions had always been successful in building human relations, and employees working in PSUs feel that ERM status could be improved if unions are formed.

Conclusions

The study concludes that if the HRM functions, such as HRD and Human Relations are critically monitored and improved, it would improve the status of ERM in the organisations by increasing employee satisfaction. These operative functions are crucial and can improve productivity within an organisation.

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