

Project Report On

(ROLES OF EMPLOYEE RELATION MANAGEMENT IN HDB FINANCIAL SERVICES)

Submitted by

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Project Guidance by

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Certificate

This is to certify that (**SAILY RAVINDRA DESAI**) has worked and duly completed her Project Work for the degree of Master in Commerce under the Faculty of Commerce in the subject of (**MANAGEMENT OF BUSINESS RELATION**) and her project is entitled, (**ROLES OF EMPLOYEE RELATION MANAGEMENT IN HDB FINANCIAL SERVICES**) under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her own work and facts reported by her personal findings and investigations.

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Declaration by learner

I, the undersigned (**SAILY RAVINDRA DESAI**) declare that the work embodied in this project work hereby, titled (**ROLES OF EMPLOYEE RELATION MANAGEMENT IN HDB FINANCIAL SERVICES**), forms my own contribution to the research work carried out under the guidance of (**DR SUSHMA PATIL**) is a result of my own research work and has not been previously submitted to any other University for any other Degree to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

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Acknowledgment

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Signature of the Student

(SAILY RAVINDRA DESAI)

INTRODUCTION TO ROLE OF EMPLOYEE

RELATION MANAGEMENT IN HDB FINANCIAL

SERVICES

Employee relationship management (ERM)^[1] is considered to be a specific field of Human Resource Management. ERM is the process of adopting controlling methods and practices to regulate employee relations. One of the main goals associated with employee relationship management focuses on establishing and retaining productive relationships of employees within a company.

A big component of ERM is effective organizational communication. This leads to the increase of employee confidence, trust and loyalty. By effectively managing relationships, a company can determine whether or not a company's objectives are being met.

Employee relationship management has focused on enabling employees to collaborate on typical managerial tasks with their employers. By engaging inputs from both sides of the employment relationship, ERM platforms aim to align the interests of both parties, worker and employer, and inform day-to-day business functions under a streamlined workflow.

Employees are the major assets of an organization. It is essential that the employees perform together as a collective unit and contribute equally towards the realization of a common goal. No task can be accomplished if the individuals are engaged in constant conflicts and misunderstandings. It has been observed that targets are achieved at a much Management is nothing but a technique which brings people together on a common platform and guides them so that they achieve their desired targets without fighting with each other. In a layman's language, management is nothing but managing things effectively so that tasks are accomplished without any hassles and confusions. Management is required everywhere.

Every individual goes for shopping. The moment you enter in an outlet, a sales person would come to you and assist you in your shopping. He would try his level best to convince you and guide you in selecting an outfit according to your taste as well as budget. The moment you finalize something, you automatically would be directed to the billing section for the monetary transactions. Your shopping basket in no time would reach the packing area where the officials would nicely put the outfits in a smart carry bag flaunting the logo of the store. Finally there would be a supervisor who would recheck your bill and thank you for your valuable time.

How do you think such a smooth coordination is possible? Not a single moment, there was any confusion. All this is possible through management. Everything was well managed and organized effectively to avoid confusions and meet the ultimate objective of the store ie selling the product as well as making the customer happy.

Employee relationship management is an art which effectively monitors and manages the relation between individuals either of the same team or from different teams. Employee relationship management activity helps in strengthening the bond among the employees and ensures that each one is contented and enjoys a healthy relation with each other.

Employee relationship management includes various activities undertaken by the superiors or the management to develop a healthy relation among the employees and extract the best out of each team member.



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Let us go through certain activities which are imperative for a healthy employee relationship management:

- **Transparency in communication is of utmost importance for a healthy employee relationship management.** A single point of contact must be assigned who should be made responsible for handling queries of all the team members and escalating it to the seniors. Confusions are bound to arise if all of them would walk up to their superiors with their problems. Let the team members decide their SPOC. In such cases employees actually know who to get in touch with in case of a query and in the absence of their superiors. The hierarchy should not be too complicated and every employee should be accessible to each other. Important information must be passed on in the presence of all, where everyone has the liberty to express his opinions freely. Important information can also be put on the notice boards for everyone to read and get a common picture. If any one has performed exceptionally well, do display his name on the bulletin board. Let everyone read it and get inspired to perform better

next time. Encourage morning meetings where individuals can come together and know each other well. Exchanging information through emails is also an important way to improve the relation among the employees as everyone knows what is being communicated to the other individual.

- **Encourage group activities at the workplace.** Motivate individuals to work together probably in a group so that the comfort level increases. The more they talk, the more they get to know each other. Give them a target, a deadline and ask them to take each other's help and reach to a conclusion. They would definitely come closer this way and start trusting each other more.

An individual spends the maximum time at his workplace and one should treat his team members as a part of one's extended family. It is important to celebrate festivals at organization, the same way we do at our homes. Celebrate each other's birthday and do ask for treats. Such informal get together go a long way in improving the relation among the employees. Individuals come together, enjoy together and come to know lot many things which actually they don't bother to find out during the normal working hours. Families must also be invited for a better bonding. The team leaders must ask their team members to take their lunch together so that they discuss other things apart from their daily work.

- **Assign challenging work to your team members so that they feel motivated to deliver their level best.** Do not assign something which they do not find interesting. The responsibilities must be divided equally among the team members and no employee should be overburdened. Every employee should be aware of his key responsibility areas to avoid confusions. No way should the work get monotonous.
- **The concept of workstations and cubicles must be promoted rather than closed cabins.** People sitting in closed cabins tend to get cut off from rest of the employees in the organization and are generally lost in their own sweet world. They would enter their cabins in the morning and come out in the evening and thus sometimes even don't get the opportunity to exchange greetings with their fellow workers. People sitting in workstations tend to talk to each other more often even in between work and thus relationship improves. One can even walk up to the other's desk to have a brief chit chat in order to take a small break and feel relaxed. Employees sitting together discuss many things and even share their secrets, thus the trust increases. It is commonly observed that if any of your colleagues sitting next to you is on leave for some days, you start missing him.
- **The employees must be motivated to avoid politics and blame games at work.** Such activities are considered highly unproductive and spoil the relationship among the employees. Backbiting is a strict no no at the workplace. Avoid getting into unnecessary controversies and useless criticism at work. Respect your team members as well as your superiors. It is important that one trusts his management rather than unnecessarily cribbing and finding faults. Avoid conflicts and try to adjust with each other. It is okay to be friends with your colleagues but don't have unrealistic expectations from anyone.

Last but not the least **the superiors or the team leaders must not act pricy and try to dominate their team members**. The “Hitler approach” does not work now a days. No one should be afraid of his boss, instead treat him as his well-wisher and mentor who is always there to support him. The employees must be able to fall back on their team leader anytime. The team leader must understand the needs and expectations of his employees and should not be too harsh to them. If they want a leave for a genuine reason, do grant them. Don’t be after their life if you find them chatting with their family or friends over the phone once in a while or log on to any social networking site. These things are natural but make sure the work does not suffer.

- **Partialities must be avoided for a better employee relationship.** Treat everyone as one and every individual must respect each other’s privacy. There is a limit to everything and thus over indulgence in each other’s work, too much of a friendly nature should be avoided.

OBJECTIVES OF EMPLOYEE RELATION

MANAGEMENT IN HDB FINICIAL SERVICES

Some of the major objectives of employee relations are as follows:

1. To develop and maintain harmonious relations between management and labour so essential for higher productivity of labour and industrial progress in the country.
2. To safeguard the interests of labour as well as management by securing the highest level of mutual understanding and goodwill between all sections in industry.
3. To establish and maintain industrial democracy based on the participation of labour in the management and gains of industry, so that the personality of every individual is fully recognised and developed.
4. To avoid all forms of industrial conflict so as to ensure industrial peace by providing better working and living standards to workers.
5. To raise productivity in an era of full employment by reducing the tendency of higher labour turnover and absenteeism.
6. To bring about Government control over such industrial units which are running at losses for protecting employment or where production needs to be regulated in public interest.
7. To ensure a healthy and balanced social order through recognition of human rights in industry and adaptation of complex social relationships to the advancements of technology.

Clarity

Developing policies that present company information, such as the proper way to submit a time card and the list of employee benefits, helps to create clarity between the company and staff. When employees understand what management expects and how to work within the structure of the company, then the workplace becomes more efficient. Creating confusion by not relating important information to employees can lead to a drop in productivity and increased turnover among the staff.

Employee Retention

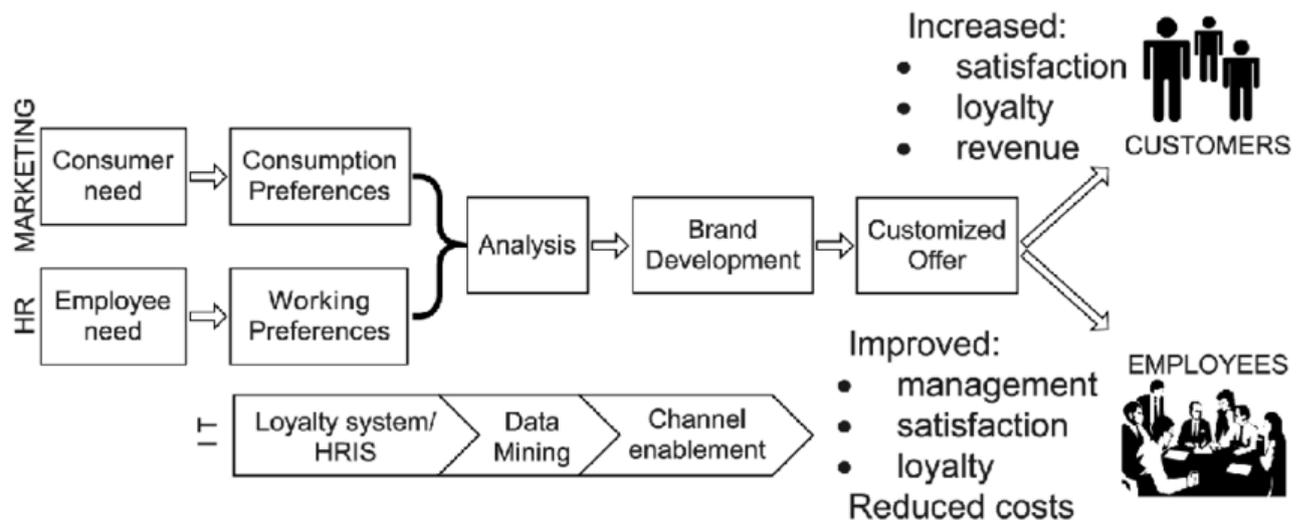
A focus on employee relations creates a corporate culture, and corporate policies that focus on these relations help to increase employee retention. Company turnover costs money in recruiting new employees, training new employees and getting new employees up to speed quickly. By developing policies that address employees' needs and help to make the staff feel respected, it is less likely that the company will experience elevated levels of turnover. Some examples of employee relations policies that help with employee retention include unpaid leave, health benefits with counseling options and a retirement program.

Legal Issues

The federal, state and local governments have laws regarding employment and treatment of employees. Some potential legal issues include discrimination in the workplace and harassment. The employee policy manual outlines what the company's policy is on all of these legal issues, the best ways for employees to report violations and the penalties involved for people who violate company rules or mandated laws. The objective of employee relations in this instance is to create a legal framework that protects the company and employees while creating a productive workplace.

Company Growth

Employee relations activities include annual employee reviews and the ongoing development of employees through training and managerial guidance. When the company and employees work together on developing employee careers, the employees benefit from a clear path to promotion and advancement in the company. The company benefits because future management candidates are identified, and the necessary resources can be applied to training those employees that will guide the future success of the company.



Source: Dorgan (2003)

Employee Relationship Management (ERM)

ERM is a relatively new concept; a general definition hence understands ERM as strategy, programs and technology to effectively manage how firms relate to prospective, current and former employees. There are many similarities to customer relationship management (CRM), which is understandable since the notion of ERM has been derived from that concept (Lagergren & Andersson, 2013). Employee Relationship is defined as a relationship between employer or the representative manager and employees, aimed towards maintaining commitment morale and trust so as to create productive and secure workplace environment (Bajaj et al., 2013). ERM can be defined as a specific field of human resource management (Yongcai, 2010). It is the process of adopting various controlling methods and practices to regulate the relations between company vs. staff and employee vs. employee, and enables the company to achieve its goals (Jing, 2013). ERM is a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organization (Oluchi, 2013). ERM is a dynamic process of managing the relationship between knowledge worker and corporation such that knowledge workers elect to continue a mutually beneficial exchange of intellectual assets for compensation in a way that provides value to the corporation (Bergeron, 2003). ERM is all about effective organizational communications, which can build employee confidence, trust and loyalty, enabling managements to realize the potential of the skills and knowledge within the organization.. (Rai & Pareek, 2012).

ERM Components

HR Practices

HR Practices is crucial function of Human Resource Management which can bring change status of ERM in the organization as this function could be quantified and resulted in

statistical data to prove its importance in enhancing ERM status in the organization. Hence improved quality and productivity linked to motivation can be achieved through Training, Job rotation, Job Satisfaction, Participative Management, Performance Appraisal, Career planning and development. This will definitely improve ERM status in the organization. This makes employees more satisfied and can improve employee's performance in the organization (Sinha & Bajaj, 2013).

Trust

Trust is a critical variable influencing the performance, effectiveness, and efficiency of the organization (Dirks & Ferrin, 2002). Trust is considered one of the most influential variables on organizational performance. Trust may grow, decline, or even remerge over the course of a relationship. A majority of researchers posit trust as consisting of two elements; integrity and reliability. In employee employer relationship trust is the level of reliance one can place upon the information received from another person and confidence in the relationship partner. As such, trust is a key relationship element. (Herington et al., 2009). If employees do not trust their managers, the flow of upward communication will be compromised (or simply will not happen); likewise, if managers do not trust the employees who work for them, the downward flow of communication will be negatively affected (Daniel, 2003).

Communication

Communication is important in organization. It serves as the coordination link between people and organizational functions. Ongoing, frequent two way communication is one of the most important components of a comprehensive employee relations strategy (Daniel, 2003). Communication with employees strengthens their identification with the institution and creates institutional solidarity due to trust among employees or between different departments (Chinomona & Sandada, 2013). Communication allows interaction among team members and this can happen in various ways that consist of face-to-face meetings, telephone, e-mails and others. Communication in the organization is important because employees well informed in order to perform well and share ideas with their colleagues (Noordin et al., 2010).

Leadership Style

Leadership is considered a factor that has a major influence on the performance of organizations, managers and employees (Wang et al., 2005). Leadership style, often called 'management style', describes the approach managers use to deal with people in their teams.

Shared Goals and Value

In the business context, a goal is most commonly viewed as something that a firm "values" and the extent to which employee's value the same goal provides a sharing of something of value between employees and the firm. Shared values is defined as the extent to which partners have beliefs in common about what behaviors, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong (Herington et al., 2009). The

essence of a shared goal is that it is a reflection of connection among employees and management towards an important undertaking (Kantabutra & Avery, 2009). Sharing common goals enables employees to direct their efforts to the achievement of that particular goal, but for that to happen there should be interdependence and collaboration among employees. Sharing common goals can positively impact on employee performance and organizational outcomes (Chinomona & Sandada, 2013).

Employees Performance

Effective people resourcing includes not only the acquisition of the suitable amount and excellence of people, but also the management of employees to guarantee that the recital is continually reviewed and at a level which is steady with the achievement of organizational objectives. Employees should know what is expected, not just in terms of duties and responsibilities but also in standards of performance (Pilbeam & Corbridge, 2002). The concept of performance covers both what has been achieved and how it has been achieved. Firm performance can be measured in a number of different ways. The most obvious way to measure what has been achieved, and the approach used in many studies, is by reference to key performance indicators (KPIs), which are usually to do with financial results (profitability) or productivity (Armstrong, 2009, p. 136). Many organizations feel that their people can provide a competitive advantage, and therefore their people contribute to the organization's performance. Employee performance has been shown to have a significant positive effect on organizational performance (Hayward, 2005). Employee performance may be taken in the perspective of three factors like declarative knowledge, procedural knowledge and motivation which makes possible to perform better than others (Ahmad & Shahzad, 2011). Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure (Sonnentag & Frese, 2005). Managing employee's performance is necessary for achieving goals that an organization has for itself. Assessing an employee's competency and measuring his productivity is essential in the overall plan of the organization. Better performance of each employee creates immense outcomes which mainly include congruence among employees, quality production and commitment at work place (Sarmad et al., 2011)



Unit 20 Employee Relations Assignment - Puma

IMPORTANCE OF EMPLOYEE RELATION

MANAGEMENT IN HDB FINANCIAL SERVICES

Every individual at the workplace shares a certain relationship with his fellow workers. Human beings are not machines who can start working just at the push of a mere button. They need people to talk to, discuss ideas with each other and share their happiness and sorrows. An individual cannot work on his own, he needs people around. If the organization is all empty, you will not feel like sitting there and working. An isolated environment demotivates an individual and spreads negativity around. It is essential that people are comfortable with each other and work together as a single unit towards a common goal.

It is important that employees share a healthy relation with each other at the work place. Let us find out why employee relations are important in an organization:

- **There are several issues on which an individual cannot take decisions alone.** He needs the guidance and advice of others as well. Sometimes we might miss out on important points, but our fellow workers may come out with a brilliant idea which would help us to achieve our targets at a much faster rate. Before implementing any plan, the pros and cons must be evaluated on an open forum where every employee has the right to express his opinions freely. On your own, you will never come to know where you are going wrong, you need people who can act as critic and correct you wherever you are wrong. If you do not enjoy a good relation with others no one will ever come to help you.

- **Work becomes easy if it is shared among all.** A healthy relation with your fellow workers would ease the work load on you and in turn increases your productivity. One cannot do everything on his own. Responsibilities must be divided among team members to accomplish the assigned tasks within the stipulated time frame. If you have a good rapport with your colleagues, he will always be eager to assist you in your assignments making your work easier.
- **The organization becomes a happy place to work if the employees work together as a family.** An individual tends to lose focus and concentration if his mind is always clouded with unnecessary tensions and stress. It has been observed that if people talk and discuss things with each other, tensions automatically evaporate and one feels better. Learn to trust others, you will feel relaxed. One doesn't feel like going to office if he is not in talking terms with the person sitting next to him. An individual spends around 8-9 hours in a day at his workplace and practically it is not possible that one works non stop without a break. You should have people with whom you can share your lunch, discuss movies or go out for a stroll once in a while. If you fight with everyone, no one will speak to you and you will be left all alone. It is important to respect others to expect the same from them.
- **An individual feels motivated in the company of others whom he can trust and fall back on whenever needed.** One feels secure and confident and thus delivers his best. It is okay if you share your secrets with your colleagues but you should know where to draw the line. A sense of trust is important.
- **Healthy employee relations also discourage conflicts and fights among individuals.** People tend to adjust more and stop finding faults in each other. Individuals don't waste their time in meaningless conflicts and disputes, rather concentrate on their work and strive hard to perform better. They start treating each other as friends and try their level best to compromise and make everyone happy.
- **A healthy employee relation reduces the problem of absenteeism at the work place.** Individuals are more serious towards their work and feel like coming to office daily. They do not take frequent leaves and start enjoying their work. Employees stop complaining against each other and give their best
- **It is wise to share a warm relation with your fellow workers, because you never know when you need them.** You may need them any time. They would come to your help only when you are nice to them. You might need leaves for some personal reasons; you must have a trusted colleague who can handle the work on your behalf. Moreover healthy employee relations also spread positivity around.

It is essential that employees are comfortable with each other for better focus and concentration, lesser conflicts and increased productivity.

Companies with good employee relationships enjoy many benefits. In general, it is easier for them to **engage, motivate, understand and keep their employees.**

Here are just a few benefits of building a positive employee relations workplace.

Employee engagement

According to research about employee engagement, 90% of leaders understand how important employee engagement is. However, only 50% of them know how to address this issue.

Here, employee relations play a crucial role. It has been proven that companies with better employee communications have much higher rates of employee engagement

Here few tips to improve employee communications to drive better employee engagement include:

- Share, review and update employee expectations.
- Encourage open communication to identify obstacles and issues.
- Don't neglect consistent feedback and recognition.
- Encourage discussion and sharing of thoughts.

Employee satisfaction

Employee engagement is often related to employee satisfaction. Less engaged employees are less satisfied. Poor employee relations can be one of the main causes for that.

Moreover, 65% of US employees say that communications by their employer impacts job satisfaction. 45% of them say that their employer does not do a good job communicating with employees.

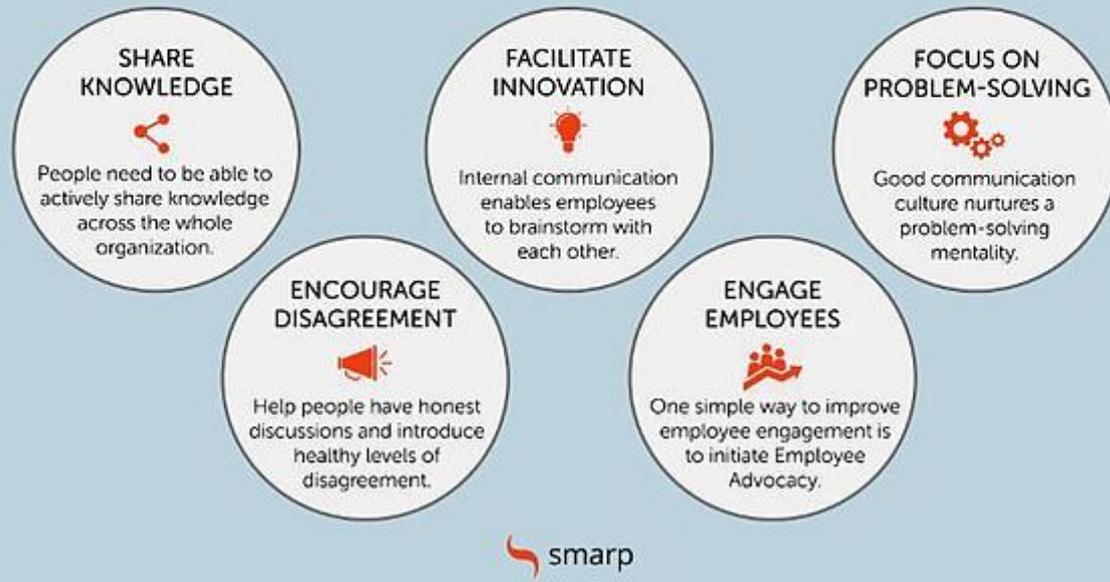
Employee productivity

Employee satisfaction and engagement boost employee productivity. Companies with well structured employee relations enjoy higher productivity, revenues and profits. Moreover, organizations with highly engaged employees have an average 3-year revenue growth that is 2.3 times greater than companies with less engaged teams.

If your employees know exactly what their goals are and if you give them constant feedback on their work, they will work harder towards achieving their goals.

Check out these 5 tips to improve employee productivity with better communications.

5 WAYS TO BOOST DIGITAL WORKPLACE PRODUCTIVITY WITH INTERNAL COMMUNICATIONS



Employee retention

High employee turnover is one of the biggest problems companies face today. The cost of an employee leaving is significant. Therefore, many employees try to avoid that expense. Employee retention can be improved in many ways. Employee relations is one of them. Employees who feel like they don't know what is going on in the company feel frustrated and isolated. As a result, they feel insecure and often consider new job opportunities.

Employee advocacy

Employee advocacy is a benefit many companies are trying to achieve. The ability to reach employees' connections and use your company's social capital to its full potential can have a big impact on the company's visibility, brand awareness and productivity.

In order to achieve employee advocacy, employers have to be ready to improve employee relations. They need to keep employees in the loop and share important content them.

Employee experience

Similar to employee satisfaction, good employee experience is one of the biggest proofs of a healthy workplace culture. To deliver a good employee experience, employers need to be

ready to improve the way they communicate with employees. Open and transparent communication helps employees feel involved which often leads to higher employee engagement.

In contrast, poor employee communications lead to insecurity, lack of engagement and honesty in the workplace.

Employee empowerment

Millennials and younger generations want to be involved in many aspects of a business. They want to have a certain level of decision-making power.

This is called employee empowerment. It involves giving employees responsibility and autonomy to manage their own work and make decisions to achieve their own goals.

In order to empower your employees, you need to have a good employee relations and communications strategy.

For employees to feel empowered, they need to understand clearly what your company's mission and vision are. Also, they have to be able to understand how their work contributes to the overall business success.

Trust is crucial for successful employee empowerment. Managers who trust their employees and communicate company's strategy and goals regularly, often have no problems giving more power to their employees.

The very first step towards planning and implementing a successful employee relations strategy is to have a set of clearly written policies.

Employee relations policies should describe the employer's philosophy, rules, and procedures for handling employee-related matters and resolving issues in the workplace.

In addition, it is important to understand that employee relations programs are not a one-size-fits-all solutions.

What works in a company with 100 employees in the United States, may not work for a company of 5000 employees in China. In other words, employee relations programs vary based on company size, location, industry, culture and many other factors.

However, there are a few characteristics of every good employee relations plan:

- Help employees understand your mission and vision
- Show them how their job aligns with your mission and vision
- Communicate with employees frequently
- Give employees feedback
- Reward them for good work

Employee relations: key points

- Area within HRM that has seen most change in past 30 years
- Shift from *collective industrial relations* to *individual employee relations*
- Importance of *Frames of Reference* – *unitarist, pluralist, radical*
- Decline of *industrial pluralism* and rising importance of *sophisticated unitarism*
- Traditional focus on a 'system' of industrial or employee relations still retains value as a means of accounting for change

SCOPE OF EMPLOYEE RELATION MANGMENT IN **HDB FINANCIAL SERVICES**

1. Community Relations:

A business should be seen as a responsible citizen of the community it operates in. A comprehensive community relation programme should focus on building a respectable image for the company in the community in the long run. Many organizations implement educational and health related programmes for improving quality of life of the community members. Such activities help to build their reputation along with benefiting the society.

2 . Employee Relations:

Employees are the most valuable assets of the company and the organization had to create employee goodwill for maintaining a loyal workforce. Loyal employees are more productive and interested in the well-being of the company.

3. Customer Relations:

The most important component of external public is the customer. The customer is the reason behind the existence of the organization. Public relations informs the customer about introduction of new products or changes in existing ones. Public relations plays a crucial role in attracting the attention of the buyer towards the company's offerings and helps to differentiate the product from those of its competitors.

4. Financial Relations:

A segment of the company's public consists of those individuals and institutions the company has financial dealings with. These include the shareholders, creditors, potential investors, banks, financial analysts, etc.

These parties have to be informed about the company's finances, plans for expansions, plans to raise share capital, etc. A well planned financial relations programme is necessary to improve the organization's image and increase the value of its stock.

The Company has to function under the control of government rules and regulations. It has to forge proper relations with various government officials and political parties to ensure smooth functioning of the enterprise.

5. Crisis Communication:

The role of public relations takes on vital significance during crisis situations like an accident, financial scams, bankruptcies, etc. It is the responsibility of the public relations to give the honest and accurate information to the concerned publics and assure them of remedial measures taken to control the crisis.

6. Political and Government Relations:

The Company has to function under the control of government rules and regulations. It has to forge proper relations with various government officials and political parties to ensure smooth functioning of the enterprise.

7. Press relations

The public relations department works with the media to present true facts about the company to ensure that information about the company is presented in a positive manner.

8. Product publicity

The public relations department sponsors events and programmes to publicise new or existing products. For example, many companies adopt a park, a school, an orphanage or sponsor sports and cultural events like seminars, exhibitions, news conferences etc.

9. Corporate communication

The company issues newsletters, annual reports, brochures, audio-visual materials to influence the public and the employees. For example, company's top leaders may give a speech or message or give an interview to media.

10. Lobbying

The company has to maintain healthy relations with government officials, ministry in charge of corporate affairs, industry, finance association of commerce and industry etc. The company also has to take the opinion of shareholders while formulating industrial, taxation policies etc. to keep them satisfied.

Managing a team is a double challenge. You manage people and you manage objectives. The distinction between the two exists only in theory. You're never able to completely separate the two.

Working with people is messy business. Personality traits, emotions, abilities, behavior, actions, you can't separate them and come up with an algorithm into managing relations. However, a bit of structure always helps.

Employee relations are a key element of workplace happiness and employee engagement. People thrive when they have a social support system and that goes for their working environment too.

Types of employee relations

Vertical relationships

We're talking about employer-employee relations, or better yet manager-team member relations. They're often classified as a sensitive topic because, sometimes, human nature contradicts clearly established HR rules.

As a manager, you want to know where you stand with your team and you're open to receiving feedback. But, sometimes, having a team member disagree with an action you took might put a knot in your neck/keyboard. It's human nature to have all these emotions interfere with our rational interaction rules.

What you need to keep in mind is that you'll always feel a certain way. That's how relationships work. You don't need to block your feelings so that you come off as the perfect manager. There's no such thing as a perfect manager. You need to act and come off as an involved manager, who does his very best and trusts his team.

Some key points:

- Get to know your team, on an individual level
- Keep communication channels always open
- Ask for their opinion
- Listen to their arguments
- Encourage them to stand their ground

- Build these relations on common rules and values
- Don't keep your distance, be part of the team

If you're interested to find out the secret to becoming a more likable leader, Jack Zenger gives you [7 Ways To Improve Employee/Boss Relationships](#).

Horizontal relationships

It may not seem like this is within a manager's responsibilities, but fostering work relations depends on management as well. Employee interactions in the office are strongly influenced by the workplace atmosphere, company values and management actions. Having good relationships with coworkers is one of the top 3 happiness drivers.

Here's how you can help them thrive:

- Build a company culture of trust and honesty
- Encourage social interactions
- Don't be an office tyrant
- Create opportunities for people to connect
- Work in dynamic teams
- Have at least one team communication channel
- Encourage them to give and receive feedback

Expectations setting

You should always hold an expectations setting meeting, as part of your onboarding process. You'll want to talk to your soon-to-be team member and set some ground rules that will make your relationship a lot more clear and easy to manage.

For example, how strict is the working environment, what's your policy on erring? You both need to get on to a right start by openly discussing the basis of your future relationship.

Way of working

Your team's way of working should be commonly established. Based on your personal and team values, your objectives and your responsibilities, you need to define your way of working.

Who does What, When and How does he/she transmit that to the rest of the team? Seems logical but you'd be surprised how many teams operate at the mercy of hazard. Not only is that not productive, but it damages employee relations.

When you're not in sync with your team, mistakes and delays can lead to arguments, resentment and lack of communication.

Challenges

Apart from challenging situations, you may find yourself in a bind due to some challenging types of individuals. Let's see how you can best handle them.

The Misfit

Some people have a natural tendency to keep to themselves. It's just the way they're built. To their team, they might appear to be absent, disinterested or even antisocial.

Your job is to make sure that such a person has everything they need in terms of information, support and preparation to help them be part of that team. They're there for a reason. Try to get them as comfortable as possible as being part of the team.

Don't put too much pressure on them. Observe the situations where they seem to be more open and capitalize on them.

The Joker

The person who takes fun to a whole new level, sometimes even too far. If someone is more interested in having fun at the office than working and they're disturbing everyone else's work flow as well, you might have a problem.

Try talking to that person and giving them some honest, constructive feedback. You don't have to kill all the fun, but you do need to keep a balance. A fun atmosphere is great just as long as it encourages happiness and productivity, not frustration and chaos.

Cupid

Office romance is never dead. Your office policy is your own on that subject.

As long as communication, honesty and respect are at the base of your employee relations, you should be able to enforce that policy.

"At the end of the day, you can't control office relationships. They're going to happen, regardless of what may be in the employee handbook," Jenna Jordan, vice president of payroll and HR services at [Strovis Payroll](#). Here are some "Dos" and "Don'ts" of the Office Romance.

Other challenges

We called them challenges, but here's an author who didn't sugar-coat it – [Twenty Dumb Things Organizations Do to Mess Up Their Relationship With People](#).

Takeaway

Don't neglect the relational aspect of a working environment. People need a social structure to function and their well-being as well as their productivity depend on that structure.

Encourage strong and honest employee relations, in order to build a long-term engaging company culture.

Get started with this quick exercise: Have everyone in your team answer these [25 Revealing Questions That Build Better Work Relationships](#) (by Shelley Prevost).

THE DIFFERENT METHOD OF EMPLOYEE RELATION MANAGEMENT

Employee development programs benefit both the company as a whole and the employees. Well-developed employees with proper training and professional goals often perform better than employees who receive little development or training through their employer. Better performing employees will help companies succeed, and employees may enjoy their work more when they work toward a goal

Core Training

Core or fundamental training is the base of any good development plan. Core training includes teaching new employees the basics of their job, such as job duties, how to work employee software, company expectations and both company-wide and departmental goals. Many companies conduct this training for all new hires. Core training helps get a new employee off on the right foot, by giving him the training he needs to do his job.

Personal Development Plans

Personal development plans are a development method that focuses on the employee's professional life. With this method, the employer works with the employee to set personal professional goals. The employer and employee will create a list of goals and a plan for achieving them, such as raising to a higher level within the company or meeting a higher sales quota. Personal development plans help keep employees on track within the company, and encourage an employee to work harder.

Leadership Training

Leadership training is a development method used to help well performing employees raise to a leadership level. With leadership training, the best employees are placed in a specialized training program that helps them develop the skills they need to become team leaders or supervisors. These programs also often involve creating personal goals.

Leadership programs help companies promote from within, and encourage employees to reach for higher levels.

Mentor Development Program

A mentor development program is a method of pairing a member of management with an employee to help the employee achieve more in her professional life. For example, a supervisor may become a mentor to a team leader. The supervisor will meet with the team leader on a regular basis, help the team leader develop professional goals and create check points for making sure she meets those goals. Using the mentor program helps a company develop stronger employees, and helps the employees develop better relationships with management.

EMPLOYEE COACHING PLANS IN HDB FINANCIAL SERVICES

Coaching employees is an important part of a manager's role. A manager's coaching can motivate an employee and help him develop his skills to become one of the company's greatest assets, or the coaching can deflate the employee and drive him to put in minimum effort and look for another job elsewhere.

For a manager, knowing how to craft effective coaching plans customized for individual employees is a necessary skill to master for her own career's benefit as well as the benefit of her company.

Reasons for Employee Coaching Plans

There are many reasons to create a coaching plan for employees. In some workplaces, coaching programs for employees are a standard practice. In others, they are created for individual employees when the employees' managers feel they need hands-on guidance to become successful in their roles. A few reasons managers create coaching programs for employees include:

- Training employees to work in their specific industry, especially when the employees came from other industries.
- Altering the employees' attitudes and actions to become more compatible with the workplace environment.
- Helping the employees become more successful in their specific roles, which can mean increasing their productivity or building specific skills.

- Grooming the employees for promotion.

Coaching Employees to Improve Performance

Every effective employee coaching plan begins with an honest assessment of the employees' current skills, strengths, weaknesses, goals and needs in the workplace.

Coaching employees to improve performance requires both the coach and the employee to understand where they are starting and the steps they need to take to reach specific goals. These goals should be clear to the employee rather than ambiguous goals with room for both parties to misunderstand objectives. A few examples of good goals to build into an employee coaching plan are:

- Make 10 sales each week.
- Respond to every client inquiry.
- Document every task as it is completed.
- Resolve client disputes according to company policies.
- Increase his team's performance by 25 percent.

Once the employee and the coach are in clear agreement and understanding about what needs to be done, the coach should introduce an action plan. This action plan needs to include:

- A time frame for each specific goal to be met.
- Consequences for failure to reach goals.
- If applicable, rewards for reaching goals.
- A check-in schedule with the coach.

Long-Term Employee Coaching Plan Goals

Long-term goals for the employee have to be part of her coaching plan. Otherwise, the plan is useless. The whole point of the coaching plan is to develop her skills and guide her toward a specific outcome, whether that outcome is making her ready for a promotion, getting her acclimated to the company or industry in which she is now working, adapting her behavior in the workplace or helping her reach benchmarks and succeed in her current role.

Coaching programs for employees need to be upheld consistently. The coach and the employee should both be proactive about making the necessary changes written into the plan, and when the employee feels she made a mistake, or the coach sees the employee make a mistake, the pair should discuss the mistake in the context of the coaching plan's goals and determine ways to avoid making the same mistake again.

The coaching plan's long-term goals should be stated clearly during the first meeting between the coach and the employee and should be continually revisited once the plan is put into place. This could be during weekly, biweekly or monthly meetings, or it could be

something with which she works on a daily basis, like a chart in her cubicle or a daily check-in email with the coach. At all times, reaching her goals should be a priority. In some cases, coaches make goals feel more attainable by breaking them into smaller short-term goals for the employee to work toward.

Considerations for Coaches

Coaching employees to improve performance requires self-reflection and adjustment on the coach's part as well. During the initial discussion about the coaching plan and all subsequent check-ins, the coach should ask the employee for his input on the goals, his experience working toward them and ways to alter the coaching plan to make it more attainable.

These discussions should be equal back-and-forth exchanges of ideas rather than scenarios where the coach gives the employee orders because this can shut the employee's mind off improvement and cause him to stop caring about his work.

PROBLEM OF EMPLOYEE RELATIONSHIP MANAGEMENT

If you are a business owner or HR manager, you know that maintaining good employee relations is important to the success of your company. However, you probably also know from firsthand experience that there are many issues that can come up in the workplace. These issues can easily snowball into much larger problems.

Every business owner wants to have a safe and secure workplace that encourages communication and has a supportive culture. When you know what common issues are, you can have a plan. That plan is the key to maintaining a happy workplace that runs efficiently.

Top 5 Common Employee Relations Issues

Common employee relations issues crop up again and again. This holds true for small and large businesses alike. The following five issues are not the only ones you will see and you will likely deal with others. These are the most common and a few tips on how to manage them.

Conflict Management

Conflict can happen in any environment, and the workplace is certainly no different. Disputes between employees or a direct disagreement between an employee and business owner are situations that can occur frequently. An effective way of managing conflict is vital to the continued health of your company.

One of the biggest issues is how the two parties talk to each other, or whether they talk at all. If there is not an easy way for the two parties to communicate and have their issues heard, the conflict can turn into something much worse. This can result in poor company morale or the termination of a team member.

Consider using a system that allows for consistent, efficient communication between team members and insist that this is the way they must communicate if a conflict arises. When you make this a policy, you can avoid gossip and misunderstandings. You can also ensure that employees always feel that their issues are heard.

Hour and Wage Issues

Do you find that issues often crop up around payday? Do employees tend to dispute the number of hours they worked or insist on overtime that you don't think is accurate? Do you or your HR time find that you have to go over time sheets or attendance records to check details?

To avoid federal wage and hour violations and to reduce the possibility that employees will dispute their paychecks, consider self-service timekeeping software that allows them to clock in and out from their smart devices. This encourages employees to keep track of and manage their own schedules by providing an efficient way to do so. It can also help with scheduling to prevent unnecessary overtime or to make sure the employees in the right pay grade perform the correct jobs.

Adequate Safety in the Workplace

It's every business owner's worst nightmare to have an injury or accident happen to one of their employees while they are on the job. Promoting safety in the workplace should be a top priority of every business owner. This should be true no matter what industry they are in. This includes making sure all proper safety equipment is used and that the right security measures are put in place.

A good policy should also ensure that employees are not overly fatigued due to too many overtime shifts. Having software to track schedules can help HR managers ensure that employees have plenty of rest time. This helps reduce over-scheduling to the point of creating an unsafe work environment.

Annual Leave Disputes

Do your employees know that the company's leave policy is? Are you sure your policy is in accordance with state and federal laws? If your answer is no to either of these questions and you are not currently using leave management software, you could open the door to annual leave disputes.

Consider leave management software that helps you create a legal and transparent leave policy that leaves no room for dispute. Provide every employee with easy access to this policy. This type of software can also help your employees talk with HR managers about leave requests and adjustments.

Timekeeping and Attendance Issues

Do you require your employees to come into the home office and clock in or out every day? Do you find that many of them become lax on the issue, or that they have their co-workers 'buddy punch' them in when they're running late?

Timekeeping and attendance issues are common, and you can eliminate many of them by utilizing employee self-service software. Allowing employees to keep track of their time and communicate about attendance issues right from their smart devices reduces the chances for conflict and provides them a handy benefit.

Having an effective employee relations plan in place will help you in numerous ways. You can avoid federal wage and hour violations, promote safety in the workplace, assist with schedule management, and give team members an easy way to communicate. This is an excellent way to ensure you promote an efficient and engaging work environment for your employees.

LITERATURE REVIEW

It is apparent that employees are the major valuable assets of an organization in which without them, hard to realize its basic objectives. To harvest more from employees it requires creating conducive working environment which satisfies the needs of individual employee as well as the manager of an organization. This conceptual paper tries to examine the basic concept employee relation and its effects on employee performance through investigating a number of employee relationship management components such as communication, participative leadership, shared goals and value, mutual trust, motivation and conflict management. Moreover, the relationship between employee relations and employee performance is explored in-depth. The study also discusses on employee performance which comprises of the basic concept and measurements of performance. From a comprehensive review of literature on earlier studies, it was found that the preceding researches didn't make thorough endeavor to address the effects employee relation on employee performance. Finally, it was suggested that future researchers should investigate profoundly to come up with notable empirical results.

The need to manage the relationships that exists between the employers and employees has been at the forefront ever since the beginning of industrial revolution. Effective employee relationship management is vital to the workplace, whether at the time of recruitment, during an employee's tenure or at the time of separation (Rose, 2008).

Employee relationship management is relatively a recent term defined as a strategy to effectively manage employees in a way they can attain organizational objectives (Gren and Anderson, 2013). Employee relationship management includes various activities on which an organization implemented by the management so as to develop friendly cooperative relationship with its employees. It helps to create cohesive work environment in which all employees work together in collaboration to ensure the realization of its goals. Besides, it promotes commitment, facilitates employees in achievement of organizational objectives minimizes workplace conflict and increases trust (Bajaj et al., 2013). Employees can

contribute more when the managers of the organization understands the demands of each employee and tries to fulfill their needs as kind of concern which initiates them to dedicate for the realization of organizational goals. Whereas, when employees engage in conflict and misunderstanding with the management, no objective can be accomplished. So, to foster employees moral and to get more managers should build health employee relation to mitigate productivity gaps. Employee relation management also facilitates employee effectiveness and productivity when managers devoted to strengthen the relationship, employees are willing to produce quality products & services to the target customers of the organization (Chapman and Goodwin, 2001). As to Kumar & Manjula (2017) employee relation management has the following functions:

To build healthy and balanced relationship with the organization

To build moral values and confidence to encourage employees for better performance

To make employee more productive and effective in their work

To treat all employees equally without any discrimination

To motivate employees in order to bring out their inner potential to innovate new things

DATA COLLECTION AND ANALYSIS

PRIMARY DATA :-

EMPLOYEE RELATIONSHIP SATISFACTION SURVEY IN HDB FINANCIAL SERVICES

1. Will the employer control the employee with respect to both the results of the work and the method used to do the work?

(A) YES

(B) NO

2. Will the employer determine and control the method and amount of pay. Salary negotiations may still take place in an employer-employee relationship?

(A) YES

(B)NO

3. Will the employee require permission to work for other employers while working for this employer?

(A)YES

(B)NO

4. If the schedule is irregular, will the employer have priority on the employee's time?

(A)YES

(B)NO

5. Will the employer determine what jobs the employee will do?

(A)YES

(B)NO

6. Will the employee receive training or direction from the employer on how to do the work?

(A)YES

(B)NO

7. Is the employer responsible for any and all operating expenses?

(A)YES

(B)NO

8. Will the working relationship between the employee and the employer be continuous?

(A)YES

(B)NO

9. The employee will not be financially liable if they do not fulfil their contract obligations?

(A)YES

(B)NO

10. Will the employer supply most of the tools and equipment required by the employee and retain the right of use over the tools and equipment provided to the employee?

(A)YES

(B)NO

11. Will the employer controls the employee's absences, such as sick leave or vacation leave?

(A)YES

(B)NO

SECONDARY DATA

Employer-employee relationship within an organization is commendable. When the workers have trust towards employers positive results may arise within the organizations. But getting to the point of reciprocal trust and respect can be challenging for many companies. Some business leaders do not understand how to work with their employees in order to run the smooth functioning of the organization. Hard work from both sides of the company is needed, the benefits are worth it. When these relationships strengthen the morale and job satisfaction, high retention rate, less absenteeism, better customer service and higher quality products will be increased. Today's world is rapidly moving in order to get a competitive advantage. In order to be competitive both internal and external environments are really necessary. The importance of choosing a topic that emphasizes the employer, employee relationship would be a very effective in order to maintain a good relationship with employers and employees. If the employees are not precede well whole company might in danger. When consider about the hotel industry retain customers as well as gain customers is the challenge which they are facing today. Dissatisfaction of customers may create lots of conflicts. In order to maintain the peace in an organization's employer, employee relationship will affect directly to the organization motivation. When considering about the hotel, it is very popular with international guests because the hotel offers famous unforgettable dining and special events. Not only that, they are also hospitable. The hotel is located on the edge of Colombo Beach. Staff is around 400 and they have wide varieties of services. They arrange meetings; Dinning,

weddings and conference for the customer requirements. They have many facilities include various restaurants, bars, meeting rooms, and the Spa as well as luxury wedding halls. Mainly this research focus on what are the effective factors of employer, employee relationships which will help for the motivation in associate level employees. By doing this research employers also can get a better understanding about the opinions of their employees and can get a clear evaluation about their associate level employees. Not only employers, employees also get a good chance to express their views about the employer, employee relationship and how it affect for their motivational improvement as well as they can find the most effective factor for the motivational improvement.

EMPLOYEE RELATIONSHIP -ADVANTAGES AND DISADVANTAGES

Advantages:

The following mentioned below are a few benefits of employee engagement activities in the workplace.

1. Motivates the individual:

The first and foremost advantage of employee participation is that it helps in motivating the employees. This is because when the employees are said to participate in important meetings they also feel special and get encouraged for delivering good work in the near future. This motivation is one of the best employee engagement benefits

2. Expected output is good:

The performance of the employees gets affected in a positive manner. The employees start performing better after getting motivated. Motivating employees is also very important because it helps in the growth of employees as well as the organization.

3. Creative work is delivered:

The more the participation, the more the work delivered is creative. The employees get a broader sense of perspective which also helps in increasing the creativity of the employees. That creativity is seen in the work though.

When a diverse group of employees will be there to participate in a discussion, it is obvious to get creativity in the work as every person would give his or her own idea and that ultimately will distinguish the work from others.

4. Sense of superiority:

The employees like the subordinate ones when getting a chance to engage in important business activities of the company will feel superior and important. This way the sense of inferiority vanishes and they also gain confidence at the workplace.

The hesitation of being inferior gets away and the confidence of working in the same work environment retains forever. This is one of the benefits employee engagement provides.

5. Decision making becomes effective:

The outlook of the employees get broadens which helps in effective decision making. The decision-making process is not everyone's cup of tea but when the employees are exposed to the environment where they get motivated for their participation, the decision making ultimately gets strong.

So, the employee participation of engagement of employees in the decision-making process becomes strong and effective.

6. No extra employees would be needed:

When the work of superiors is given to others as well, the need of hiring the other or say extra staff gets vanished. The individual gets a chance to prove their potential as they get a good platform to perform.

So, in one way it also helps in providing a good platform.

7. Platform to prove potential:

The employees get a solid platform to prove their potential. Otherwise, it might be difficult to prove their might because it usually happens that the employees fail to get chances as the same are taken by the other superior ones.

So, for this reason, too it is important to give subordinates a chance to participate in policy making and so on.

8. Employees get added value:

The employees when participating in the different decision-making processes, they get the advantage of added value. Their value increases over the other people in the organization.

Their presence is felt and this is what makes them more happy and motivated. Their motivation ultimately helps in providing good outputs.

9. Increases their work capacity:

It is the motivational things that can help in increasing the capacity of working of the employees. The employees tend to work more as they also become part of the policy making process. The more work ultimately increases their capacity to work and is good for the company in fact.

10. Sense of responsibility increases:

The employees feel a great sense of responsibility when they are given responsibility. Responsibility goes along with the authority.

So, when they are given responsibility, they automatically feel authority to work which is again a sign of positivist.

It is beneficial both for the company as well as the subordinates participating in the decision-making process.

11. The employees are able to focus well:

When employees get more attention and are motivated through various measures, then the employees get happy and are able to focus more on the work.

The subordinate employees usually are not motivated or encouraged to do the work as more attention is paid to the superior employees and indeed naturally they gather more attention for even higher authorities.

So, for this reason, too it is important to let employees participate in the meetings, seminars and even workshops.

12. Novelty in ideas:

More the ideas more will be a great output. All the types of ideas are important to the company because more the ideas, more will the company be able to distinguish itself from the market competitors.

The subordinate can also have an exemplary idea but can only be brought forward when given a chance. So, if the company wishes to get something new, the engagement of subordinates is also important to get quality work.

More the participation more will be the list of ideas and then the work to implement in a manner will be left.

So, above are some of the advantages of having an employee's participation in the process of decision making and policy formations. Not all organizations allow subordinates to participate due to which they also have to face consequences like all the employees in the company do not get to know the changes in the policies or the plans and they remain aloof from the said policies.

If the lower level employees remain unaware of the new policies then the foundation of the company would remain weak as the lower level employees form the concrete foundation and they are the ones from whom the policies are communicated to the higher levels.

Disadvantages:

If there are advantages then there are also disadvantages of having employee's engagement. There are always some things which are to be said only to the higher authority employees and not the subordinates. So, it somehow reveals the secrets which are not meant to tell the subordinates. Some of the disadvantages of employee engagement are as follows:

1. The top policies are revealed:

Sometimes there are some policies which are not to be discussed by the company to the subordinates. Some things are to be kept in secrecy so in such a case, it is not good to engage the subordinates into the major discussions or say into the meetings or the workshops and so on.

2. The difficulty to match the IQ level:

The meetings in which high officials sit and discuss, it becomes difficult for the members to match the discussion as per the subordinates. So, this way the conversation gets imbalanced and the difficulty level increases to a larger extent which is not a positive sign as it does not just waste time but also it waste a lot of energy.

3. Security is at greater risk:

Sharing valuable information with a high chunk of employees in an organization can term into greater risk as the chances of getting information leaked is more. Not just this, it also wastes a lot of time and money which is a big disadvantage for the company.

Also, you never know which employee would spread the word about the important information and this is how the information gets leaked which is not good for the health of a company.

4. Liberalizing them:

The subordinates get enough freedom as they are somehow given freedom and authority like superior only. So, freedom should be given as per the responsibility and the authority of the individual.

If the subordinates are given more freedom, there are chances that out of freedom, they might not perform well thinking they are now no longer subordinates as they share equal space like other's in the meetings and the seminars.

So, for this reason too, it is important not to engage the employees during the discussions.

5. Making them understand the thing sometimes is very difficult:

The content to be discussed in the meeting needs to be communicated to the members. It is easy for the company to make the content easily understand the other members who are regular participants of the meetings but it is very difficult to make the subordinates understand the similar thing. It is because of the position as well as the difference in the experience of the employees.

So, before making the subordinates participate in the discussions, the members will have to make an extra meeting so as to make the concept clear to them.

6. Regular updates are to be given:

For the employees to be participative in the meetings and discussions, it is important for the board of directors to let them know about the context. So, for this reason, it is important to provide updates to the employees or they might act as a deadpan during the meetings. Also, the meetings would not be interactive enough which means the discussion goes in vain.

7. Providing them training:

The subordinates are not always part of the meetings and the discussions, as at times it is difficult to make them understand the concept on which the discussion is to be done. It is possible to make the employees understand the concept one time but for every time it is not possible. So, for that the subordinates need proper training and only then engaging them to the important discussions will be fruitful.

8. Expensive procedure for the company:

Providing training to the subordinates can be an expensive procedure. The training involves proper involvement of money as the preparation of setup is required and also making invitations to invite the employees at the event and all that is needed for providing training to the subordinates. So, it shakes the budget of the company if the extras are invited for the events.

9. The message turns into rumour very fast:

The message given in the meeting to the employees turn into a rumour very fast as the discussion on the topic turns into grapevine communication. The grapevine communication is the one in which the message spreads like the branches of the grapevine and goes in almost every direction.

The message goes in varied directions and even the relevant message turns into the rumour which is not good neither for the company nor for the staff as the wrong message spreads.

10. Chaos and uncertainty increases:

As the traditional authority of management reduces, the uncertainty and chaos increases. This is because of the level of difficulty increases in recognizing the difficulty level between the management and the employees.

The company always has designated leaders to engage during the meetings and however, it is not essential to get the subordinates to do the same thing. So, for this reason, too, it is a disadvantage to engage the employees during the meetings and the vital discussions.

So, above are some of the reasons why employee engagement must be avoided by the company. However, everything has its advantages and disadvantages but the employee engagement has more of advantages than the limitations by improving employee engagement.

This is because the employee's participation adds to the existing ideas which help in improving the standard and the **quality of the work**.

More the different ideas a company will generate, more the output and market demand will increase. So, for this reason having employee's participation is a must and essential.

FUTURE OF EMPLOYEE RELATION MANAGEMENT

Employee relationship management is key to every business' competitive advantage. Healthy employee relations result in better engagement and improved productivity. Employee relationship management can be defined as managing the employee-employer interactions to achieve broader business goals. While most people use the terms employee relations and industrial relations interchangeably, there are subtle differences between the two. For instance, industrial relations are typically negotiated between an employer and a worker's union while employee relations are typically managed through one-on-one discussions between an organization's employee relations (ER) team and individual workers.

In recent years, ER as a specialization has become more and more important. Low unemployment levels, skills gaps, and changing workforce demographics have contributed to the growing prominence of ER as a core business strategy. Today, ER includes a whole gamut of HR functions including, employer branding, internal communications, HR marketing, and employee investigation.

Also Read: [Great Ideas to Improve Relations with Disengaged Employees](#)

From GDPR to #MeToo to a renewed focus on employee engagement, 2018 was a landmark year for ER professionals globally. Here are the top three employee relations trends that will shape 2019:

- **Centralization of the ER function:** ER has traditionally been organized using one of the three models – decentralized, centralized, and mixed. Centralized design refers to an ER team that is responsible for managing employee relations issues and conducting investigations across the organization. The team does not have to be geographically centralized. The mixed ER model relies on a centralized team for managing some or most of the employee relations cases and investigations with field representatives (HR professionals) to manage some employee relations issues. In the decentralized model, employee relations issues are managed within specific functions or verticals by ER and HR professionals. A recent survey by HR Acuity suggests a shift towards the centralization of the ER function. The survey report noted a year over year decline in the number of organizations using a decentralized approach for employee relations. Industries like pharmaceuticals and technology were found to be heavily dependent on the centralized model, while other industries like finance, insurance, and healthcare took the mixed approach to ER.
- **An increasing focus on metrics and analytics:** Like other HR functions, ER is also becoming more data-driven and outcome driven. Organizations are increasingly focusing on cost, root cause, and tracking metrics to drive continuous improvement. By analyzing key trends, ER teams can also benefit from significant cost savings and determine the actual cost of grievances and litigation. In 2019, the ER function will

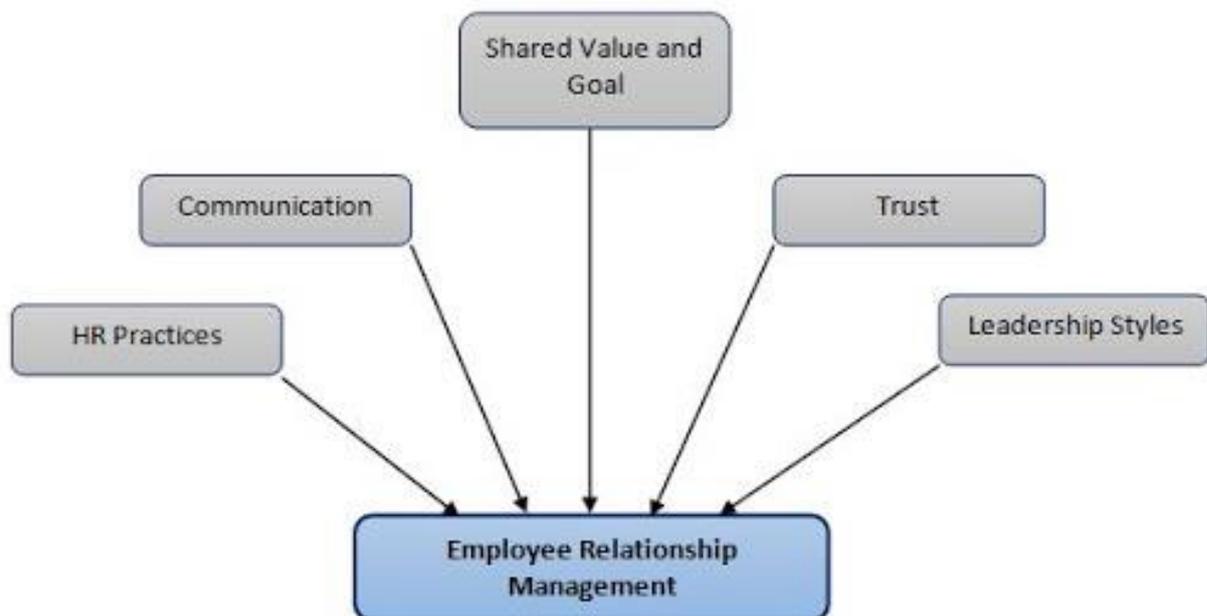
increasingly rely on prescriptive and predictive analytics to predict, mitigate and even prevent ER issues from blowing up.

- **Workplace safety will be in the spotlight:** 2017 and 2018 brought to light numerous new allegations of sexual harassment in the workplace. The #MeToo movement gathered momentum and raised uncomfortable questions about ER practices in the organizations affected. ER professionals could expect more employees to open up and report sexual misconduct and be ready to act in anticipating employees' public allegations. Building awareness of anti-harassment laws isn't going to be enough, ER professionals will need to proactively create an environment in which all employees feel safe.

Also Read: [The Cycle of Employee Experience and How You Can Improve It](#)

It's exciting to see a widespread change in the way ER teams are thinking about improving employee relations in the workplace. Broadly, the focus is shifting towards empowering employees, becoming outcome driven, and centralization. If you're heading into 2019 with a renewed effort to build trust among your employees, over communicate, empower them, chances are you're on the right track.

Figure-1: Elements of ERM



Source: Al-Khozondar (2015)

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