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A Study on Employer and Employee Relationship

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Abstract - This paper investigates the job satisfaction in relation to managerial attitudes towards employees and firm size using the linked employer-employee survey results in Britain. We first investigate the management-employee relationships and the firm size using maximum likelihood profit estimation. Next various measures of job satisfaction are related to the management-employee relations via maximum likelihood ordered probit estimates. Four measures of job satisfaction that have not been used often are considered. They are satisfaction with influence over job; satisfaction with amount of pay; satisfaction with sense of achievement and satisfaction with respect from supervisors. Main findings indicate that management-employee relationships are less satisfactory in the large firms than in the small firms. Job satisfaction levels are lower in large firms. Less satisfactory management employee relationships in the large firms may be a major source of the observed lower level of job satisfaction in them. These results have important policy implications from the point of view of the firm management while achieving the aims of their organizations in particular in the large firms in the area of management-employee relationships. Improving the management-employee relations in large firms will increase employee satisfaction in many respects as well as increase productivity and reduce turnover. The nature of the management-employee relations with firm size and job satisfaction has not been investigated before.

Index Terms: Employee, Employer, Satisfaction.

INTRODUCTION

Business owners wishing to compete at a world-class level must understand the human side of their organisation and business processes. According to Jansen et al. (2013: 192-216), they must be social architects who can work across levels and functions of the organisation, continuously improving the business process and fostering an atmosphere favourable for innovation, risk-taking, self-directed teamwork, commitment, quality and self-improvement. To survive and grow in the twenty-first century, entrepreneurs must learn and use appropriate human skills to motivate and inspire all those involved in their business (McDermott and Conway 2013: 289). Various sources including Accuff and Wood (2004), Browne and Keeley (2009), Donaldson and O’Toole (2007), Ford et al. (2003), and Selmer and Travis (2013) have suggested that without strong relationships, it becomes impossible to be successful as a business owner. These studies express the opinion that business owners need to have long-term customer and employee relationships that will carry them through challenging and difficult times, as well as relationships with other business owners, to share struggles, resources and best practices, which can really give them an edge. Relationships are complex but research from Anderson and Kerr (2002), Boxall (2013), Hartline and Bejou (2004), and Alcarzar et al. (2013) suggest that they can be managed. Jackson (2009) concluded that the reality about business relationships is that they are just like any other relationship; they require lots of effort to maintain and they must be mutually beneficial to all the stakeholders. Jackson emphasised that as in any business relationship, a business owner must be willing to give, share and support, not just take or receive.

OBJECTIVES

This study was developed with the intention to: Ø Highlight the critical role played by positive employer-employee relationships towards business success; Ø Discuss interpersonal skills as the basis for establishing and maintaining relationships; Ø Discuss the role played by job satisfaction on employer-employee relationships; Ø Assess the nature of the relationship between businesses and their employees in a targeted community in the Western Cape Province of South Africa and discuss the role this relationship contributes to the success of SMMEs in the community.
LITERATURE REVIEW

The relationship between the employer and the employee is important, therefore business owners need to pay attention to this relationship if they want their businesses to grow and succeed (Bhattacharya et al. 2012). There are a number of employee retention strategies that business owners can utilise in order to maintain the good relationship they have with the employees. Several sources including Kleinaltenkamp and Ehret (2006), Strohmeier (2013), and Yan and Stafford (2011) outline relationship strategies targeted at workers might include amongst others motivating, providing incentives, delegating important responsibilities, being open and transparent, team building, and so on. Burns (2012: 186-196) declared that good employer-employee relations are essential for different reasons. These reasons might include: ◆ Employees who are inspired to work produce better and more results. ◆ The level of competency of the staff increases because of their drive to become better. ◆ Customer service is improved because employees who have good relations with their employer are usually viewed as good customer consultants. Institute of Leadership and Management (2007) outlines a number of issues that can cause the downfall of the employer-employee relationship. Some of the issues include

THE HIGH RATE OF INFLATION

The increment of the inflation rate in an economy results in an increased standard of living (Berument et al. 2011: 149). When this happens, workers start to demand higher salaries to complement the increased cost of living. This situation possesses the potential for the breakdown of the employer-employee relationship.

LACK OF TRUST AND RESPECT

According to Hunt et al. (2009: 71-77) trust and respect are earned by an employer through open communication, consistent feedback and delegation of responsibilities to the staff. An employer who fails to abide by these elements of trust and respect will eventually also put a negative strain on the relationship.

GLOBALISATION

Globalisation provides the platform for changes in work processes, management style, and technology (Spence 2011: 28). Business owners should always monitor the global economy to ensure they are up to date with current global trends of relationship management. A business that fails to do so is faced with the potential of losing their workforce.

LABOUR LAWS

Labour laws were designed by the South Africa government to protect workers against unfair treatment by their employers (Cazes et al. 2012). Every employee eventually becomes aware of these. It is important for the employer to ensure that they comply with these laws or face penalties and a demise of the relationship they have with the staff. Daft and Marcic (2010) advise business owners to never allow a negative relationship to exist between themselves and their staff. If this happens, the productivity levels of the organisation decrease. The employees are the ones who have direct contact with the customers and go an extra mile to be helpful. When they are happy, a good relationship between themselves and the customer is created and maintained. When they are unhappy these employees often direct their unhappiness at the customers.

Interpersonal Skills as the Basis for Building and Maintaining Relationships

To build strong relationships in the workplace, business owners need to develop their interpersonal skills. According to Nkosi et al. (2013: 10-20), interpersonal skills will make it easier for the business owners to manage relationships and succeed in business. Some of the interpersonal skills include:

I. The ability to understand other people’s behaviours and interpret them correctly (Gilley 2006: 5). The business owners must aim to recognise and correctly interpret the feelings, thinking, and behaviour of another person. Gilley states that this is done in an effort to discover their fears, failures, successes and actions.
II. The ability to manage impressions and present oneself competently to others (Chiaburu and Stoverink 2013). Success in business today depends on building successful relationships. Knowing how to present yourself professionally gives you a powerful edge over the competition. Business owners must have a combination of confidence, competence, attitude, manners, and communication. These are enhanced by a polished executive image; knowing what to do, how and when to do it.

III. The ability to communicate and get your message across (Jones and Sinnett 2011). Good communication skills will enable business owners to convey important information. They should never be tongue tied, know what to say, and say it.

IV. The ability to persuade others and influence their behaviours, attitudes, opinions and beliefs (Kehoe and Wright 2013). Business owners are encouraged to use the authority and systems they have in their organisation to persuade and influence staff to work efficiently and effectively to ensure that the organisational goals are met and good relationships are maintained.

V. The ability to use power (Pfeffer 2009). Business owners must use the power they have to influence staff but must not act in an intimidating manner.

JOB SATISFACTION

Job satisfaction has been outlined as a difficult entity to define even in simplistic operational terms. Schults and Schults (2002) referred to job satisfaction as the positive feelings and attitudes employees hold about their jobs. This depended on many work-related factors, ranging from the sense of fulfilment workers get on their daily tasks and many more. Yang et al. (2011) states that personnel factors can also affect job satisfaction. These factors include age, health, and length of job experience, emotional stability, social status, family and other social relationships. Their motivations and aspirations and how well these are satisfied by their work also affect their attitudes towards their jobs. Daft and Marcic (2010) describe job satisfaction as an accurate indicator of good relationships between the employer and the employees. This is because a satisfied worker usually has good relationships with the employer. Previous research from Jeon and Choi (2012) pointed out that employees who were happy with their jobs are the most likely to satisfy customers and manage good relationships with them.

This may suggest that treating employees well puts them in a better frame of mind to treat customers well. Lusch and Vargo (2006) were of the opinion that customer service and employee satisfaction were closely related to each other. Customers, for example expect outstanding customer service. Employees want recognition and compensation that relate to the achievement of customer service goals. Customers want to deal with knowledgeable customer-contact personnel who can make decisions. Employees want to be led, inspired and recognised.

This study encourages business owners to continuously make efforts to satisfy their employees as they are the ones who contribute the most to production, sales and customer satisfaction. The owners should make efforts to understand what satisfies their staff and continuously check whether the business processes and management are in line with what the employees want. The owners must find their own method to measure job satisfaction either by having one on one session with staff, distribution of questionnaires, and so on. As far back as 1989, Bennet stated that job satisfaction was not easy to measure because there was no standard measurement criterion for business owners. Some firms issue questionnaires to employees asking them to list in rank order the tasks that they find particularly boring and/ or unpleasant.

Equally, employees might be invited to comment on the working conditions they regard as most attractive (security, good working conditions, responsibility, control over work, etc.). Results from such surveys may help in providing to the employees what they need in the organisation in order to be satisfied. The factors that affect job satisfaction vary from one worker to another and from day to day, but include the following: ⚫ The nature of the work (the tasks involved, and the interest and challenge the job generates). ⚫ The level of compensation ⚫ The perceived fairness of the promotion system within a company

RESEARCH METHODOLOGY

A quantitative approach was followed for this research. Houser and Osman (2010: 75) defined a quantitative approach as a formal, objective, systematic process to describe, test relationships and examine cause and effect interactions among variables. Houser and Osman further declare that quantitative research focuses on gathering numerical data and generalising it across groups of people. The researchers conducted a survey in an attempt to
collect data from a sample of participants drawn from a larger population through the use of standardized questionnaires which were carefully constructed and developed to ensure that they would gather the desired information. Dewitt and Hernandez (2003:136) state that surveys of this kind aim to paint an accurate picture of the phenomenon under investigation. This is because the results of surveys are representative of the population within a certain degree of error. To measure the role played by business relationships towards the growth of businesses, the researcher divided the survey into two sections.

LIMITATIONS

The major limitations that confronted the research were: 
Œ Some of the staff members were not comfortable in completing the questionnaire in the business premises, so they requested the researcher to meet them elsewhere. These employees feared that their anonymity was compromised, despite the fact that their confidentiality was guaranteed. 
Œ There were carelessly completed questionnaires which resulted in some missing or unclear values. 
Œ Some staff members in senior positions of the businesses in the uptown area were unavailable to complete the questionnaires and so a large majority of the participating employees represent lower level employees. This limited the researchers from obtaining responses from different ranks of the businesses. 
Œ There were some language and literacy problems for some employees as they were not able to read and understand English properly. The researchers had to give clear instructions to these participants in their language of choice and then completed the questionnaire for those who could not write. This procedure was time consuming. 
Œ Only 20 businesses from the selected ones showed interest to take part in the research.

CONCLUSION

In this study business owners are advised to never allow a negative relationship to exist between themselves and their staff. If this happens, the productivity levels of the organization will decrease. The employees are the ones who have direct contact with the customers and go the extra mile to be helpful. When they are happy, a good relationship between them and the customer is created and maintained. When they are unhappy these employees often direct their unhappiness towards the customers. This study highlighted the critical role played by positive employer-employee relationships towards business success. Various sources suggested that without strong relationships, it becomes impossible to be successful as a business owner. Business owners need to have longterm and employee relationships that will carry them through challenging and difficult times, as well as relationships with other business owners, to share struggles, resources and best practices, which can really give them an edge. Business owners who want to compete at a worldclass level should understand the human side of their organisation and business processes. They must be social architects who can work across levels and functions of the organisation, continuously improving the business process and fostering an atmosphere favourable to innovation, risk-taking, self-directed teamwork, commitment, quality and self-improvement. To survive and grow in the twenty-first century, business owners must learn and use appropriate human skills to motivate and inspire all those.

REFERENCES
