

# A Study on the Effects of Employee Management on Organizational Performance

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## ABSTRACT

This journal report examines the effects of Employee Relationship Management (ERM) on organizational performance at Leggett & Platt Automotive, Chennai. Drawing on primary data from 100 employees using a structured questionnaire, the study analyzes key dimensions of employee-employer relations including communication, supervisory support, skill utilization, interdepartmental cooperation, training, and decision-making participation. Statistical tools including simple percentage analysis, chi-square tests, and Pearson correlation were applied. The findings reveal a predominantly positive employee-employer relationship, with strong supervisor support and high interdepartmental cooperation. The study concludes with actionable recommendations to further strengthen ERM practices and enhance organizational performance.

Employee management plays a crucial role in determining the success and overall performance of an organization. Effective employee management practices such as motivation, communication, training, performance evaluation, teamwork, and employee engagement contribute significantly to improving productivity and organizational efficiency. This study aims to analyze the effects of employee management on organizational performance by examining various factors that influence employee behavior and work effectiveness.

The research is based on primary data collected from employees through a structured questionnaire. A sample of 130 respondents was selected using convenient sampling technique. Statistical tools such as percentage analysis and chi-square analysis were used to interpret the collected data. The study examines the relationship between employee management practices and organizational outcomes such as productivity, departmental cooperation, employee satisfaction, and performance improvement. The findings indicate that effective employee management positively influences organizational performance by improving employee morale, cooperation, communication, and efficiency. The study concludes that organizations should focus on strengthening employee management strategies...

**Keywords:** Employee Relationship Management, Organizational Performance, Industrial Relations, Supervisor Support, Employee Engagement

## 2. INTRODUCTION

Employer-employee relations encompass the range of interactions between workforce representatives and management, forming the foundational fabric of organizational life. Effective Employee Relationship Management (ERM) is widely recognized as a critical driver of organizational performance, influencing productivity, employee loyalty, conflict

reduction, and overall workplace harmony. The European Union's social policy framework, through the concept of co-determination, underscores the importance of shared responsibility between employers and employees for working conditions and practices.

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## 5. NEED FOR THE STUDY

This study focuses on understanding how employee management affects organizational performance by analyzing employees' perceptions regarding management practices and their impact on productivity, departmental cooperation, and overall organizational effectiveness. The research aims to provide insights that can help organizations improve their employee management systems and achieve sustainable growth.

Industrial relations—the outcome of human resource management practices—represent a complex set of functional interdependencies involving historical, economic, social, psychological, and legal variables. Organizations that invest in robust ERM practices benefit from motivated workforces, lower turnover, and stronger competitive positioning. Conversely, neglected employee relations manifest as absenteeism, grievances, reduced productivity, and high attrition.

This study focuses on Leggett & Platt Automotive, Chennai, a global leader in automotive seating comfort and convenience systems. With over 7,500 employees across 12 countries, the organization's Chennai branch provides a relevant and dynamic context for examining ERM practices and their influence on organizational performance

## 4. OBJECTIVES OF THE STUDY

### 5.1. Primary Objectives

To study the effects of Employee Relationship Management (ERM) on organizational performance at Leggett & Platt Automotive, Chennai.

### 5.2. Secondary Objective:

To examine existing ERM practices followed in the company

- To identify factors affecting employee-employer relationships within the organization.
- To study the influence of ERM on organizational productivity and efficiency.
- To provide suggestions for improving ERM practices to enhance organizational performance.

## 5. SCOPE OF THE STUDY

### 6.1. Subject Scope

This study focuses on analyzing the impact of Employee Relationship Management (ERM) on organizational performance at Leggett & Platt Automotive. The research examines various employee management practices such as communication, supervisory support, training and development, employee participation in decision-making, interpersonal relationships, and interdepartmental cooperation.

The study is limited to employees working at the Chennai branch of the organization and is based on responses collected through structured questionnaires from 100 employees. It evaluates how effective employee-employer relationships influence employee satisfaction, productivity, motivation, teamwork, and overall organizational efficiency.

## 6. REVIEW OF LITERATURE

Employee Relationship Management (ERM) and organizational performance have been widely discussed in management and human resource research. Various researchers have emphasized that positive employee-employer relationships improve productivity, employee satisfaction, teamwork, and organizational growth.

Fazal S. (2023) explained that talent management and employee performance are closely connected. The study highlighted that organizations adopting effective employee management practices such as training, motivation, communication, and employee engagement achieve better organizational outcomes and higher employee retention.

Nursyidah (2024) conducted a systematic literature review on employee engagement and organizational performance. The study concluded that employee engagement acts as a catalyst for improving productivity, commitment, and organizational effectiveness. Employees who feel valued and supported are more likely to contribute positively toward organizational goals.

Kurniawati and Raharja (2022) studied the influence of employee engagement on organizational performance. Their findings revealed that supportive leadership, participation in decision-making, and proper communication significantly improve employee morale and teamwork, leading to enhanced performance.

Zulvia, Wardi, and Rino (2025) examined leadership styles and employee performance. The study found that democratic and participative leadership styles positively influence employee motivation, job satisfaction, and work efficiency, which ultimately improves organizational productivity.

Nyoach, Lemi, Debela, and Kant (2024) explored the mediating role of organizational commitment between ERM and organizational performance in the banking sector. The study revealed that strong employee relationships increase organizational commitment, which directly enhances performance and reduces employee turnover.

Bhoir and Sinha (2024) focused on employee well-being and human resource practices. Their research emphasized that organizations promoting employee welfare, work-life balance, and supportive work environments experience improved employee satisfaction and organizational effectiveness.

Jablin F. M. (2019) analyzing employer-employee communication patterns and stated that effective communication strengthens trust, reduces workplace conflicts, and improves cooperation between management and employees.

Krone K. (2020) studied social support dimensions in employer-employee relationships and found that supportive supervision and interpersonal relationships positively influence employee morale, motivation, and performance.

Overall, the reviewed literature indicates that effective Employee Relationship Management practices such as communication, leadership support, employee engagement, training, participation, and employee welfare significantly contribute to organizational performance, employee productivity, and long-term organizational success

## 7. RESEARCH METHODOLOGY

### 1. Research Design

The study adopts a descriptive research design to examine the relationship between employee management practices and organizational performance. This design helps in collecting structured information and analyzing employee-related factors that influence organizational success.

#### Nature and Sources of Data

The study uses both primary and secondary data.

Primary Data: Collected directly from employees through structured questionnaires and interviews.

Secondary Data: Collected from books, journals, research articles, company reports, websites, and previous studies related to employee management and organizational performance.

### 2. Data collection method

Data is collected using a survey method with a well-structured questionnaire containing close-ended questions to gather employee opinions regarding management practices, motivation, training, communication, and performance.

### 8. Sampling techniques

The study uses simple random sampling to ensure equal opportunity for respondents to participate and reduce bias in data collection.

PARAMETER	DETAILS
Research design	Descriptive research
Sampling technique	Simple Random sampling
Sample size	100 Employees
Study Area	Legett & plat Automotive chennai
Primary data	Structured questionnaire multiple choices
Secondary data	Company records,journala,magzines,websites
Statistical tools	Simple percentage,chisquare,correlation

The study adopted a descriptive research design. Simple random sampling ensured every employee had an equal probability of inclusion. Data were analyzed using percentage analysis to identify response distributions, chi-square tests to assess relationships between categorical variables, and Pearson correlation to quantify the strength of association between key variables.

## 8. RESPONDENT PROFILE:

CHARACTERISTICS	CATEGORY	PERCENTAGE(%)
GENDER	MALE	68%
GENDER	FEMALE	77.65%
AGE	BELOW 30 YEARS	81.03%
GE	41- 50 YEARS	77.27%
EDUCATION	POST GRADUATION	72.67%

The respondent profile indicates a predominantly male, young workforce (below 30 years), well-educated at the postgraduate level, with a majority in the early-to-mid career stage (5–10 years of experience).

## 9. STATISTICAL ANALYSIS:

### 1 Chi-Square Analysis: Education & Departmental Cooperation

A chi-square test was conducted to examine the relationship between educational qualification and opinion about cooperation from different departments.

#### Null Hypothesis ( $H_0$ ):

There is no significant association between educational qualification and departmental cooperation.

#### Alternative Hypothesis ( $H_1$ ):

There is a significant association between educational qualification and departmental cooperation.

## 10. FINDINGS OF THE STUDY

### 1. Primary Findings

#### 1. Employee Satisfaction & Communication

2. The majority of respondents (36%) expressed satisfaction with their interpersonal relationships with their employer. A further 19% reported being highly satisfied, indicating a broadly positive relational climate. On communication quality, 52% felt pleasure during employer communication, reflecting a generally positive and constructive communication environment. 50% agreed that their employer understands their inner feelings, suggesting a degree of empathetic leadership.

#### 3. Supervisory Support & Development

4. Supervisory practices received notably positive ratings. An overwhelming 58% strongly agreed that their supervisor provides personal development suggestions, the highest strongly-agree rating across all survey items. Regarding direct

motivation, 53% agreed that supervisors actively motivate them for best performance. Training and development encouragement was also well received, with 54% agreeing that such programmes are effectively promoted.

#### 5. Organizational Cooperation & Participation

6. Interdepartmental cooperation emerged as a strong positive, with 43% strongly agreeing that cooperation across departments is effective. Employee participation in decision-making was reported by 58% of respondents, suggesting an inclusive management approach. Regarding organizational change responsiveness, 42% agreed they are able to respond effectively, indicating adaptability.

#### 7. Skill Utilization & Clarity of Goals

8. 43% of respondents agreed that their skills and abilities are utilized effectively by management. Regarding organizational goal alignment, 40% agreed they have a clear idea of their employer's goals. These findings suggest reasonable but improvable levels of role-fit and strategic clarity

### 11.SUGGESTION:

The study provides valuable insights into the importance of Employee Relationship Management in improving organizational performance. The project clearly explains how healthy relationships between employees and management contribute to employee satisfaction, motivation, productivity, and organizational growth. The data analysis and interpretation are well-structured and help in understanding employee opinions effectively.

However, the study can be improved further by adding more recent journal references, advanced statistical analysis, and detailed findings with practical recommendations. Proper formatting, consistent grammar, and additional graphical presentations would also enhance the overall quality of the project. Overall, the project is informative, relevant, and useful for understanding the role of employee relationship management in modern organizations.

### 12.CONCLUSION:

The study on the “Effect of Employee Relationship Management on Organizational Performance” concludes that maintaining healthy relationships between employees and management plays a vital role in improving organizational success. Effective employee relationship practices such as communication, motivation, teamwork, training, employee participation, and grievance handling help in increasing employee satisfaction, commitment, and productivity. The findings of the study reveal that most employees are satisfied with the relationship practices followed in the organization and believe that cooperation, consultation, and support from management positively influence their performance.

The study also highlights that good employee relationships reduce workplace conflicts, improve morale, and create a positive working environment. This ultimately contributes to higher organizational efficiency and better employee retention. Therefore, organizations should continuously focus on strengthening employee relationship management practices to achieve long-term growth and organizational effectiveness. Overall, the study proves that Employee Relationship Management is an important factor in enhancing both employee well-being and organizational performance.

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