

**IMPACT OF EMPLOYEE RELATIONSHIP MANAGEMENT  
PRACTICES ON JOB SATISFACTION IN NEPALESE SERVICE  
SECTORS**

By

Kajal Udas

Exam Roll No.:634/18

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## **RECOMMENDATION**

**CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the SOMTU, Tribhuvan University, a Graduate Research Project (GRP) report submitted by Kajal Udas entitled “Impact of employee relationship management practices on job satisfaction in Nepalese service sectors” in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Tribhuvan University.

.....  
GRP Supervisor  
Signature

.....  
External Examiner  
Signature

.....  
GRC Chairman  
Signature

.....  
Director, SOMTU  
Date: .....

## **DECLARATION OF AUTHENCITY**

I, Kajal Udas, declare that this GRP is my own original work and that it has fully and specifically acknowledged wherever adapted from other sources. I also understand that if at any time it is shown that I have significantly misinterpreted material presented to SOMTU, any credit awarded to me on the basis of that material may be revoked.

Signature: \_\_\_\_\_

Name: Kajal Udas

Date:

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## ABBREVIATIONS

ANOVA	Analysis of Variance
CB	Collective Bargaining
CM	Conflict Management
E EI	Employees Empowerment and Involvement
ERM	Employees Relationship Management
ET	Encouragement of Teamwork
HR	Human Resource
IES	Initiating Employees Suggestion
JS	Job Satisfaction
MBA	Master's in Business Administration
MS Excel	Miscrosoft Excel
SPSS	Statistical Package for the Social Science
TC	Transparency in Communication
TD	Training and Development

## EXECUTIVE SUMMARY

In today's world, companies have become more competitive. Globalization, privatization and liberalization have brought the huge change in the business organization. The employees relationship management has emerged as one of the important tool for motivating employees and enhancing their satisfaction. Increased competition, changing customer needs, influence of technology and changing business environment has posed many challenges before management. The employee relationship management is a human resource management aspect that is influencing performance of small and large organizations in the 21st century (George & Jones, 2008).

This study aims to find out the impact of employee relations management practices on job satisfaction among the employees working in Nepalese services sectors. Descriptive research has been conducted using online responses collected from 310 employees working in different service sectors of Nepal. The study was based on survey method and used a structured questionnaire to collect data. The ERM practices and job satisfaction dimensions was adapted from Chaubey, Mishra and Dimri (2017) and the scale used in this study was developed by Pimentel (2019).

Descriptive analysis suggested that is strong relationship between ERM practices and employees job satisfaction. Almost four practices of employees relationship management practices; initiating employee suggestions, facilitating collective bargaining, training and development, encouraging group activities (teamwork). Other three practices, they are employee empowerment and involvement, conflict management and grievance redress measures and transparency in communication have no significant impact on job satisfaction but have positive correlation with job satisfaction.

Based on the findings, organizations should practice employees relationship management in all the service sectors of Nepal. As it helps them to build stronger relationship with employees and satisfy them with their jobs. From this research, it is proved that employees relationship management can bring benefits for organizations.

# CHAPTER I

## INTRODUCTION

### 1.1 Background

Human resource system is the unique central component in any organization and controls other components in an organization like finance, marketing, materials, technology, information and production (Gruman & Saks, 2011). In today's scenario where all other resources flow freely across borders only knowledge is meaningful which forms the basis to be advantageous in any organization as the businesses today are undergoing fast changes due to change in technology. Human Resource Management (HRM) tries to establish good relationship among employees and maintain high morale by provide good working conditions in an organization. It helps and acts as a change agent while controlling various activities of the organization (Stewart & Brown, 2015). The most valuable asset of any organization is its human resource and it is this type of asset that dictates how efficiently other assets of the organization are managed and utilized (Gruman & Saks, 2011). Schuler and Jackson (2010) defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members. Human Resource Management Practices helps the companies to satisfy its most critical and talented employee and make them more committed. Employees relationship management (ERM) is one of the important fuction of human resource towards their employees. Employee Relationship Management (ERM), in some organizations is labeled Employee Relations Management, meaning the same thing, is a tool and a strategic process to manage and increase motivation in the workforce by increased focus on continuous perfection of the individual relationships between the employer and each employee (Wargborn, 2008).

A healthy management-employees relationship is essential for the positive growth of an organiaztion. Moreover, the performance of employees depends upon the organizational atmosphere largely. The employees in delivering their duty in the

presence of hierarchical control by immediate superiors and maintaining a balance between these two elements need a good employee-employer relationship. The management tries to maintain harmony, motivation, loyalty and satisfaction among their employees to ensure steady growth and peaceful functioning of the enterprise. Job satisfaction of employees is more essential for the retention of key and valuable employees of an organization. Hence, understanding the nature of the management-employee relationship and nurturing this relationship is very essential in the part of the management. Managing employee relationship is important and valuable to the organizational success and achieving competitive advantage (Raizada, 2019). It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance. Employees, their skills, and their intellectual capital have become critical differentiators for modern businesses. Hence, traditionally tactical human resources (HR) functions in the firm have now taken an increasingly strategic role; (Becker et al., 2001). The result is an effort to align HR strategy with business strategy, through the construction of a knowledge-centric employee service culture (Evans C, 2012).

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). Maintaining healthy employee relationship through effective management is a pre-requisite for organizational success. High job satisfaction is achievable with great working relationships between labor and management (Boyle, 2006).

Employee relationship management is also defined as an art which effectively monitors and manages the relation between individuals either of the same team or from different teams. Employee relationship management activities helps in strengthening the bonds among the employees and ensures that each one is contented and enjoys a healthy relation with each other in the organization. The improvement in management of employee relationships in organizations brings more positive aspects to the firm than just increased employee motivation (Grant, 2012; Gegax & Grimme, 2006) and promises employees greatest possible satisfaction of their individual needs; while to the employers, it promises increased attraction, retention, motivation and performance of employees (Schweitzer & Lyons, 2008) and improves employee morale (Harrison et al. 2001). However, the

effectiveness of such relationship management practices is perceived differently between employees and employers. Employees generally may be less constrained in their criticism of workplace relations than managers who are more directly responsible for them.

Employees relationship management also involves the communication and relationship between management and its employees that is aimed at maintaining employer-employee relationships that in the end contribute to satisfactory productivity, job satisfaction, motivation and morale of the employees (George & Jones, 2012). The effective employee relations enhances positive communication and attitude between management and employees, promotes the overall wellbeing of employees during their tenure at the company and helps in preventing and resolving problems involving employees' that affect work situations (Kaliski, 2019). Employee relationship management entails the ability of management balancing life and work needs, employee needs open, the ability of the organization to keep good relations with its stakeholders including trade unions, employees, suppliers and customers and measuring and monitoring results. Organizations normally engage in various employee relationships management practices to develop healthy relationships and extract the best out of each team member.

In most of the country, employee relationship management differs from organization to organization, even though there are industrial laws and statutes regulating management of employment relationships, the way the relationships are managed in organizations is dependent on the leadership or management styles embraced by organizations.

### **1.2 Statement of Problem:**

The organizations benefits when employees have healthy relationship with their employers. Employees who have mutually respectful relationships with their employers are more likely to be happy, loyal and productive in the long-run. Keeping employees engaged and satisfied takes more than just good pay and benefits. According to Ali, Lei and Wei (2018), employees rate respectful treatment of all employees as the most important factor in job satisfaction. Perhaps because of workplace uncertainty in the years, trust between employees and senior management are another highly important satisfaction factor. If any employees ever had to go to work each day wondering whether his/her job is secure, it can cause a great deal of anxiety. Organizations can provide a sense of security through honest communication and transparency about the company's health and long-term viability. Workplaces that

are free from stress, morale issues, harassment and discriminatory practices can create a positive and healthy environment for everyone.

Given the early and still emerging state there is little knowledge and agreement regarding employee relationship management (Strohmeier, 2013). Moreover researchers who attempted to study the concept recommended further review and studies to be taken (see, Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2007; Wright, Gardner, Moynihan, & Allen, 2005; Katou, et al., 2008).

From reviewing several studies, several important revelations pertaining on ERM practices and job satisfaction have been established, Analysis of Employee Relationship Management and its impact on Job satisfaction (Chaubey, Mishra & Dimri, 2017) is one of the literatures. However, most of those studies explain the western context. Thus, there is a need to replicate the employee relationship practices in Nepales organizations. As there are no actual empirical study and investigation in Nepalese context and this ascertained that employee relationship management practices and its impact on Job satisfaction had not given attention by researchers and academicians and therefore the area lacked empirical evidence to examine the practice of employee relationship management practices and it impact on job satisfaction. However, there is very limited amount of literature available for employee relationship management in the service sector. This study aims to study the impact of employees relationship management practices on job satisfaction in Nepalese service sectors.

### **1.3 Research Question:**

The central research questions addressed in this study are:

- What level of employees relationship management practices is prevailing in Nepalese service sectors?
- Is there an impact of Employee Relationship Management practices on job satisfaction in Nepalese Service Sectors?

### **1.4 Purpose of the study:**

The general objective of this study is to identify the impact of employee relationship management practices on job satisfaction in the Nepalese service sector.

The specific objectives of this study are:

- To explore the practices of Employees Relationship Management on Nepalese service sectors.
- To examine the impact of Employee Relationship Management practices on Job Satisfaction.

### **1.5 Research Hypothesis**

Based on literature review following hypothesis have been formulated.

#### **Employee empowerment and involvement**

Liao et al. (2004) found that empowerment and involvement of employees in organization helps to improve job satisfaction of their employees. Also Kantabutra & Avery, (2009) found that involvement of employees and their empowerment in the organization is very important factor for the job satisfaction of employees. There seems positive relation of employees relationship management practices and job satisfaction.

H1: There is significant impact of employee empowerment and involvement on job satisfaction.

#### **Initiating employee suggestions**

Prouse (2004), found that initiating employee suggestions helps employees feel appreciated and satisfy them. Also, Dumisani et al. (2014), found that taking employees suggestion for the betterment of organization helps employees to work more efficiently and employees are satisfied with their job. Initiating employees suggestions also have a positive impact on job satisfaction in this study.

H2: There is significant impact of initiating employee suggestions on job satisfaction.

#### **Facilitating collective bargaining**

According to Bratton and Gold (2003), it is found that facilitating collective bargaining also have a positive impact on job satisfaction. If employees are happy with the benefits awarded to them, there existi job satisfaction. Holly (2014) found that facilitating collective bargaining to the employees, attract employees to their organization and have job satisfaction.

H3: There is significant impact of facilitating collective bargaining ond job satisfaction.



### **Conflict management and grievance redress measures**

Bajaj (2013) found that conflict management and grievance redress measures is an important factor for better employees performance and job satisfaction. Organization handling employees' conflict in a way so that both employees and organization benefits, motivates employees and have satisfaction about their jobs. Also, Chaubey, Mishra and Dimri (2017) found that there is positive relation of conflict management and grievance redress measures and job satisfaction, as conflict management influence the employees' job satisfaction.

H4: There is significant impact of conflict management and grievance redress measures on job satisfaction.

### **Expertise training and development**

Roya Anvari et al. (2010) found that training programs based on needs evaluation helps to achieve employee commitment and have healthy relationship with employers and employee. In addition, Dysvik and Kuvaas (2008) found that training develops a social link between organization and employees and this social link crates a employees have a feeling of appreciation and have job satisfaction.

H5: There is significant impact of expertise training and development on job satisfaction.

### **Transparency in communication**

Chinomona and Sandada (2013) found that transparency in communication influence the job satisfaction of employees. Better communication helps to make the work more efficient of employees and results in growth of both the employees and organization. According to Debaawy (2011), communication and job satisfaction have a positive correlation. Transparency in communication results in job satisfaction of employees.

H6: There is significant impact of transparency in communication on job satisfaction.

### **Encouraging group activities (teamwork)**

Sinha and Bajaj (2013) found that employees working in teams are more satisfied with their jobs and manager encourage team works gets better results, as only satisfied employees can contribute better in the organization. Liao et al. (2004) found that

manager encouraging team work in an organization, helps employees to have satisfaction and organization to have competitive advantage.

H7: There is significant impact of encouraging group activities (teamwork) on job satisfaction.

### **1.6 Scope and Significance of the study**

This study was limited to examining the impact of ERM practices on job satisfaction in Nepalese service sector. As there are few studies on Employee Relationship Management with diversified independent variables, research methodologies and industries, still there are no any attempt undertaken to identify the relationship between ERM practices and job satisfaction in service sector and particularly in Nepalese context. Therefore, this particular research paper tried to investigate the effect of ERM through the following employee relationship management practices; employee empowerment and involvement; initiating employee suggestions; facilitating collective bargaining; conflict management and grievance redress measures; expertise training and development; transparency in communication and; encouraging group activities on job satisfaction specific to context of Nepalese service sector.

The purpose of the study was to know how employee relationship management practices affect the job satisfaction in the Nepalese service sector. Among the total available service oriented companies the most prominent government and private companies were selected based on their contribution to the economic, political, social and sectorial impacts. The study will help governments, managers, human resource professionals, employees and students to get insight on the co-relation between ERM practices and job satisfaction in the organization. It shall also assist human resource practitioners to get new knowledge or improve existing ones on communication, conflict management, employees' involvement and engagement, collective bargaining, team work, training and development and their relationship with job satisfaction. It will bring opportunity for service oriented companies to re-consider the organizational human resource strategy, reformulate the existing relationship and utilize employee's performance to enhance their service and productivity. The study may also assist other researcher on conceptualizing employee relationship management practices. The study findings will form part of reference to other researchers and form a basis for further research in the area of employee relationship management practices and job satisfaction. It will also assist

students undertaking courses in management, HRM and employee relations theory and practice.

### **1.7 Limitation**

- All the findings are based on the information provided by the respondents and are subject to the potential bias and prejudice of the people involved.
- Data are collected by employing the method of structured questionnaire; other methods could have been used for collecting data.
- The scope of the study is restricted to the study of employee working at Nepalese service sector. The findings may change if the study were to be applied to different area, demographic landscape or economy.

### **1.8 Structure of the study**

The study comprise of three main sections: preliminary section, body of the report and supplementary section. The preliminary section consists of title page, certification declaration of authenticity, acknowledgement, and table of contents, list of tables, list of figures, abbreviations used and executive summary. The body of the report is further divided into five section introduction, related literature and theoretical framework, research methodology, analysis and results and discussion, conclusion and implications. The final section of the report comprises of bibliography, appendix.

The introduction section under body of study consists of background of the study, problem statement, research objectives, hypotheses, scope and significance of the study, limitation and structure of study. The literature review section deals with findings of previous researches related for the current study. Further, the chapter consists of theoretical framework defining each dependent and independent variables based on previous literatures. The third chapter discusses research methodology used for the study. It comprise of research design, population and sample, sources of data of the research, normality test, data analysis and software used. The fourth chapter is analysis and result of the study. It compromises of various tables, figures intended to answer the objective and research question of the research. Finally, the last chapter deals with discussion, conclusion and implication of the study. Under the discussion part, comparisons of previous findings and present study are conducted. At last conclusion and implication will be drawn out.

## **Chapter II**

### **Related Literature and Theoretical Framework**

#### **2.1 Literature Review**

This research aims to identify the impact of Employee Relationship Management practices on job satisfaction in the Nepalese service sectors. The factor studied to fulfill the purpose of this study incorporates factors that fall under Employees Relationship Management practices. In order to get in-depth insights on Employees Relationship Management practices and job satisfaction, different literatures were reviewed. An extensive review of literature helped to construct a solid framework and necessary hypothesis for the research purpose.

##### **2.1.1 Theoretical base for the study**

Theory is as a coherent group of assumptions or propositions put forth to explain a phenomenon; it is an abstraction of reality and is synonymous with perception, viewpoint, assumption, frame of reference or a perspective. Theory attempts to observe, understand, explain, predict and control events or phenomena. It helps in understanding events and problems in the practical world (Fajana, 2000).

##### **Unitary Theory**

The essence of the unitary theory is that the larger social system or the work enterprise as a sub-system of the larger social system is a unitary organization. The theory views the organization as pointing towards a unified authority and loyalty structure. The theory emphasizes on common values, interest and objectives. Those who believe in this perspective view organizational participants as a team or family that emphasize on shared values, shared goals and common destiny. This theory implies the absence of factionalism within the enterprise (Fajana, 2000). Conflict is viewed as irrational/bad and the sacking of striking workers is preferred to consultation or negotiation.

Those holding to the perspective of unitary theory see managers and employees as having a common interest in the survival of their organizations, such that when conflicts occur it is unlikely to manifest itself to a point that will render the firm insolvent (Fidler, 1981). Divisions that do exist are assumed to be the product of personality disorders, inappropriate recruitment and promotion practices, the deviance of dissidents, or poor communication systems in the organization.

According to Rose (2008), under the unitary perspective, trade unionism is outlawed and suppressed as it is viewed as an illegitimate intrusion or encroachment on management's right to manage; trade unions are regarded as an intrusion into the organization from outside, competing with management for the loyalty of employees. Abott (2006) adds that management must ensure the organization is promoted amongst the workforce as the single source of authority and any alternative sources of authority are eliminated from the workplace. Rose (2008) mentions that the unitary theory tends towards authoritarianism and paternalism, it is pro-management, biased and emphasizes consensus and industrial peace. The underlying assumption of this view is that the organization exists in perfect harmony and all conflict is unnecessary

### **Conflict Theory**

Conflict theory is synonymous with the pluralist frame of reference which is also credited to Fox (1966). This theory views the organization as coalescence of sectional groups with different values, interests and objectives; thus, employees have different values and aspirations from those of management, and these values and aspirations are always in conflict with those of management. Conflict theorists argue that conflict is inevitable, rational, functional and normal situation in organizations, which is resolved through compromise and agreement or collective bargaining.

Conflict theorists view trade unions as legitimate challenges to managerial rule or prerogatives and emphasize competition and collaboration. This view recognizes trade unions as legitimate representative organizations which enable groups of employees to influence management decisions (Rose, 2008). Rose further states that the pluralist perspective would seem to be much more relevant than the unitary perspective in the analysis of industrial relations in many large unionized organizations and congruent with developments in contemporary society.

### **Systems Theory**

The concept of systems theory derives from the structural/functionalist perspectives of social system (society). This theory draws on a pluralist frame of reference by Dunlop's (1958) systems theory. The theory argues that industrial relations are best regarded as a sub-system of the wider social system. The theory holds work to be governed by a wide range of formal and informal rules and regulations, which cover everything from recruitment, holidays, performance, wages, hours, and a myriad of

other details of employment. It asserts that these rules are what industrial actors try to determine, that their establishment is influenced by the wider environmental context in which the actors operate, and that the actors themselves share an interest in maintaining the processes of negotiation and conflict resolution (Abott, 2006).

Otobo (2000) citing Dunlop (1958) argues that “an industrial-relations system at any one time in its development is regarded as comprised of certain actors, certain contexts, an ideology which binds the industrial-relations system together and a body of rules created to govern actors at the workplace and work community”. According to Dunlop (1958), systems theory provides the analytical tools and the theoretical basis to make industrial relations an academic discipline in its own right.

On the back of these assertions four elements are held to make up the system of industrial relations rule-making: first are industrial actors which consist of employers, employees, their representatives and external agencies with an interest in industrial relations like the government; second is the environmental context which is made up of prevailing economic and technological conditions, markets, and distribution of power in wider society; third is procedural and substantive rules governing the employment relationships between the actors and; fourth is binding ideology, which is a set of common beliefs and understandings that serve to encourage compromises on the part of each actor for the sake of making the system operable (Abott, 2006).

### **2.1.2 Job Satisfaction**

According to Armstrong (2009), job satisfaction is the fulfillment which an employee feels in relation to their jobs and work place. It brings the question, whether the employee is happy or content at their jobs. An employee may be measuring their satisfaction in financial, non-financial or psychological contract terms. Job satisfaction degree levels of people range from extreme dissatisfaction to extreme satisfaction. People also possess various aspects attitudes regarding their jobs such as, type of job done, amount of pay, coworkers subordinates and supervisors.

George and Jones (2012) in their research found that aspects that promote job dissatisfaction range from; poor leadership style, inability of firms to allocate adequate resources to train workers, inability to settle employee disputes on time, inappropriate compensation policies and inappropriate performance appraisal techniques. On the other hand it is evident that organizations that maintain good

relations with their employees are likely to experience increased profits, improved customer service delivery, minimal resistance to change, dedicated and motivated staff who work to achieve organizational objectives. Due to job dissatisfaction, performance of the organization has been affected resulting to increased employee turnovers, decreased profits and performance standards in the competitive business environment in the recent past. Other aspects that enhanced job satisfaction included; training of employees, open communication and timely introduction of change.

The significance of job satisfaction for both the employee and the organization means that it is still the subject of many studies. Stangrecla, (2021) study on job satisfaction include the ways of measuring it, its impact on engagement, productivity, company performance, intention to change employment. Research on remote work indicates that temporarily performing duties away from the workplace can increase employee job satisfaction.

### **2.1.3 Factors affecting Job Satisfaction**

Job satisfaction is defined as a feeling of the person toward the job which serves as a source of motivation. It does not refer to self-satisfaction and contentment, but it is about the feeling on the job. It reflects the simple feeling state accompanying the attainment of goals or feeling accompanying the attainment of objectives (Lu, Zhao & While, 2019). Job satisfaction is a combination of psychological, physiological and environmental circumstances that cause a person to be satisfied. It is the attitude of the employees toward his job. Hong, Yang and Alison identified three major theories of job satisfaction such as Herzberg's Motivation-Hygiene Theory, Need Fulfillment Theory and Social Reference Group Theory. Kendal and Hulin (1969) have identified factors that are affecting job satisfaction, and these are first, work itself. This is referring to the working condition. It is the environment provided by the organization which may include amenities, degree of safety, and health and well-being (Bockerman & Ilmakunnas, 2006). These are the environmental conditions that affect directly the feeling of employees toward the job. Working conditions may include training, working time, work-life balance (Majid, 2001).

Second is pay. This refers to the remuneration or salary given to the employees for the work done. Vermandere (2013) in his study argued that employees who are not paid fairly in relation to the workload have negative impact on motivation to work. The

study pointed further that employees who were not happy were more inclined to change jobs than the employees who were happy. However, the study also pointed out the other facts that employees were prepared to trade off lower salary against certain benefits, including: a higher retirement payout, a particularly interesting job, a job near home, extra holidays, a (better) company car, extra job security and feeling less controlled at the workplace.

Third is promotion. It refers to the advancement in the hierarchy. An employee is shifted to a higher significance and higher compensation (Green & Heywood, 2008). There have been many studies that came to conclusion that job satisfaction is correlated with promotion opportunities (McCausland, Pouliakas & Theodossiou, 2005).

Fourth is supervision. It is the ability to provide technical assistance and behavioral support to an employee or subordinates. It has been recognized that supervision plays important role in the success or failure of the organization. Beaset (1994) argued that the nature and the level of supervision is a factor that may affect the satisfaction of people deriving from their work. The style of supervisory behavior employed by a supervisor is known to be important factor leading to the success or failure of an organization (Adebayo, 2007, Eseka, 2009). Supervisory behavior ranges from autocratic, with all the decision made by the supervisor to a more democratic with decision made by the employee or subordinates at the lowest level (Stamolampros et al., 2019).

Fifth is co-employees. This refers to fellow employees who are socially supportive. Ramjee (2018) posits that when employee feels detached socially and emotionally from other employees in the organization, such situation can cause dissatisfaction. Isolation and loneliness may lead to employee's withdrawal from the job and the organization. There are five factors presented by Kendal and Hulin (1969) into only two determinant factors of job satisfaction and these are occupational variables, job content, considerate leadership, pay and promotional opportunities, organizational personal variables. Organizational variables may include: first, occupational level. It argues that the higher the level of the job, the greater the satisfaction of the person because it carries with it the prestige and self-control. Second, Job content. When the job is challenging and less repetitiveness with which the task is performed, the greater



the satisfaction is. Third, considerate leadership. This refers to leadership style in which supervisor treat employees with consideration. Considerate leadership lead to job satisfaction of employees. Fourth is pay and promotional opportunities. It has been said that pay and promotion opportunities lead to job satisfaction. Lastly is the interaction with the group or coworker. The study explains that good working relationship with co-worker always lead to job satisfaction.

Related Studies: Under the related studies, we examine previous studies on similar topic about employer-employee relationship and employee-employee relationship and job satisfaction. It seems that there are no many studies yet conducted on the working relationship and job satisfaction, but the following researches are enough to support the argument of the current study. Hong, Hamid and Salleh (2013) tried to determine factors that affect job satisfaction. Those factors were working environment, pay and salary, fairness and promotion criteria. The study concluded that working environment, pay and salary, and promotion determines the job satisfaction of administrative employees. Pursuing the same interest, Raziq and Maulabakhsh (2015) investigated the relationship between working environment and job satisfaction in the school context.

There were five variables identified under working environment and these were working hours, job safety and security, relationship with co-workers and relationship with top management. This study concluded that working environment affects the job satisfaction of employees. Therefore, they recommended that the management needs to be aware of and improve the workplace environment to increase job satisfaction level of employees. The above findings support the findings of Nanyak (2013). Nanyak studied on the employee's satisfaction, employee relation and job satisfaction and his study revealed the relationship between satisfaction and working environment, salary, compensation, benefits, services, retirement, organizational climate and working environment. Kumari (2011) argued that there is a need to pay attention to different factors that affect working condition and job satisfaction of employees. Bakotic and Babic (2013) strengthen the argument of Kumari that different working condition contributes to job satisfaction. The study argues that workers who work in normal working conditions are more satisfied with working conditions than workers who work under difficult working conditions; in the case of workers who work under difficult working conditions, the working conditions are important factor of their

overall job satisfaction. Working condition is seen as important component of making employees satisfied or dissatisfied. Bakotic and Babic (2013) found in their study that different working condition contributes to job satisfaction. The study argues that workers who work in normal working conditions are more satisfied with their working conditions than workers who work under difficult working conditions. In the case of workers who work under difficult working conditions, the working conditions are important factor of their overall job satisfaction. Further studies also revealed that one of the factors contributes to the working condition and job satisfaction is managements' attitude toward employees and the size of a firm. Tansel (2013) went into a study to find out how management attitude toward employees and the firm size affect job satisfaction. The study indicated that management-employee relationships are less satisfactory in the large firms than in the small firms. Job satisfaction levels are lower in large firms. Less satisfactory on management- employee relationships in the large firms contribute to the lower level of job satisfaction of employee. This study indicates that the more employee the organization has, the more difficult it is to establish good relationship or interpersonal relationship and such situation may affect job satisfaction of employees.

Employer-employee relationship seems to be problematic in the large firms compared to small firm. Going into the specific, Frenkel, Sanders and Bednall (2013) were motivated to find out if employer-employee relations affect job satisfaction and quit intentions in ten organizations in Australia. Their study led to a conclusion that employer-employee relations were positively related to job satisfaction and quit intentions. Similar study was also conducted by Iwu, Xesha, Slabbert and Nduna (2014) on the role employer and employee relationship toward business growth and job satisfaction. The study strengthens the above finding that good relationship between employee and employer is a good predictor toward business and success and job satisfaction. Employer acknowledged that good relationship has contributed toward the success of their business. Harmer and Findlay (n.d) initiated a study of the effect of workplace relationship and job satisfaction. There were three variables that they investigated in the study and these are individual's workplace relationship, direct supervisor relationship and job satisfaction. The study concluded that more than half or 52 percent of employees' job satisfaction is predicted by the quality of workplace relationships such as individual relationship with their co-worker and their supervisor.

National Business Research Institute (n.d) conducted a study on the quality of friendship in the workplace. The study argued that quality friendships at work have a direct link to job satisfaction and engagement. According to research statistics, employee satisfaction skyrockets nearly 50 percent when a worker develops a close relationship on the job. The study continues to argue that having friends at work benefits not only employees but also the organization as well. Such study has rejected the idea that friendly employees will bond together, creating a mutinous atmosphere of boss-bashing and downright insubordination. Its study explains further that how people succeed, or fail can be based on the support and involvement they have with friends in the workplace. In conclusion to the above research findings, we argue that though money contributes to job satisfaction (Nunez, 2015) but findings revealed that job satisfaction is not just caused by a single factor such as money but the whole working environment which include employer-employee relationship and employee-employee relationship. The concern of the current study is to find out different aspects of working environment, not only in terms of employer treatment to employees or employer and employees' relationship but also treatment of employees to other employees or employee and employee relationship. Working environment is not just caused by salaries and benefits but working condition as a whole, particularly human relationship between management and employee and among employees.

#### **2.1.4 Employees Relationship Management**

Mayhew (1985) says that good relationships between employer and employee do not just happen; they are the result of a strategy and activities that employee relations managers design to improve communication between employees and management. Scholars (Schweitzer & Lyons, 2008; Srivastava et al., 1998 among others) have highlighted several ERM practices, which include: employee empowerment and involvement, employee suggestions, collective bargaining, conflict management and grievance redress measures, training and development, transparency in communication, encouraging group activities (teamwork), and work compensation. Interdisciplinary field that encompasses the processes of regulation and control over workplace relations, the organization of tasks, and the relations between employers and their representatives, and employees and their representatives, and is the sum of economic, social and political interactions in workplaces where employees provide manual and mental labour in exchange for employability, rewards as well as the

institutions established for the purpose of governing workplace relations (Gospel & Palmer, 2004).

Effective employee relationship management requires cooperation between managers, representatives and employees (Laundon et al., 2019). This calls for development of policies that help to maintain fairness and efficiency in the work place. Corporate culture provides a benchmark of the standards of performance among employees: it provides clear guidelines on attendance, punctuality, concern about quality, and customer service. Moreover, the management style of line managers directly affect employee relations, since line managers are crucial links to the human resource function and orchestrate the distinctive skills, experiences, personalities, and motives of individuals. Good management of employee relations in any business unit ensures schemes for rewards and recognition, transparent communication system and proper care towards employee grievances

Good relationships between employers and employees do not just happen; they are the result of a strategy and activities that employee relations managers design to improve communication between employees and management. Employee relations management creates ways to boost employees' attitudes. Best employee relationship management practices incorporate labor and employment laws, resourcefulness and human resource expertise in developing practices that improve working relationships (Mayhew, 1985).

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 is all about effective organizational communications, which can build employee confidence, trust and loyalty, enabling managements to realize the potential, the skills and knowledge within the organization. It is a powerful business tool that enables employees to do their job better (Rai & Pareek, 2012).

On book written by Gennard and Judge (2002), employee relation was defined as follow; Employee relations is a study of the rules, regulations and agreements by which employees are managed both as individuals and as a collective group, the priority given to the individual as opposed to the collective relationship varying from company to company depending upon the values of management. As such it is

concerned with how to gain people’s commitment to the achievement of an organization’s business goals and objectives in a number of different situations. The definition clearly explains the comprehensiveness of the concept through discussing the concern of ER for individual, collective group, management, and the entire rule and regulation of the organization.

According to Yongcai (2010) ERM was defined as organization social process that comprises; labour relation management, communication management, employee participation management, employee information management and enterprise culture contraction. Table 2.1; show the Summery of Yongcai ERM basic components.

**Table 2.1:**

*Basic Content of Employee Relationship Management*

<b>Category</b>	<b>Basic content</b>
Labour relationship management	As the key part, it includes the dispute solution, labour interview of admission or severance, labour pleading, personnel dispute and emergency solution.
Communication management	Guarantee the smooth of communication channel; adopt the effective way of communication to guide the two way exchange between enterprise and the staff.
Employee participation management	Build good staffs participating environment, take the effective management style to give play to the staff’s intelligent and wisdom, fully realize the self-value, and bring about an advance in harmonious enterprise of the labour and capital.
Employee information management	Set up employee information management system offers information support for the enterprise strategy and human resource

management, and promote the information sharing of every department, promote the communication inside enterprise.

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*Source: Yongcai, "Employee Relationship Management of Small and Medium-sized Enterprises", 2010*

In net shell Employee relationship management includes various activities on which an organization implements 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).

### **2.1.5 Employees Relationship Management practices**

Organizations normally engage in various employee relationships management practices to develop healthy relationships and extract the best out of each team member. According to Schweitzer and Lyons (2008), these management practices include: 1) employee empowerment and involvement; 2) initiating employee suggestions; 3) facilitating collective bargaining; 4) conflict management and grievance redress measures; 5) expertise training and development; 6) transparency in communication and; 7) encouraging group activities (teamwork).

These employees relationship management practices can have numerous diverse impacts on the work of an organization, they can upgrade recognition and reinforce corporate communication, cultivate learning, increase employee involvement, provide real time access to company training, targets information to employees based on their interests, streamline execution administration, oversee assets, empower devotion and commitment raise efficiency empower development levels decrease turnover and hold human talent.

### **Employee Empowerment and Involvement**

Empowerment as a recent and advanced manifestation of employee involvement improves employee relations and contributes directly to organizational objectives by increasing skill sets and granting authority to the employees to make decisions that

would traditionally be made by managers (Ivancevich, 2001). It can encourage employees to be creative and to take risks, which are key components that can give a firm a competitive edge in a fast-changing environment (Hymowitz, 2000). Johnson and Redmond (1998) opined that employee involvement is operationalized through a process of five essential steps like informing, consulting, sharing, delegating, and empowering.

According to Shapiro (2000), organizations are giving efforts to involve employees to different degrees by which staffs are encouraged, enabled and empowered to contribute towards goal attainment. Spreitzer et al. (1997) reveals that workers with greater choice concerning how to do their own work have been found to have high job satisfaction. Employee empowerment is more relevant in today's competitive environment where knowledge workers are more prevalent (Jarrar & Zairi, 2002; Wimalasiri & Kouzmin, 2000). Thus, it is of vital importance that HR managers today understand that empowerment is really a necessary tool to increase employee satisfaction, which will transfer into greater productivity and organizational effectiveness.

### **Initiating Employee Suggestions**

Employee suggestion scheme can be described as a formalized mechanism which encourages employees to contribute constructive ideas for improving the organization in which they work. Implemented ideas are rewarded by a monetary award or some other form of recognition usually proportionate to the benefits generated. It creates a climate of trust and confidence, job satisfaction and continuous improvement in the company (Yusof & Aspinwall 2000). Marx (1995) defines a staff suggestion scheme as a formalized procedure to encourage the employees to think creatively about their jobs, job environment, and to come forward with ideas for which they will be rewarded on a specific basis, if acceptable and to the advantage of the organization. Day to day employee suggestions is a useful way to obtain and utilize employees' creative ideas especially when operating where innovation and constant improvement plays an increasingly vital part in economic success.

### **Facilitating Collective Bargaining**

Collective bargaining is a process of decision making between parties representing employer and employee interests; it implies the negotiation and continuous

application of an agreed set of rules to govern the substantive and procedural terms of the employment relationship (Windmuller et al, 1987). It can be initiated between trade unions and individual companies or between union federations and employer associations. In all of these cases, the goal is to agree upon rules to facilitate compromises between conflicting interests over the terms and conditions of employment. In replacing unilateral decision-making by the employer, bargaining has introduced an element of industrial democracy into the workplace (Cordova, 1990; Traxler, 1991).

Brown (2004), suggested that the range of issues over which bargaining takes place has narrowed in the last 20 years, but at the same time the scope of collective bargaining had rarely gone beyond pay and hours. Irrespective of the level at which bargaining takes place, a central goal is to reach compromises and agree upon rules for facilitating conflict resolution. For workers, this provides a protective function (ensuring adequate wages and working conditions), a voice function (influencing personnel and labour relations practices), and a distributive function (sharing in the fruits of technological progress and productivity). Thus collective bargaining system not only determines the terms and conditions of employment, but also facilitates better employee relations in organizations.

Collective bargaining should also consider job evaluation to determine the relative worth of a job; this is necessary in considering compensable factors like skills, effort, responsibilities and working conditions. According to Noe et al. (2004), incentive pay is pay tied to individual performance, profits and other measures of success. Organizations select forms of incentive pay to energize, direct or control employees' behavior. It is influential because the amount paid is linked to predefined behaviors or outcomes. Dessler (2000) mention that incentives are usually paid to specific employees whose work is above standard. Employee benefits, on the other hand, should be available to all employees based on their membership in the organization; provision of benefits for selected groups of employees could induce some friction due to perceptions of inequity.

### **Conflict Management and Grievance Redress Measures**

When problems arise, it is important to understand how to handle them. This is a fundamental aspect of employee relationship management. Sometimes those conflicts



occur between employees and employers. The sheer volume of grievances and disciplinary actions that arise will affect the costs of managing an organization. To the extent that management and unions devote time and effort to these formal adversarial procedures, they limit resources available for training, problem solving, communications, and other activities linked to productivity, human resource management, or organizational development (Katz et al., 1983). Consequently, volume of grievances and disciplinary actions should be systematically related to other measures of the performance of an industrial relations system (Thomson & Murray, 1976). High degree of conflict between labour and management lead to lower efficiency, poorer quality and poorer organizational performance, and eventual negative perception on the organization. Therefore, grievance and conflict resolution measures serve important and useful functions for labour and management for resolving the inevitable conflicts of employment relationships and for protecting the individual rights of employees.

### **Training and Development**

According to Noe et al. (2004), in the economics of work, the forward looking management is one which provides opportunities for development of human capital. Employees can be best partners in business if they are maximally developed and when they reach their optimum potential. According to Noe et., al (2004), job applicants when hired, consciously or unconsciously, think of how they can grow in and on the job and organization. It is not enough that whatever knowledge and skills employees bring to their organization when newly hired are fully utilized. They should acquire additional capabilities for more responsibilities in their current and future positions. Employers need to update the workers to adjust to a very fast changing business environment; update is critical in order for the organization to compete, survive, and excel.

Training and development is a very important function in human resource management in addition to staffing, compensation, health and safety, and the employment relationship (Mondey 2008). Training not only enhances the skills, knowledge, and experience of employees, but also gives employees the opportunity to learn their job retention virtual and do competently and increase company productivity (Nadeem 2010). Robins and Judge (2007) explains that the indicators of employee satisfaction can be determined based on four things: (1) a sense of

excitement and enjoy the work, (2) a feeling of calm and not be concerned about a job (3) feelings of the faithful and not ignore the work, and (4 ) feeling maintain and defend their work and do not let the condition gets worse.

### **Transparency in Communication**

Communication plays a key role in the success of any workplace program or policy and serves as the foundation for healthy workplace practices (APA, 2013). Transparency in communication about workplace practices helps achieve the desired outcomes for the employee and the organization. Regular and transparent sharing of the right information with organizational members on the work requirements enables employees to do the right things; this helps maintain trust and builds an engaged workforce. When employees feel that they can't be heard, neither know what is required of them, they may become frustrated, leading to lowered employee morale. Low morale can result in negative perception, thus leading to low productivity and an uncomfortable work environment.

### **Encouraging Team Work**

Mattick and Miller (2006) define a team as a group of people gathered in one department or task area, with common skills or product output in their goals. Encouragement of teamwork is necessary for the accomplishment of complex, multiple, interdependent tasks; moreover, a team can overcome and supplement individual skill weaknesses (Sheaffer et al., 2009). Teamwork is the ability to work together toward a common vision; it is the ability to direct individual accomplishments toward organizational objectives. It is important that organizational management work to foster teamwork and collaboration among the people they manage on an ongoing basis by establishing regular times to together as a group, encourage people to share information, make sure all employees receive the same memos in a timely manner, make sure everyone has access to necessary documents and communications in a shared database, be sure people have the tools and technology they need to share information and work together, and include virtual employees in on-site events (Gaines & Wilson, 2005). Encouraging team work enables employees reach greater feats in their chores as opposed to individual ones.

### **2.1.6 Factors affecting Employee Relationship Management**

Employees are the vital and intellectual resources of any organization which supports in its competitive advantage. It is highly essential for an organization to have an effective ERM practice to enable for an organization to have an effective ERM practice to enable the management of the employees in an efficient way. Efficient employee relationship management ensures the success of organizations and invariably ensures growth in the long run. Any issues relating to productivity and growth which are unidentifiable to some extent can be tackled well with the help of ERM (Vineet et al., 2013). ERM has a significant impact on the employees' performance (Yongcai, 2010). A win-win situation between the enterprise and the employees is possible through employee relation. By maintaining a healthy relationship between employer and employee, the organization can easily maintain organizational capability and ability to identify and share knowledge and adapt to changes rapidly (Wargborn, 2008). According to Gegax (2006), the effect of enriched employee relationship in an organization brings more positivity in all aspects compared to merely employee's performance. According to Taylor (2002), when employers, employees and trade unions or other employee representatives work together in a relationship of mutual trust the benefits are enormous. Industrial relations can also be precisely known as employment relations. Due (2006) illustrates that employment relations takes place when the employee works in exchange for payment of wages between employers. Due (2006) also added that a complex relationship will occur when the parties are interacting with each other either in different level or between levels of employment. Besides, the interactions in organizations, employment relations take different forms and include a variety of interrelationships between different groups and individuals, employers and employees, managers and workers, unions and managers as well as among different workers. Mustafa (2008) stated that to promote the mutual respect, co-operation and harmonious relations between the employers and the workers as well as to facilitate a peaceful and conducive climate for productivity and economic growth, government had introduced a variety of labour legislations.

### **2.1.7 Relationship between Employees Relationship Practices and Job satisfaction**

Employees relationship management plays an important role in employee motivation, engagement, performance and job satisfaction in the organizations. It also helps in reducing attrition especially among the high performers thereby minimizing the costs of recruitment, training and development. In view of high acquisition costs and global competition, satisfied and loyal employees has become a necessity for the corporate, nowadays. Those organizations which practice ERM in some formal or informal ways, definitely experience less conflicts among employees or between employees and management (Garcia et al., 2019). This creates a good image of the organization among other stakeholders such as customers, business partners, investors and potential employees. In ERM, efforts are to satisfy the profitable employees and to convert non-profitable into the profitable ones. It requires changing the mind-sets and work culture with the active participation and initiative of top management as well each employee of the organization (Raizada, 2019).

Employee Relationship Management (ERM) is extremely important in organizations especially those in which employees come from different nationalities and cultural backgrounds. Companies need to have a common code of conduct, organizational culture and workplace ethics, which would help them in binding their employees together as a family. The best way is to implement the ERM practices and measuring them on annual basis. Satisfaction with work is one of the main indicators of the quality of working life, taking into account its impact on the attitude of employees to work, satisfaction of specific needs of employees. An individual who can talk to his or her colleagues and exchange not only work-related information, but also inquiries about well-being or polite conversation, builds a bond within the team. In turn, the individual has a sense of support and a friendly working environment, which contributes to a positive perception of work (Stangrecka, 2021).

### **Employees empowerment and involvement and Job satisfaction**

Empowerment has now become an imperative for the organizations, especially for those who want to win external pressures with the help of their workforce support. Until the employees do not feel empowered they are not satisfied with their jobs. Empirical studies have depicted the empowerment as a significant predictor of job

satisfaction. Empowered employees are more satisfied with their jobs (Spreitzer, Kizilos & Nason, 1997). A number of researchers have focused on the study of relationship of empowerment and job satisfaction (Fuller, 1999). Empowerment can affect job satisfaction to a particular extent (Bakker & Schaufeli, 2008; and Laage, 2003). The study conducted by Dickson and Lorenz, (2009) concluded that meaning, impact and self-determination cognitions of empowerment were positively associated with job satisfaction while competence cognition was not; nevertheless, an overall empowerment was found positively associated with job satisfaction. Researchers have come across the relationship of four cognitions of empowerment with different outcomes, but results have varied from one study to another (Carless, 2004; and Liden, Wayne & Sparrowe, 2000). Rana and Singh, (2016); and Ning, Zhong, Libo and Qiujie (2009) stated significant and positive relationship between employee empowerment and job satisfaction in their research studies.

Choong and Lau (2011) study reveals that in this competitive business environment for the survival of an organization keeping employee satisfied with the organization is necessary. For satisfying employee in an organization, need to make sound empowerment policies and practices so that employee feel appreciated for their contribution to the growth of the organization. Further, it says that in a true sense, empowerment keeps employee engaged to contribute to the success of the business, continues learning and growing in the organization and feel connected and contributed with throughout the organization.

### **Initiating employee suggestions and Job satisfaction**

Initiating employees suggestions plays the role as to motivate employees in the organization. An effective motivational practices would result in enhanced employee development from feedback as well as better employee satisfaction comprehension by the company. However, if suggestions from employees simply applied in the organization and considered at the time of decision making, employees are satisfied with their jobs. Spence and Keeping (2011) studied how work stressors can result in role ambiguity and conflict, and subsequently causing increased job dissatisfaction and turnover.

Initiating suggestions of employees in an organization can be stressful for management, as they should balance the suggestions of all employees and look for

ways that suggestions positively impact the organization. Similar to motivate employees and encouraging them to come up with suggestions for betterment of organization results in development of organization and job satisfaction of employees. Marx (1995) came out with a study on how perceived fairness during taking suggestion of employees process may influence employee satisfaction and resulted in positive relationship between all organizational justice variables and job satisfaction from data collected among American companies.

According to the research done by Yusof and Aspinwall (2000) we obtain a conclusion that initiating employees suggestions in an organizations motivates employees and make feel satisfied with the job they do. Initiating suggestions of employees in decision making makes employees satisfied with their job.

### **Facilitating collective bargaining and Job satisfaction**

Pfeffer and Davis-Blake (1990) study reveals that there is tremendous variation in working conditions within-industry and within-occupation, which influence job satisfaction. Typical controls for these conditions in national surveys are crude and likely fail to capture covariates with worker satisfaction. In a similar vein, unobserved individual characteristics may influence estimation of satisfaction. If individuals who experience lower satisfaction are more likely to join unions, then finding a negative impact of unions on satisfaction is not surprising. In other words, being a union member may bear little relation to job satisfaction, once the self-sorting of workers has been considered. Indeed, using a nationwide British survey, Bryson, Cappellari, and Lucifora (2004) present evidence that self-sorting into unions is the cause of estimated lower satisfaction among union members. Given that faculty's right to engage in collective bargaining is under debate in the United States. As pointed out by, Noe et al. (2004), his study departs from previous work by examining the impacts of collective bargaining on satisfaction, rather than further exploring the effects of union membership. Thus, rather than focusing on the difference between individuals who choose to join a union and those who do not, we explore the impact of bargaining agreements that cover all employees both union members and nonmembers and compare faculty covered by an agreement with those who are not. This approach has significant advantages over prior work that examines the membership satisfaction relationship.

According to Green and Heywood (2010) improved understanding of the impact collective bargaining has on all faculty will better inform policymakers regarding the role of collective bargaining in universities and also by focusing on collective bargaining rather than on membership, as per their study the potential simultaneity of union membership and satisfaction that biases estimates of the effect that individual membership choice has on satisfaction. Ofcourse, it is possible that individuals self-select into institutions with (or without) collective bargaining agreements; however, researcher control for this possibility through an instrumental variables estimator. Previous paper Bryson, Cappellari, and Lucifora (2011), account for the impact on job satisfaction of being covered by a collective bargaining agreement. Bryson et al. present evidence that nonrandom sorting into covered occupations explains lower job satisfaction among union members, while union membership reduces satisfaction among members in noncovered occupations. As pointed out by D'Addio, Erickson, and Frijters (2007), estimates of job satisfaction that neglect unobserved workplace heterogeneity suffer from severe bias. We address this unobserved workplace heterogeneity by using an institutional level random effects estimator that reduces the weight on within institution variance and thereby limits such bias.

### **Conflict management and grievance redress measures and Job satisfaction**

Conflict has in the past been regarded as time consuming and harmful for an organization. Although there is no universally accepted definition, conflict is defined as the process that begins when one party perceives that the other party has negatively affected something that he or she cares about (Thomas, 1999). Many researchers find that conflict may hinder the effectiveness of the team, leading to reduction of productivity and group satisfaction. At extreme levels, when parties become defensive, competitive and rely on the use of power, the conflict results in situations that can damage long-term professional and interpersonal relationships and team work, and may lead to withhold useful information because of problems in the communication process and if conflicts are managed in a correct way by management considering betterment both employees and management that employees are satisfied with their jobs (Vivar, 2005).

However, behavioural scientists and modern managers agree that a certain degree of conflict is essential as long as conflict is handled properly. When professionals show each other appropriate levels of respect and engage in a collaborative approach to

conflict management such conflicts are often transcended. It can be constructive, as it can be catalytic to new ideas, progress and positive change and growth (White, 1998). Conflict may increase creativity and innovation, offer people the opportunity for healthier relationships and encourage self-examination which results in job satisfactions of employees, if conflicts are managed in a proper way. Thus, conflict can be seen as functional or dysfunctional, depending on how each person or team perceives it, manages it and resolves it (Skjorshammer 2001, Valentine 2001, Vivar 2005).

### **Transparency in Communication and Job satisfaction**

Ferrazzo, Filippi, Meneghetti and Palese (2012) discusses that communication plays an important role between management and employee. A transparent communication results in employees' job satisfaction. Previous studies demonstrating high levels of communication and job satisfaction in a large sample of Flemish hospital staffs, benchmarked against other hospital settings, there are low intent to leave and burnout. Moreover, job dissatisfaction was associated with polyclinic work, part-time employment, and longer work experience. Communication satisfaction was associated with job satisfaction, intent to leave and burnout. The need for improvement on various dimensions of communication was identified by the past research to have job satisfactions.

Iseke (2014) discusses in his study that staffs working part-time were more likely to be dissatisfied, also due to relocation of hospital staffs who could no longer fulfill the physical requirements of hospital units, the mental challenges of hospital staffs work are often more challenging and the job content is different, as it is more difficult to establish long-term relationships with patients due to either a single contact, shorter contact times, or a combination of both. Less interaction could decrease staffs' feelings of personal accomplishment and hence job satisfaction (Kudo et al., 2010; Lu, While, & Barriball, 2005). Job discrepancies (i.e., mismatches between job characteristics and employee preferences and abilities; Iseke, 2014) may account for differences in job satisfaction. These differences could be due to less involvement with the hospital or the department, or receiving less information about patients (Ferrazzo, Filippi, Meneghetti, & Palese, 2012). (Wagner, Bezuidenhout, & Roos, 2015). Probst et al. (2010) suggests that satisfaction with supervisor communication



was previously found to influence overall job satisfaction. In the present study, communication was lowest in the university hospital, possibly due to the slower and more cumbersome communication structures within the larger hospital and the distance between hospital employees and management. Turnover intention among the participants was lower than in previous research (Aiken et al., 2012; McHugh et al., 2011) and may be related to the high job satisfaction and communication observed.

### **Training and development and Job satisfaction**

Training is an important strategy for organizations to assist employees in acquiring the knowledge and skills needed to be adapted to the environmental challenge (Goldstein in Babaita 2011). Innovation is a challenge of the environmental aspects of the organization. The existence of the necessary innovation will certainly lead to the need for training and development itself. Training and development itself is influenced by existing innovation in telecommunication sector. With a good innovation will certainly have an impact on the implementation of the training itself, which includes the processes, objectives, methods, and existing delivery systems.

The training and development is indicated by the process, purpose, method, and the delivery system. Training and development can have a direct impact on job satisfaction. While employee may feel content by developing their knowledge and skills from the training provided by the organization (Mondy, 2008). With the process, goals, methods, and good delivery system in the telecommunication sector, they certainly have an impact on job satisfaction of the service sector managers themselves. According to Locke in Toker (2011), job satisfaction is a pleasant emotional state resulting from the appraisal of one's job as the achievement of value work. Robins and Judge (2007) explains that the indication of job satisfaction can be determined from four things: (1) feeling happy and enjoys his job, (2) a feeling of calm and not be concerned about employment, (3) loyalty and do not ignore the work, and (4) preservation and defense of the work.

### **Encouragement of teamwork and Job satisfaction**

Management encouraging their employees to work on teams, have brought positive development in the organizations. Previous research focusing on factors related to hospital staff's job satisfaction have identified satisfaction decreases job stress (Blegen 1993, Zangaro & Soeken 2007), improved health sector employees'

collaboration (Rosenstein 2002), greater job autonomy (Kovner et al. 2006, Zangaro & Soeken 2007) and adequate staffing (Aiken et al. 2002, 2003, Cherry et al. 2007). Previous research studies that specifically focused on the influence of teamwork on job satisfaction were uncovered (Rafferty et al. 2001, Cox 2003, Amos et al. 2005, DiMeglio et al. 2005, Chang et al. 2009). Rafferty et al. (2001) surveyed in England and found that hospital staffs with higher interdisciplinary teamwork scores were significantly more likely to be satisfied with their jobs, planned to stay in them and had lower burnout scores. According to Chang et al. (2009) the collaborative interdisciplinary relationships are one of the most important predictors of job satisfaction for all healthcare providers. He suggests that the relationship between group cohesion, a key process of teamwork, and staffs satisfaction before and after an intervention (DiMeglio et al. 2005). The intervention increased both group cohesion and satisfaction among hospital staffs. However, they did not report whether there was a relationship between group cohesion and satisfaction.

Pennington et al. (2003) reveals that the job satisfaction in health service sector where staff had undergone an intervention to improve teamwork. The intervention did not result in greater satisfaction and they did not measure actual teamwork. Studies of the job satisfaction of hospital staffs have shown dissatisfiers to be excessive workload (Mather & Bakas 2002 and Crickmer 2005), not being recognized and valued for their contributions (Counsell & Rivers 2002, Mather & Bakas 2002, Parsons et al. 2003, Spilsbury & Meyer 2004, Crickmer 2005), pay (Parsons et al. 2003, Deckeret al. 2009), benefits (Parsons et al. 2003) and supervisor support (Decker et al. 2009). The only study that examined the relationship between teamwork and job satisfaction showed that lower levels of hardiness or coping skills of health service employees was believed to contribute to higher psychological distress and decreased job satisfaction.

## **2.2 Research Gap**

From the various research {Onyango (2014), Chaubey, Mishra and Dimri (2017), Stangrecka (2021)} it has been found that employees relationship management practices has a significant affect on the employee job satisfaction which ultimately affect the employees' performance. Most of the research has found a negative correlation between employee relationship management and job satisfaction. Therefore, to increase job satisfaction among employees, organizations should focus on how to maintain a good relationship with their employees and satisfy them. There

have been a number of researches and studies conducted on employee relationship management practices on various fields. The researcher studied various research reports and studies on employees relationship management practices and its impact on job satisfaction.

During this study, the researcher found very few literatures and research in employees relationship management practices and job satisfaction in the service sectors. However, the researcher found that there are many studies conducted on the impact of employees relationship management practices on job satisfaction in health, corporate, and academic sectors.

In the Nepalese context very, few studies were found conducted on employees relationship management practices and job satisfaction. However, the researcher was unable to find research studies examining the impact employees relationship management practices on job satisfaction in Nepalese service sector. This is the knowledge gap for further research. This is the sincere attempt to fill the knowledge gap to link the impact of employees relationship management practices on job satisfaction research in Nepalese service sector with the international research.

### **2.3 Theoretical Framework**

Based on various past researches, literature reviews and objective of the study, different variables have been defined and categorized as dependent and independent variables. The aim of this research is to identify the perception of employees on employee relationship management practices on the Nepalese Service Sector. The figure below shows the theoretical structure for this study that has been established. The independent variable is employee relationship management practices whereas the dependent variable is Job satisfaction.

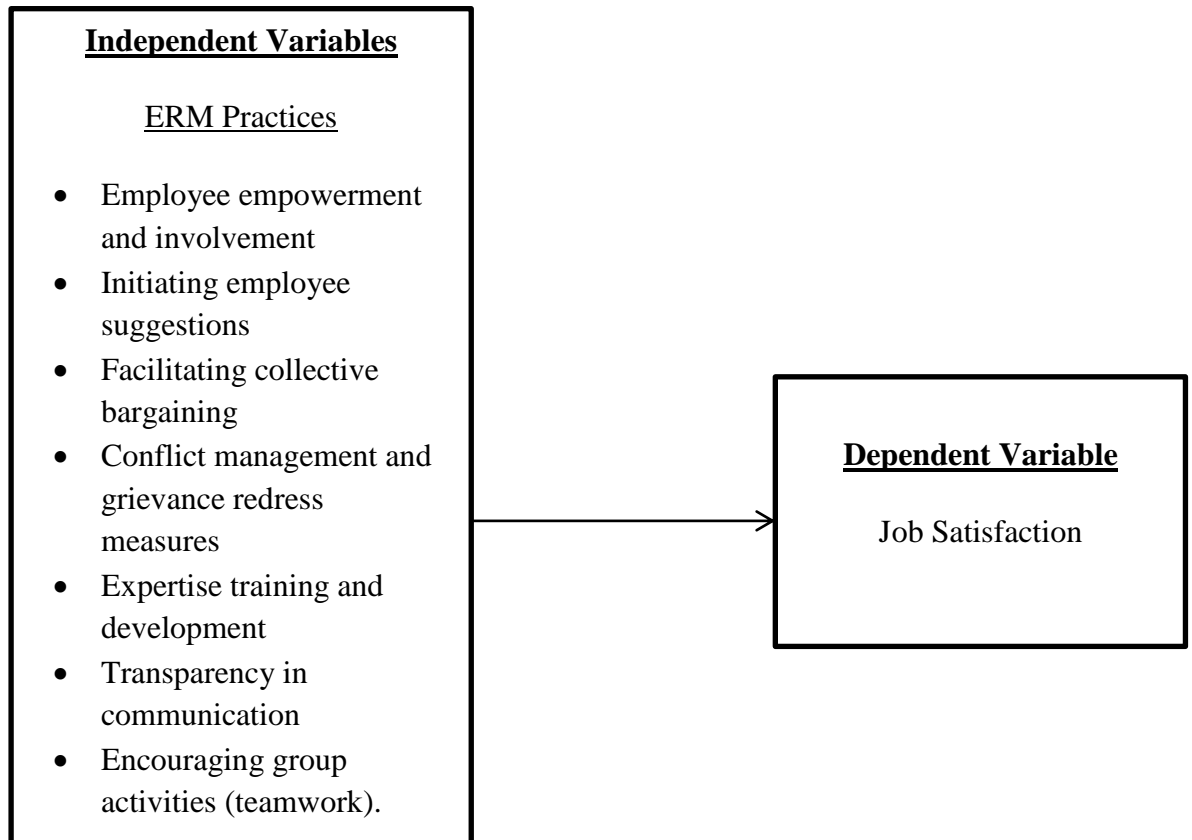


Figure 2.1 Theoretical Framework

Source: Schweitzer & Lyons (2008)

## 2.4 Definition of terms

**Job Satisfaction** Job satisfaction means delightful sentiment because of the advancement of worker’s job or job familiarity (Gull & Zaidi, 2012). According to Celik (2011), job satisfaction is the general expression of worker’s positive attitudes built up towards their job and its nature.

**Employee empowerment and involvement** Empowerment as a recent and advanced manifestation of employee involvement improves employee relations and contributes directly to organizational objectives by increasing skill sets and granting authority to the employees to make decisions that would traditionally be made by managers (Pareek & Rai, 2012).

**Employee suggestions** Employee suggestion scheme can be described as a formalized mechanism which encourages employees to contribute constructive ideas for improving the organization in which they work. Implemented ideas are rewarded by a monetary award or some other form of recognition –usually proportionate to the benefits generated. It creates a climate of trust and confidence, job satisfaction and continuous improvement in the company (Yusof & Aspinwall, 2000).

**Collective bargaining** Collective Bargaining is a process in which the representatives of a labor organization and the representatives of business organization meet and attempt to negotiate a contract or agreement, which specifies the nature of employee-employer union relationship (Gegax, 2006).

**Conflict management and grievance redress measures** The grievances and disciplinary actions that arise will affect the costs of managing an organization. To the extent that management and unions devote time and effort to these formal adversarial procedures, they limit resources available for training, problem solving, communications, and other activities linked to productivity, human resource management, or organizational development (Katz et al., 1983).

**Expertise training and development** Training is a systematic way of altering behavior to prepare an employee for a job or to improve the employee's performance on the present job, and development is preparing an employee for improving the conceptual, decision-making, and interpersonal skills in complex, in structured situation (Niazi, 2011).

**Communication** Communication is the process of passing information and understanding from one person to another. Therefore, all communication influences at least two people: the one who sends the message and the one who receives it (Ebarefimia, 2012).

**Encouraging group activities (teamwork)** Teamwork is defined as a cooperative process that allows ordinary people to achieve extraordinary results. Teamwork relies upon individuals working together in a cooperative environment to achieve common team goals through sharing knowledge and skills (Hanaysha, 2016)

## CHAPTER III

### RESEARCH METHODS

This chapter includes the methods of research in the study such as research design, population and sample size, details of data collection, nature and sources of data and statistical tools, method of data analysis and reliability and validity of the instrument employed to generate results.

#### 3.1 Research Design

The study aims to find out the impact of Employee Relationship Management Practices on job satisfaction in the Nepalese service sector. In order to perform this research study, quantitative approach towards descriptive and explanatory casual research design will be used for empirically speculating the research objective. Relevant data and information were collected, evaluated and analyzed using various statistical tools.

#### 3.2 Population and Sample

The research was conducted within Nepal and the population for the proposed study includes general manager, manager, officer and assistant level employees of the Nepalese Service Sectors like business and professional services, communication services, education services, banking and insurances and other financial services, health care services, tourism, hospitality and other travel related services, information technology and others.

Since, the population of the employees of the Nepalese service sector is unknown, Cochran's 1977 formula is used to determine the sample size for unknown population using following formula:

$$n = \frac{pqz^2}{\epsilon^2} \dots \dots \dots (3.1)$$

Where, n= sample size

p = Population proportion with given characteristic

q = Population proportion without given characteristic

z = Standard normal deviation at the required confidence level

ε= Error margin

For the unknown population it is recommended the value of p and q shall be set at 50%. By considering the confidence level of 95 %, with z value = 1.96 and sampling error  $\epsilon=5\%$ .

$$n = \frac{50*50*(1.96)^2}{\epsilon^2} = 384 \dots\dots\dots (3.2)$$

So, the optimal sample size for this study is 384 employees working in different service sector in Nepal.

**3.3 Nature and Sources of Data**

This study was based on primary source where the data was collected through the structured questionnaire, by distributing it to the employees of Nepalese Service Sectors. The questionnaire was prepared using inbuilt tools in Google form and total of 384 questionnaires were sent out for data collection but only 310 responses could be collected. So, the study is based on 310 sample size. The questionnaire was distributed online. The responses collected were validated and then entered in the excel sheet and then imported in SPSS. All the questions in questionnaire were marked as compulsory.

**3.4 Instrumentation**

The study was based on survey method and used a structured questionnaire to collect data from the employees of the service sector of Nepal. The questionnaire has been divided into three parts. In the first part, the questions on respondents’ demographic profile has been asked such as age, gender, education level, work sector, position and monthly income. The second part comprises Likert scale questions for independent variable i.e. ERM practices. It contains questions on topics like employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork). The ERM practices and job satisfaction dimensions are measured by the help of scale developed by Chaubey, Mishra and Dimri (2017).

Similarly, the third part also contains Likert scale questions for the dependent variable, job satisfaction. A seven-point Likert scale has been used where 1 stands for Strongly Disagree, 2 for Disagree, 3 for Somewhat Disagree, 4 stands for Neutral, 5 stands for Somewhat Agree, 6 stands for Agree and 7 stands for Strongly Agree. (Pimentel, 2019).

### **3.5 Data Analysis Tool**

In order to analyze the data, first of all the responses are coded and entered into the SPSS statistics 23. Then, SPSS and Microsoft Excel are used to organize, manage, analyze and interpret the data. The study uses the following methods of data analysis.

#### **3.5.1 Descriptive analysis**

Descriptive statistics consists of frequency, mean, percentage and standard deviation to describe the characteristics of the data. Frequency is used for respondent profile. Mean and standard deviation are used to assess the impact of employees relationship management practices on job satisfaction. Overall job satisfaction is measured by averaging the mean score of employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork).

#### **3.5.2 Correlation analysis**

Correlation analysis was used to examine the relationship between variables. It indicates how or to what extent variables are associated with each other. The relationship between practices of employees relationship management and job satisfaction was determined by correlation analysis.

The scale model suggested by Davies (1971) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

1. 0.7 and above – very strong relationship,
2. 0.50 to 0.69 – strong relationship,
3. 0.30 to 0.49 – moderate relationship,
4. 0.10 to 0.29 – low relationships and
5. 0.01 to 0.09 – very low relationship

#### **3.5.3 Regression analysis**

The Multiple Regression Model was used to identify dominant factor among the seven factors employees relationship management that had closest relation with job satisfaction. Multiple correlation coefficient (R), coefficient of determination ( $R^2$ ), adjusted  $R^2$ , and the standard error of the estimate is calculated through SPSS.



A regression analysis was undertaken to estimate the strength of independent and dependent variable. The regression equation between independent variables (employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities) and dependent variable (job satisfaction) is as follows:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + e$$

Where Y = Job Satisfaction;

B<sub>0</sub> = Constant;

B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub> & B<sub>4</sub> = the coefficient of the variables;

X<sub>1</sub> = Employee empowerment and involvement

X<sub>2</sub> = Initiating employee suggestions

X<sub>3</sub> = Facilitating collective bargaining

X<sub>4</sub> = Conflict management and grievance redress measures

X<sub>5</sub> = Expertise training and development

X<sub>6</sub> = Transparency in communication

X<sub>7</sub> = Encouraging group activities

e = the error or the difference between the predicted and the observed value of Y.

### **3.6 Reliability and Validity**

The context validity was established by pretest in which the structured questionnaire is distributed to respondents. The reliability is used to test the internal consistency of survey instruments. Since, the questionnaire has been adapted to Nepalese context the Cronbach's alpha will be used to measure the reliability of the item scales i.e. ERM practices and job satisfaction. Generally, a coefficient of at least 0.60 conform the homogeneity of the items and indicates that the reliability of data is accepted and good among the scale.

Table 3.1  
*Reliability test of variables*

Variables	Number of items	Cronbach's alpha ( $\alpha$ )
Employee empowerment and involvement	5	0.858
Initiating employee suggestions	4	0.885
Facilitating collective bargaining	4	0.887
Conflict management and grievance redress measures	7	0.932
Expertise training and development	5	0.916
Transparency in communication	6	0.932
Encouraging group activities	5	0.938
Job Stisfaction	8	0.943

Table 3.1 illustrates the reliability statistics. Since all the measures were positive none of them were reverse scored to avoid biased response. Then, the standardized values were computed to determine the individual scores of employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication, encouraging group activities (teamwork) and job satisfaction . The data presented above shows the Cronbach's alpha values for the employee empowerment and involvement as 0.858, initiating employee suggestions as 0.885, facilitating collective bargaining as 0.887, conflict management and grievance redress measures as 0.932, expertise training and development as 0.916, transparency in communication as 0.932, encouraging group activities (teamwork) as 0.938 and job satisfaction as 0.943 which indicates an acceptable degree of reliability.

## CHAPTER IV

### ANALYSIS AND RESULT

This chapter presents the analysis of data, interpretation of results and findings of the study. The data collected were analyzed and presented in tabular form. It includes the respondents' profile, employees relationship management practices and job satisfaction with reference to Nepalese Service Sector. It further intends to answer the research questions, fulfill the objectives and test the hypotheses.

#### 4.1 Respondent's profile

The profile of respondents describes the status of respondents according to variables such as gender, age, education level, currently working in, current job position, number of years worked and earning per month. A total of 384 questionnaires were sent out but only 310 responses could be collected. So, the study is based on 310 sample size. The study relies on survey which consists of data collected from structured questionnaire.

Table 4.1

#### *Respondent's profile*

<b>Particulars</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	188	60.60
Female	122	39.40
<b>Age</b>		
19-25	84	27.10
25-35	174	56.10
35-45	43	13.90
45 -55	9	2.90
<b>Educational Level</b>		
SLC	2	0.60
Intermediate (10+2)	26	8.40

Under graduate (Bachelors)	144	46.50
Graduate (Masters)	133	42.90
Other	5	1.60
<b>Service Sector</b>		
Business and Professional Services	76	24.50
Communication Services	29	9.40
Education Services	32	10.30
Banking and insurances and other financial services	73	23.50
Health care Services	30	9.70
Tourism, hospitality and other travel related Services	21	6.80
Information Technology	30	9.70
Other	19	6.10
<b>Current job position</b>		
General Manager	19	6.10
Manager	70	22.60
Officer	131	42.30
Assistant	90	29.00
<b>No. of years worked</b>		
Less than a year	57	18.40
1-3 years	136	43.90
4-6 years	59	19.00
7-9 years	26	8.40
10-13 years	23	7.40
Above 13 years	9	2.90
<b>Income</b>		
Upto 15,000	31	10.00
Rs 15,001-25,000	47	15.20
Rs 25,001-35,000	74	23.90
Rs 35,001-45,000	58	18.70
Rs 45,001 & above	100	32.30

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Table 4.1 reports the profile of respondents. Out of total 310 respondents, 60.6 percent were male and the remaining 39.4 percent were female. This shows that the majority of the respondents were male. 27.1 percent of respondents belong to the age group of 19-25 years, 56.1 percent belong to the age group of 25-35 years, 13.9 percent of the age group 35-45 years and 2.9 percent of respondent were age group of 45-55. Thus, most of the respondents belong to the age group of 25-35 years. In terms of educational background, 0.6 percent of the respondents have educational qualification of SLC, 8.4 percent of the respondents have Intermediate (plus two level) qualification, 46.5 percent have bachelor's level qualification, 42.9 percent have educational qualification of master's and 1.6 percent have other level. Maximum respondents were well educated and have qualification of bachelor's level.

The questionnaire was sent to the employees working in the different service sectors i.e., business and professional, communication, education, banking and insurances and other financial, health care, tourism, hospitality and other travel related, information technology and others. Even the questionnaire is sent to respondents from different Nepalese service sectors, the highest number of responses were collected from business and professional services with 24.5 percent of total responses where as 23.5 percent from banking and insurances and other financial services, 9.4 percent from communication services, 10.3 percent from education services, 9.7 percent from health care services, 6.8 percent from tourism, hospitality and other travel related services, 9.7 percent from information technology and 6.1 percent from other service sectors.

When asked about current job position, majority of respondents have job position of officer level (42.3 percent), followed by assistant level (29 percent), managerial level (22.6 percent) and general managerial level (6.1 percent).

Also, 18.4 percent have been working in their current organization for a period of less than one year. 43.9 percent have been working for 1-3 years, 19 percent have a job tenure of 4-6 years, 8.4 percent have the tenure of 7-9 years, 7.4 percent have the tenure of 10-13 years and 2.9 percent have been working in the current organization for more than 13 years. Maximum percentage of respondents have been working in the current organization for a period of 1-3 years.

10 percent respondents have earning of upto Rs. 15,000 per month, 15.2 percent have earning of Rs. 15,001-25,000 per month, 23.9 percent have earning of Rs. 25,001 to 35,000, 18.7 percent have earning of Rs. 35,001- 45,000 and 32.3 percent have the earning of Rs. 45,001 and above.

#### 4.2 Descriptive Statistics

This section presents the descriptive analysis of the statement of the constructs along with the mean, and standard deviation of the items. Seven-point Likert scale was used to measure the independent and dependent variable. Employees relationship management practices is the independent variable and job satisfaction is the dependent variable of the study. It has been considered that 1.00-1.85 is strongly disagree, 1.86-2.71 is disagree, 2.72-3.57 is somewhat disagree, 3.58-4.43 is neutral, 4.44-5.29 is somewhat agree, 5.30-6.15 is agree, and 6.16-7.00 is strongly agree. (Pimentel, 2019).

Table 4.2

*Descriptive statistics of variable: Employee Empowerment and Involvement*

	N	Minimum	Maximum	Mean	Std. Deviation
Employees regularly look for ways to improve their work process.	310	1	7	5.60	1.29
The management delegates some responsibilities to employees.	310	1	7	5.50	1.25
Employees are involved in decisions that affect their work.	310	1	7	5.23	1.43

Employees participate in developing long-term goals and objective	310	1	7	5.31	1.46
Management supports employees job related activities	310	1	7	5.24	1.44

Table 4.2 exhibits the mean scale given by the respondents to each of the seven-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding employee empowerment and involvement.

Respondents indicate relatively higher degree of agreement with the statmenents ‘Employees regularly look for ways to improve their work process’, ‘The management delegates some responsibilities to employees’, ‘Employees participate in developing long-term goals and objective’ with the mean value of 5.60, 5.50 and 5.31 respectively. The statement ‘Employees are involved in decisions that affect their work’ and ‘Management supports employees job related activities’ has the mean value of 5.23 and 5.24 respectively. This shows employees somewhat agree that they are involved in decision that affect their work and management supports their job related activities.

Table 4.3

*Descriptive statistics of variable: Initiation of Employee Suggestions*

	N	Minimum	Maximum	Mean	Std. Deviation
Employee creative thinking is encouraged in the organization.	310	1	7	5.20	1.51
The management review and acknowledges employee suggestions.	310	1	7	5.16	1.44

Managers regularly seek employees opinions on job related issues	310	1	7	4.87	1.63
Employees are rewarded whenever their suggestions are approved.	310	1	7	4.64	1.74

Table 4.3 exhibits the mean scale given by the respondents to each of the seven-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding initiation of employee suggestions.

Respondent indicate moderate degree of agreement with the statement ‘Employee creative thinking is encouraged in the organization’, ‘The management review and acknowledges employee suggestions’, ‘Managers regularly seek employees opinions on job related issues’ and ‘Employees are rewarded whenever their suggestions are approved’ with the mean value of 5.20, 5.16, 4.87 and 4.64 respectively. This shows that employees agree that there is initiation of employees suggestions in the organization.

Table 4.4

*Descriptive statistics of variable:Facilitating Collective Bargaining*

	N	Minimum	Maximum	Mean	Std. Deviation
Employee compensation and benefits are reviewed regularly.	310	1	7	4.53	1.70
The organization upgrades employee benefits.	310	1	7	4.62	1.59
The institution conducts regular job evaluation.	310	1	7	4.89	1.51



There are accurate deductions on pay.	310	1	7	4.66	1.57
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Table 4.4 exhibits the mean scale given by the respondents to each of the seven-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding facilitating collective bargaining.

The responses indicate moderate degree of agreement with the statements ‘Employee compensation and benefits are reviewed regularly’, ‘The organization upgrades employee benefits’, ‘The institution conducts regular job evaluation’ and ‘There are accurate deductions on pay’ with the mean value of 4.53, 4.62, 4.89 and 4.66 respectively. This shows that employees some what agrees that they are facilitated by collective bargaining in the organization.

Table 4.5

*Descriptive statistics of variable: Conflict Management and Grievance Redress Measures*

	N	Minimum	Maximum	Mean	Std. Deviation
Management ensures that employees are represented appropriately in case of conflict.	310	1	7	4.86	1.59
Employees are encourages to seek formal permission before striking.	310	1	7	4.84	1.59
Employee and employer mutually respect the right of each other during the conflict management.	310	1	7	5.03	1.53

Managers always interact with their employees to arrive at neutral decisions.	310	1	7	4.87	1.54
Managers always seek consensus with employees during conflict decisions.	310	1	7	4.86	1.51
Appropriate parties are involved in conflict management forums between the employer and employees.	310	1	7	4.89	1.47
Employees always respect the decision of the managers/supervisors during conflict.	310	1	7	4.95	1.53

Table 4.5 exhibits the mean scale given by the respondents to each of the seven-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding conflict management and grievance redress measures.

The responses indicate moderate degree of agreement with the statements ‘Management ensures that employees are represented appropriately in case of conflict’, ‘Employees are encourages to seek formal permission before striking’, ‘Employee and employer mutually respect the right of each other during the conflict management’, ‘Managers always interact with their employees to arrive at neutral decisions’, ‘Managers always seek consensus with employees during conflict decisions’, ‘Appropriate parties are involved in conflict management forums between the employer and employees’ and ‘Employees always respect the decision of the managers/supervisors during conflict’ with the mean value of 4.86, 4.84, 5.03, 4.87,

4.86, 4.89 and 4.95 respectively. This shows employees somewhat agree that managers manages conflict and grivences in the organization.

Table 4.6

*Descriptive statistics of variable: Training and Development*

	N	Minimum	Maximum	Mean	Std. Deviation
The organization encourages and supports professional development.	310	1	7	5.31	1.45
There is a system that monitors the quality of training programs.	310	1	7	4.95	1.51
Employees apply what they have learned in the workplace.	310	1	7	5.31	1.38
The training received encourages qualitative advocacy.	310	1	7	5.29	1.34
Supervisors are involved in designing training programs.	310	1	7	5.17	1.45

Table 4.6 exhibits the mean scale given by the respondents to each of the five-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding training and development.

Responses indicate moderate degree of agreement with the statemnts ‘There is a system that monitors the quality of training programs’, ‘The training received encourages qualitative advocacy’ and ‘Supervisors are involved in designing training programs’ with the mean value of 4.95, 5.29 and 5.17 respectively. The statement ‘The organization encourages and supports professional development’ and

‘Employees apply what they have learned in the workplace’ has the mean value of 5.31 and 5.31 respectively. This shows relatively high degree of agreement, as employee apply what they learn and their organization support development through training.

Table 4.7

*Descriptive statistics of variable: Transparency in Communication*

	N	Minimum	Maximum	Mean	Std. Deviation
The organization has decentralized structure that enhance open communication.	310	1	7	4.63	1.66
Managers interact with their employees openly.	310	1	7	4.94	1.58
The organization gives timely feedback to its employees.	310	1	7	4.87	1.60
Employees always contribute in key decision making.	310	1	7	4.72	1.63
Communication hierarchy is two way traffic.	310	1	7	5.15	1.50
The organization encourages interactive learning approach.	310	1	7	5.15	1.45

Table 4.7 exhibits the mean scale given by the respondents to each of the five-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding transparency in communication.

Responses indicate moderate degree of agreement with the statements ‘The organization has decentralized structure that enhance open communication’,

‘Managers interact with their employees openly’, ‘The organization gives timely feedback to its employees’, ‘Employees always contribute in key decision making’, ‘Communication hierarchy is two way traffic’ and ‘The organization encourages interactive learning approach’ with the mean value of 4.63, 4.94, 4.87, 4.72, 5.15 and 5.15 respectively. This shows employees somewhat agree that there is transparency in communication.

Table 4.8

*Descriptive statistics of variable: Encouragement of Teamwork*

	N	Minimum	Maximum	Mean	Std. Deviation
The organization management highly values teamwork.	310	1	7	5.45	1.44
Employees are encouraged to form task related work-groups.	310	1	7	5.35	1.39
There is strong commitment to teamwork by employees.	310	1	7	5.45	1.33
Employees complete their tasks in time because of teamwork.	310	1	7	5.45	1.42
Employees work together to accomplish goals and objectives.	310	1	7	5.57	1.35

Table 4.8 exhibits the mean scale given by the respondents to each of the five-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding encouragement of teamwork.

The responses indicate the relatively high degree of agreement with the statement ‘The organization management highly values teamwork’, ‘Employees are encouraged

to form task related work-groups’, ‘There is strong commitment to teamwork by employees’, ‘Employees complete their tasks in time because of teamwork’ and ‘Employees work together to accomplish goals and objectives’ with the mean value of 5.45, 5.35, 5.45, 5.45 and 5.57 respectively. This shows that employees agree that management encourage team work in the organization.

Table 4.9

*Descriptive statistics of variable: Job satisfaction*

	N	Minimum	Maximum	Mean	Std. Deviation
My job property utilizes of my abilities and skills.	310	1	7	5.42	1.37
I am satisfied with the decision making involvement in decisions affecting my work.	310	1	7	5.12	1.42
I am rewarded for my efforts’ quality.	310	1	7	5.07	1.53
I feel encouraged to come up with better and new ways of performing tasks.	310	1	7	5.34	1.46
I have resources and tools to perform my duties well.	310	1	7	5.37	1.42
I get a feeling of personal accomplishment from my work.	310	1	7	5.36	1.36
I am satisfied with my work.	310	1	7	5.17	1.46
I am satisfied with the chance of getting a better position in the organization.	310	1	7	5.22	1.59

Table 4.9 exhibits the mean scale given by the respondents to each of the five-point Likert scale questions where 1 represent strongly disagree and 7 represent strongly agree and the variations in responses, as represented by standard deviation, regarding job satisfaction.

The responses indicate moderate degree of agreement with the statement ‘I am satisfied with the decision making involvement in decisions affecting your work’, ‘I am rewarded for my efforts’ quality’, ‘I am satisfied with my work’ and ‘I am satisfied with the chance of getting a better position in the organization’ with the mean value of 5.12, 5.07, 5.17 and 5.22 respectively. The statement ‘My job properly utilizes of my abilities and skills’, ‘I feel encouraged to come up with better and new ways of performing tasks’, ‘I have resources and tools to perform my duties well’, ‘I get a feeling of personal accomplishment from my work’ has the mean value of 5.42, 5.34, 5.37 and 5.36. This shows employees agree to these statements.

### **4.3 Employees relationship management practices and job satisfaction**

The research aimed at finding the impact of employees relationship management practices on job satisfaction. Mean and Standard Deviation was used to assess the perceived organizational politics level. The mean and standard deviation of all seven practices of employees relationship management among three hundred and ten respondents are listed on the table 4.10.

Table 4.10

*Descriptive statistics of overall Employees relationship management practices and job satisfaction*

	Mean	Std. Deviation
Employee Empowerment and Involvement	5.37	1.10
Initiation of Employee Suggestions	4.96	1.36
Facilitating collective Bargaining	4.67	1.38
Conflict Management and Grievance Measures Redress	4.90	1.30

Expertise training and Development	5.20	1.23
Transparency in Communication	4.91	1.36
Encouraging group activities (teamwork)	5.43	1.24
Job satisfaction	5.25	1.23

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### **Employee empowerment and involvement**

Employee empowerment and involvement refers to how employees are involved in decision making and empowered. The level of employee empowerment and involvement is measured with five indicators. The mean and standard deviation of employee empowerment and involvement is 5.37 and 1.10 respectively. The mean value 5.37 indicate that majority of respondents agreed that there is employees empowerment and involvement in their organization. Relatively high degree of agreement with employees empowerment and involvement by the respondents.

### **Initiating employee suggestions**

Initiating employee suggestions refers to how employees suggestions are considered in the organization. The level of initiating employee suggestions is measured with four indicators. The mean and standard deviation of initiating employees suggestions is 4.96 and 1.36 respectively. The mean value 4.96 indicate that majority of respondents somewhat agreed that there is initiation of employees suggestions in their organization, as there is moderate degree of agreement with initiating employees suggestions. The employees somewhat agree that initiating employee suggestions are practiced in Nepalese service sectors.

### **Facilitating collective bargaining**

Facilitating collective bargaining refers to how employees are benefited from the organization as compensations, employees benefits, pays, etc. The level of facilitating collective bargaining is measured with four indicators. The mean and standard deviation of facilitating collective bargaining is 4.67 and 1.38 respectively. The mean value 4.67 indicate that majority of respondents somewhat agreed that there is facilitating collective bargaining in their organization. There is moderate degree of



agreement that there is practice of facilitating collective bargaining in the Nepalese service sector.

### **Conflict management and grievance redress measures**

Conflict management and grievance redress measures refers to how management handles the conflicts and issues that may arise conflict in the organization, will it be in favour of employees. The level of conflict management and grievance redress measures is measured with seven indicators. The mean and standard deviation of conflict management and grievance redress measures is 4.90 and 1.30 respectively. The mean value 4.90 indicate that majority of respondents somewhat agreed that there is conflict management and grievance redress measures in their organization. There is moderate degree of agreement by respondents that conflict management and grievance redress measures are practiced in Nepalese service sectors.

### **Expertise training and development**

Expertise training and development refers to how employees are trained and how often training and development programns are conduct in the organization. The level of expertise training and development is measured with five indicators. The mean and standard deviation of expertise training and development is 5.20 and 1.23 respectively. The mean value 5.20 indicate that majority of respondents somewhat agreed that there is expertise training and development in their organization. There is moderate degree of agreement by respondents that expertise training and development are practiced in Nepalese service sectors.

### **Transparency in communication**

Transparency in communication refers to how well managers communicate with their employees. The level of transparency in communication is measured with six indicators. The mean and standard deviation of transparency in communication is 4.91 and 1.36 respectively. The mean value 4.91 indicate that majority of respondents somwwhat agreed that there is transparency in communication in their organization. There is moderate degree of agreement by respondents that transparency in communication are practiced in Nepalese service sectors.

### **Encouraging group activities (teamwork)**

Encouraging group activities (teamwork) refers to how much employees work in an organization and how manager support teamwork. The level of encouraging group

activities (teamwork) is measured with five indicators. The mean and standard deviation of encouraging group activities (teamwork) is 5.43 and 1.24 respectively. The mean value 5.43 indicate that majority of respondents agreed that there is encouraging group activities (teamwork) in their organization. There is relatively high degree of agreement by respondents that encouraging group activities (teamwork) are practiced in Nepalese service sectors.

### **Job satisfaction**

The respondents view about employees relationship management practices was measure on the basis of seven scales: employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork) with various statements.

The respondents job satisfaction was measured with eight statements: ‘My job property utilizes of my abilities and skills’, ‘I am satisfied with the decision making involvement in decisions affecting your work’, ‘I am rewarded for my efforts’ quality’, ‘I feel encouraged to come up with better and new ways of performing tasks’, ‘I have resources and tools to perform my duties well’, ‘I get a feeling of personal accomplishment from my work’, ‘I am satisfied with my work’ and ‘I am satisfied with the chance of getting a better position in the organization’. The mean value of job satisfaction was 5.25 with standard deviation of 1.23. Mean 5.25 represents that average number of respondents somewhat agree with job satisfaction statements.

## **4.4 Inferential statistics**

### **4.4.1 Relationship between employees relationship management and job satisfaction**

The study aims to identify the impact of employees relationship management practices on job satisfaction. Hence, correlation analysis between the independent and dependent variable is conducted to study the relationship between these variables. The independent variables in this study are: employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict

management and grievance redress measures, expertise training and development, transparency in communication, encouraging group activities (teamwork).

Table 4.11

*Relationship between overall Employees relationship management practices and job satisfaction*

		JS	ERM
JS	Pearson Correlation	1	.828**
	Sig. (2-tailed)		.000
ERM	Pearson Correlation	.828**	1
	Sig. (2-tailed)	.000	
	N	310	310

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.11 shows positive correlation between employees relationship management practices and job satisfaction ( $r = .828, p < 0.01$ ). This implies that the organization practicing employees relationship management have more employees satisfied with their jobs. Positive correlation shows that there is a significant relationship between employees relationship management practices and job satisfaction.

#### **4.4.2 Relationship between employees relationship management practices and job satisfaction**

Table 4.12

*Pearson's correlation analysis of dependent and independent variable*

		JS	EEI	IES	CB	CM	TD	TC	ET
JS	Pearson Correlation	1							
	Sig. (2-tailed)								
EEI	Pearson Correlation	.666**	1						

		Sig. (2-tailed)	.000						
IES	Pearson Correlation	.732**	.732**	1					
		Sig. (2-tailed)	.000	.000					
CB	Pearson Correlation	.674**	.611**	.716**	1				
		Sig. (2-tailed)	.000	.000	.000				
CM	Pearson Correlation	.704**	.655**	.690**	.722**	1			
		Sig. (2-tailed)	.000	.000	.000	.000			
TD	Pearson Correlation	.710**	.690**	.646**	.634**	.690**	1		
		Sig. (2-tailed)	.000	.000	.000	.000	.000		
TC	Pearson Correlation	.716**	.643**	.699**	.665**	.736**	.756**	1	
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
ET	Pearson Correlation	.748**	.663**	.702**	.580**	.675**	.746**	.733**	1
		Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N		310	310	310	310	310	310	310

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\*\* . Correlation is significant at the 0.01 level (2-tailed).

Where,

JS = Job satisfaction

EI = Employees Empowerment and Initiation

IES= Initiating Employees Suggestion

CB = Collective Bargaining

CM =Conflict Management

TD =Training and Development

TC = Transparency in Communication

ET = Encouraging Teamwork

Table 4.12 shows significant correlation of independent variables i.e employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork) with job satisfaction.

The result shows that employee empowerment and involvement is positively related with job satisfaction as indicated by the correlation value of .666. This shows there is positive correlation. There exists positive correlation between initiating employee suggestions and job satisfaction with correlation value of .732. There is also positive correlation between facilitating collective bargaining and job satisfaction with correlation value of .674, the correlation value of conflict management and grievance redress measure and job satisfaction is .704 which shows positive correlation. Expertise training and development and job satisfaction shows positive correlation with the correlation value of .710. Transparency in communication and job satisfaction also shows positive correlation with the value of .716. Similarly, the results shows that there exists positive correlation between encouraging group activities (teamwork) and job satisfaction with correlation value .748. Among all the independent variables encouraging group activities (teamwork) has higher correlation value with job satisfaction.

#### 4.4.3 Impact of Employees relationship management practices on job satisfaction

This study used multiple linear regression model. The regression analysis is divided into three sections, viz., Model summary, ANOVA and Coefficients.

Table 4.13

##### *Regression Model summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 <sup>a</sup>	.695	.688	.68862

a. Predictors: (Constant), EEI, IES, CB, CM, TD, TC, ET

The model summary presented on the table above presents the value of Coefficient of determination (R squared) as 0.695 or 69.5%. It indicates that 69.5% variation in dependent variable i.e., Job satisfaction is explained by the independent variable i.e.,

employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork). Furthermore, it also indicates that the remaining 30.5% is explained by other factors not included in the model.

Table 4.14

*ANOVA table of multiple regression*

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	325.724	7	46.532	98.129	.000 <sup>b</sup>
Residual	143.207	302	.474		
Total	468.931	309			

a. Dependent Variable: JS

b. Predictors: (Constant), EEI, IES, CB, CM, TD, TC, ET

The ANOVA section helps to determine whether or not to reject the null hypothesis. If the F-test is  $>0$  and the p-value is  $<0.05$ , then the null hypothesis is rejected inferring that the regression model is a good fit for the data. Table 4.15 shows F-value as  $F=98.129$ ,  $p<0.05$ . This implies that overall regression model is a good fit and statistically significant.

Table 4.15

*Regression Coefficient Table*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.530	.207		2.565	.011
EEI	.063	.058	.057	1.096	.274
IES	.172	.052	.191	3.317	.001
CB	.119	.047	.133	2.549	.011
CM	.101	.053	.106	1.911	.057
TD	.117	.057	.117	2.042	.042
TC	.082	.053	.090	1.551	.122
ET	.271	.055	.273	4.915	.000

a. Dependent Variable: Job Satisfaction (JS)

EEI=Employee empowerment and involvement, IES= Initiating employees suggestions , CB= Facilitating collective bargaining, CM= Conflict management and grievance redress measures, TD= Expertise training and development, TC= Transparency in communication and ET= Encouraging group activities.

B represent co-efficient of the independent variable and Sig. represent the statistically significant level of the model in the data presented in table 4.15.

The regression equation is therefore

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + e$$

Where Y = Job Satisfaction;

B<sub>0</sub> = Constant;

B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub> & B<sub>4</sub>= the coefficient of the variables;

X<sub>1</sub> = Employee empowerment and involvement

X<sub>2</sub> = Initiating employee suggestions

X<sub>3</sub> = Facilitating collective bargaining

X<sub>4</sub> = Conflict management and grievance redress measures

X<sub>5</sub>= Expertise training and development

X<sub>6</sub>= Transparency in communication

X<sub>7</sub>= Encouraging group activities

e = the error or the difference between the predicted and the observed value of Y

Table 4.15 shows employee empowerment and involvement (Beta value = .057, t-value = 1.096, and p-value>.05) had a positive and statistically insignificant impact on job satisfaction. Initiating employee suggestions (Beta value = .191, t-value = 3.317, and p-value<0.05) had a negative and statistically significant impact on job satisfaction. Facilitating collective bargaining (Beta Value = .133, t-value = 2.549, and p-value<0.05), had a negative and statistically significant impact on job satisfaction. Conflict management and grievance redress measures (Beta value = .106, t-value = 1.911, and p-value>.05) had a positive and statistically insignificant impact on job satisfaction. Expertise training and development (Beta value = .117, t-value =2.042, and p-value<.05) had a negative and statistically significant impact on job

satisfaction. Transparency in communication (Beta value = .090, t-value = 1.551, and p-value>.05) had a positive and statistically insignificant impact on job satisfaction. and encouraging group activities (teamwork) communication (Beta value = .273, t-value = 4.915, and p-value<.05) had a negative and statistically significant impact on job satisfaction.

The unstandardized coefficient determines the strength and direction of influence ERM practices have on job satisfaction. The beta value of 0.063 value in employees empowerment and involvement explains that for every one unit of change in employees empowerment and involvement, job satisfaction increases by 0.063. The beta value of .172 in initiating employees suggestion explains that for every one unit of change in initiating employees suggestion, job satisfaction increases by .172. Likewise, beta value of facilitating collective bargaining also indicate that for every one unit of change in facilitating collective bargaining, job satisfaction increases by .119. For every one unit of change in conflict management and grievance redress measures, job satisfaction increases by .101. For every one unit of change in training and development, job satisfaction increases by .117. For every one unit of change in transparency in communication, job satisfaction increases by .082. For every one unit of change in encourage of teamwork, job satisfaction increases by .055.

The results can be summarized as:

Table 4.16

*Test of the Hypothesis*

Employees Empowerment and Initiation	Not Sig.	p=0.274
Initiating Employees Suggestion	Sig.	p<0.05
Collective Bargaining	Sig.	p<0.05
Conflict Management	Not Sig.	P=0.57
Training and Development	Sig	p<0.05
Transparency in Communication	Not Sig.	P=0.122
Encouraging Teamwork	Sig.	p<0.05



Table 4.17

*Summary of Hypothesis Testing*

	Hypothesis	Result
H1	There is significant impact of employee empowerment and involvement and job satisfaction.	Not Supported
H2	There is significant impact of initiating employee suggestions and job satisfaction.	Supported
H3	There is significant impact of facilitating collective bargaining and job satisfaction.	Supported
H4	There is significant impact of conflict management and grievance redress measures and job satisfaction.	Not Supported
H5	There is significant impact of expertise training and development and job satisfaction.	Supported
H6	There is significant impact of transparency in communication and job satisfaction.	Not Supported
H7	There is significant impact of encouraging group activities (teamwork) and job satisfaction.	Supported

**4.5 Major Findings:**

- Among 310 respondents, 60.6 percent were male and 39.4 percent were female.
- 27.1 percent of the respondents belonged to the age group of 19-25 years, 56.1 percent belonged to the age group of 25-35 years, 13.9 percent belonged to 35-45 years of age and 2.9 percent were 45-55 years of age.
- In terms of education background, 0.6 percent have educational qualification of SLC, 8.4 percent have the education qualification of intermediate (Plus 2), 46.5 percent of the respondents have bachelor level qualification, 42.9 percentage have the education qualification of masters level and 1.6% have other level of education qualification.

- 24.5 percent of the total respondent worked in business and professional sector, 9.4 percent worked in communication sector, 10.3 percent worked in educational sector, 23.5 percent worked in banking and insurances and other financial sectors, 9.7 percent worked in health care sector, 6.8 percent worked in tourism, hospitality and other travel related services, 9.7 percent worked in information technological sector and 6.1 percent worked in other service sectors of Nepal.
- In terms of current job position, 6.1 percent were general manager, 22.6 were managers, 42.3 percent were officers and 29.0 percent were assistant.
- 18.4 percent respondents have a job tenure of less than one year, 43.9 percent have 1-3 years, 19 percent have 4-6 years, 8.4 percent have 7-9 years, 7.4 percent have 10-13 years and 2.9 percent have more than 13 years of job tenure.
- 10 percent had earning per month of up to NRs. 15,000, 15.2 percent had earning per month of 15001-25000, 23.9 percent had earning per month of 25001-35000, 18.7 percent had earning per month of 35001-45000 and remaining 2.9 percent had earnings of 45001 and above.
- Among the seven independent factors of job satisfaction, encouragement of teamwork had the highest mean of 5.43 followed by employees empowerment and involvement, training and development, initiating employees suggestion, transparency in communication, conflict management and grievance redress measures and facilitating collective bargaining with the mean values of 5.37, 5.20, 4.96, 4.91, 4.90 and 4.67 respectively. Here, the lowest mean of 4.67 of facilitating collective bargaining had the highest level of influence on job satisfaction.
- All of the independent factors were found to have a positive correlation with job satisfaction. Encouragement of teamwork had the highest correlation value of 0.748, initiating employees suggestion with the correlation value of 0.732, transparency in communication with the correlation value of 0.716, training and development with the correlation value of 0.710, conflict management and grievance redress measures with the correlation value of 0.704, facilitating collective bargaining with the correlation value of 0.674, and employees empowerment and involvement with the correlation value of 0.666.

- Employees relationship management practices and job satisfaction had a positive correlation with the correlation of 0.828. The positive relationship indicates that when a employees relationship management is practices than employees are satisfied with thier jobs. As ERM practices makes significant impact on job satisfaction.
- H1 was not supported ( $p>0.05$ ) indicating there is no significant impact employees empowerment and involvement on job satisfaction of but there is a positive relationship.
- H2 was supported ( $p\text{-value}<0.05$ ). There is a significant impact of initating employees suggestion on job satisfaction. It can be said that when employees suggestions are appreciated that they are satisfied with their jobs.
- H3 was supported ( $p\text{-value}<0.05$ ) by the data which indicated that if there is correct measures adapted by the employers for handling conflict and grievances, than employees are satisfied with their jobs. There is significant impact of conflict management and grievance redress measures on job satisfaction.
- The results from the analysis couldn't support H4 as  $p>0.05$ . This indicated that the impact of facilitating collective bargaining on job satisfaction is not significant.
- H5 was supported ( $p\text{-value}<0.05$ ) by the data which indicated that if emploers provide adequate training and development for the employees than employees are satisfied with their jobs. There is a significant impact of traning and development on job satisfaction.
- H6 was not supported ( $p>0.05$ ). There is no significant impact of transparency in communication on job satisfaction.
- H7 was supported ( $p\text{-value}<0.05$ ) by the data which indicated that if emploers encourgages employees to work on teams than employees are satisfied with their jobs. There is strong significant impact of encouraging teamwork on job satisfaction.

## **CHAPTER V**

### **DISCUSSION, CONCLUSION AND IMPLICATIONS**

This chapter presents discussion on findings of the study. It also draws conclusions based on the findings and suggests implications for future research.

#### **5.1 Discussion**

The main objective of the study was to identify the impact of employees relationship management practices on job satisfaction of Nepalese service sectors. Furthermore, the research is conducted to identify the impact of employee empowerment and involvement on job satisfaction, to identify the impact of initiating employee suggestions on job satisfaction, to identify the impact of facilitating collective bargaining on job satisfaction, to identify the impact of conflict management and grievance redress measures on job satisfaction, to identify the impact of expertise training and development on job satisfaction, to identify the impact of transparency in communication on job satisfaction and to identify the impact of encouraging group activities (teamwork) on job satisfaction.

Employees relationship management is the interpersonal connections, as it relates to the connection of right and obligation, management and obeying caused by the passions between organization and employees, which is also shown as the total of cooperating, conflict, force and power relations and social cultural background in certain society (Onyango, 2014). In this study, employees relationship management was measured using seven major practices: employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork).

The study indicated that there was a positive relationship between employees relationship management practices and job satisfaction ( $r=.833$ ). This finding was consistent with the study of Chaubey, Mishra and Dimri (2017) which exhibited that there is a positive relationship between employees relationship management and job satisfaction.

Regarding the relationship between the seven employees relationship practices and job satisfaction. Employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork) had positive correlation with job satisfaction. The positive correlation between employee empowerment and involvement and job satisfaction indicates that employee empowerment and involvement can create a feeling of obligation among employee to stay in the organization. The intention to remain or leave the organization among the employee is based on the job satisfaction of employee. The individuals with higher job satisfaction tend to be more committed to the organization. They will be more likely to remain in the organization. The study findings are similar with the study of Sparks (2012) that employee empowerment strategies insignificantly influence the level of job satisfaction of employees. But the finding did not supported the first hypothesis (H1) i.e., there is a insignificant impact of employees empowerment and involvement on job satisfaction. The finding is consistent with the finding of Chaubey, Mishra and Dimri (2017).

The positive correlation between initiating employee suggestions and job satisfaction indicates that initiating employee suggestions can create a feeling of obligation among employees and motivates them to work more efficiently. The intention of management to take suggestions from their employees is to motivate them and develop a feeling of appreciation of their work. The study findings is similar with the study of Shetty and Shetty (2015), that initiating employees suggestions strategies significantly influence the job satisfaction of the Employee of Co-operative Banks.

The study of relationship between facilitating collective bargaining and job satisfaction also confirms that they has a positive relationship and the relationship is significant. This finding indicates that facilitating collective bargaining to their employees results in satisfied employees. Employees satisfied with the benefits and pays, leaves, health and safety provided by the organizations they are satisfied with their jobs, so job satisfaction is achieved by facilitating collective bargaining to the employees. The study therefore recommended that while using collective bargaining as motivational strategies, civil service organization's management should try to facilitate collective bargaining to their employees. The result is consistent with the

past research conducted by Onyango (2014), that collective bargaining has a positive relationship with job satisfaction.

The study of relationship between conflict management and grievance redress measures and job satisfaction also confirms that conflict management and grievance redress measures has a positive relationship between job satisfaction of employees of Nepalese service sectors. Although it is found the positively related but the relationship is insignificant. This findings is contradictory with the study conducted by Garcia et al., (2019), revealed that conflict management and grievance redress measures has positive effect and relationship is significant positive the job satisfaction of commercial bank staff, except when used as motivation. The result is consistent with the past research conducted by Jones and Cheek (2003) that conflict management and grievance redress measures has a positive relationship with employee retention. The companies that successfully attract and satisfy their employees by managing the conflict and preventing the conflicts that may arise in the future.

Another important finding of the study is that there is positive impact of the training and development. The study showed the positive relationship between training and development and job satisfaction is significant. The positive correlation between training and development and job satisfaction indicates if the employee are given training, it can enhance the ability of problem solving. Once they are confident and motivated to perform a task, they are more likely to be committed to their job and are satisfied with their jobs. The result supports the findings of the past studies Nadeem (2010), Ramendran, and Kadiresan (2012); Chepchumba and Kimutai (2017); Micheal and Frankline (2017) which concluded that the more an employee is trained and organizations helps to develop their skills, the satisfied they are with their job and there is a positive result exist between training and development and job satisfaction.

The study of relationship between transparency in communication and job satisfaction also confirms that transparency in communication has a positive relationship with job satisfaction of employees of Nepalese service sectors. Although it is found the positively related but the relationship is insignificant. This findings is contradictory with the study conducted by Aiken et at. (2012), revealed that transparency in communication has positive effect and relationship is significant positive the job satisfaction of commercial bank staff, except when used as motivation. The result is

consistent with the past research conducted by Iseke (2014), that communication has a positive relationship with job satisfaction. The companies that successfully interact with their employees both formally and informally, employees feel satisfied with their jobs.

The positive correlation between encouraging group activities (teamwork) and job satisfaction indicates that encouraging employees to work on team can create harmony in organization and can complete the task faster. The management of an organization should encourage their employees to work on group and encourage more group activities. The study findings is similar with the study of Chang et. al, (2009) that encourgaging gropu activities (teamwork) significantly influence the job satisfaction of the Employee of Co-operative Banks.

Hence, from the various articles reviewed and the findings of the research, it can be seen that there is a significant positive impact of employees relationship management practices on job satisfaction. As such, the organization should realize that Employee Relationship Management helps them to build stronger relationship with employees and it increases job satisfaction of employees.

## **5.2 Conclusion**

Previous studies of employees relationship management practices and job satisfaction shows that employees job satisfactions is achieved through practicing employee relationship management. Organizations are realizing that Employee Relationship Management helps them to build stronger relationship with employees. As such ERM can build and enhance relationships and reinforce commitment to the company and improve the employees' job satisfaction. From the research it becomes evident that ERM can bring benefits for organizations. ERM can work by strengthening and increasing the relationship between organizations and their employees. The employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork) are implemented in organizations and managers give it high attention it can enhance ERM status in organizations and help employees in getting satisfaction from their job. Thus, it emphasizes on performance, growth and

development of employees for creating competitive advantage (Chaubey, Mishra & Dimri, 2017).

The primary objective of this study was to examine the impact of ERM practices on employee's job satisfaction in Nepalese service sector. As per the researcher, the organizations should practice employees relationship management in all the service sectors of Nepal. As it helps them to build stronger relationship with employees and employees relationship management helps to enhance relationships with employees and reinforce commitment to the company and have employees that are satisfied with their job. From this study, it is concluded that employees relationship management can bring benefits for organizations. The relationships among all the seven factors of Employees relationship management practices i.e., employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork) with job satisfaction is that when these factors of ERM practices increases, job satisfaction level of employees also increases. So, these factors should be kept on check by the organization. But among them three factors i.e., employees encouragement and involvement, conflict management and grievance redress measures and transparency in communication do not influence the job satisfaction level of employees. So, this may not be as important as other four factors of employees relationship management practices. Therefore, the services sectors of Nepal need to ensure that there is adaption of employees relationship management in their organization to motivate employee for job satisfaction.

To conclude, employees who have healthy relationship with their employers reported being more confident about their creative capability which in turn predicted higher level of satisfaction of employees. Higher level managers of an organization must try to be more responsive, supportive and concerned towards their employee's which employee's perceive positively and they are satisfied with their jobs and works for the betterment of the organization. It makes employee comfortable to share their ideas if they are appreciated, and encouraged. Thus, employees relationship management practices should be adopted by the Nepalese services sectors to have a satisfied employees with their jobs.



This study concludes that employees empowerment and involvement, conflict management and grievance redress measures and transparency in communication do not have significant impact of employees relationship management practices on job satisfaction, which may be because of the limitation of this study, as the responses of the study is limited to 310 respondents, moderating variables can be used to measure the effect on job satisfaction. Results can be varied, if done using different sector of business. As regression analysis model was used to establish the relationship between employees relationship practices on job satisfaction, for further studies other mixed methods can be used for greater insight to more specific employees relationship practices. So, for further research, these further areas can be explored to identify the impact of employees relationship practices and job satisfaction.

## **5.3 Implication and Future Research**

### **5.3.1 Implication**

The significance of this study is found in employees relationship practices and its impact on job satisfaction. The service sector is an important part of the economy. Most of the Nepalese people are engaged in different service sectors like governmental organization, non-governmental organization, international and domestic organization and other private sectors. Nepalese service sectors are considered as important source of job growth and economic development of a country. So, in the context of Nepal, service sector plays a very important role in people's livelihood and a nation. It is crucial to learn how to satisfy the employees of the organization.

#### **Implications for employees**

Based on the findings generated, employees are generally concerned with all these aspects as a result shows close relationship between these independent variables and job satisfaction. This study also provides evidence that practicing employees relationship management helps to enhance job satisfaction of the employees. Hence, employees should know how they should be treated and what they can expect from the employers.

### **Implications for managers**

As per the findings, this study will be particularly useful for top organization to understand how they can do better and satisfy their employees also the research explores how employees relationship management practices helps to improve their organizationa and satisfy their employees. This study also perceive the importance of employee empowerment and involvement, initiating employee suggestions, facilitating collective bargaining, conflict management and grievance redress measures, expertise training and development, transparency in communication and encouraging group activities (teamwork). These aspects are all essential human resource tools that often been utilized by most of the corporation nowadays to facilitate their employees and improve their employee's job satisfaction.

Based on the findings generated, employees are generally concerned with all these aspects as result shows close relationship between these independent variables and job satisfaction. Hence, manager must be sensitive to needs of employees in delegation of power on action and decision, desire for competitive compensation package, recognition on existing appraisal system, communicate better, encourage their employees to work in a team and provide trainings timely. The study assumes that if an organization fulfils all the needs of employees in all these aspects, there will be higher possibility that the employees are satisfied with their jobs in the organization.

Moreover, this study reveals an opportunity for organization to manipulate these practices of employees relationship management to satisfy their employees. When an organization is able to motivate its employees in a more specific manner, it will directly increase productivity and efficiency of its operation and most importantly satisfy their employees. From the study, the HR managers need to practice employees relationship management in their organization. There is need for service sectors of Nepal to continually search for best practices of employees relationship management and in order to gain a competitive advantage in the market. The study help organizations to improve their working patterns and helps to satisfy their customers.

### **5.3.2 Future Research**

This research is one of the few research conducted in the sector of impact of employees relationship management practices on job satisfaction. The finding of this stufy are consistent with most of the available literatures. Hence, this research can also be considered for future researches that could be conducted in the field of

identifying the impact of employees relationship management practices on job satisfaction. The implications of this research for future researches are:

- Increasing the number of respondents may be imperative. The independent variables affecting the job satisfaction can be increased.
- Demographic variables can be taken as moderating factor to measure the effect on job satisfaction. The study explores the service sectors of Nepal, further the study can be conducted taking other sectors as manufacturing sector.
- The study is based on primary data. So, the limitations of primary data may be inherent in the study. Further study can be done by taking the secondary sources of data for some variable.
- In this study regression analysis model was used in establishing the relationship of employees relationship practices on job satisfaction in Nepalese service sectors. It is suggested need for further studies and other mixed methods aimed at gathering greater insights to more specific ERM practices.

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## Appendix

### QUESTIONNAIRE

Dear Respondent

I am Kajal Udas, a post-graduate student pursuing Master of Business Administration (MBA) program, at School of Management, Tribhuvan University (SOMTU).

As part of Graduate Research Project, I am undergoing a survey on "Impact of Effectiveness of Employee Relationship Management Practices on Job Satisfaction in Nepalese Service Sectors"

For this, I would like to request you to contribute 5-7 minutes of your valuable time on responding to the questions attached in the subsequent sections.

I assure you that the information provided will be treated in highly confidential manner and will be used for academic purpose only.

Sincerely,

Kajal Udas

MBA Student

School of Management, Tribhuvan University

Email: kzal456@gmail.com

### SECTION B

#### RESPONDENTS GENERAL INFORMATION

- Kindly indicate your gender

1. Male
2. Female

- What is your age group?

1. 19-25 years

2. 25-35 years

3. 35-45 years

4. 45-55 years

- What is your highest level of education?

1. SLC

2. Intermediate(10+2)

3. Under graduate (Bachelors)

4. Graduate (Masters)

5. Other

- In which service sector do you work?

1. Business and Professional Services

2. Communication Services

3. Education Services

4. Banking and Insurances and other financial services

5. Health care Services

6. Tourism, hospitality and other travel related services

7. Information Technology

8. Other, namely: .....

- What is the position you work in?

1. General Manager

2. Manager

3. Officer

4. Assistant

- For how long have you been working in the organization?

1. Less than a year
2. 1-3 years
3. 4-6 years
4. 7-9 years
5. 10-13 years
6. Above 13 years

- How much you earn in a month?

1. Up to 15,000
1. Rs. 15,001-25,000
2. Rs. 25,001-35,000
1. Rs. 35,001-45,000
2. Rs. 45,001 & above

## SECTION B

### PERCEPTIONS ON EFFECTIVENESS OF EMPLOYEE RELATIONS MANAGEMENT PRACTICES

Kindly indicate your level of agreement with the following statements on employee relations management practices in service sectors.

#### **Employee Empowerment and Involvement**

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

Statement	Degree of Agreement
Employees regularly look for ways to improve their work process	
The management delegates some responsibilities to employees	
Employees are involved in decisions that affect their work	
Employees participate in developing long-term goals and objective	
Management supports employees job related activities	

### Initiation of Employee Suggestions

Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

Statement	Degree of Agreement
Employee creative thinking is encouraged in the organization	
The management review and acknowledges employee suggestions	
Managers regularly seek employees opinions on job related issues	
Employees are rewarded whenever their suggestions are approved	

### Collective Bargaining

Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

Statement	Degree of Agreement
Employee compensation and benefits are reviewed regularly	
The organization upgrades employee benefits	
The organization conducts regular job evaluation	
There are accurate deductions on pay	

### Conflict Management and Grievance Redress Measures

Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5	6	7

Statement	Degree of Agreement
Management ensures that employees are represented appropriately in case of conflict	
Employees are encouraged to seek formal permission before striking	
Employee and employer mutually respect the right of each other during the conflict management	
Managers always interact with their employees to arrive at neutral decisions	
Managers always seek consensus with employees during conflict decisions	
Appropriate parties are involved in conflict management forums between the employer and employees	
Employees always respect the decision of the managers/supervisors during conflict	

### Training and Development

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

Statement	Degree of Agreement
The organization encourages and supports professional development	
There is a system that monitors the quality of training programs	
Employees apply what they have learned in the workplace	
The training received encourages qualitative advocacy	
Supervisors are involved in designing training programs	

### Transparency in Communication

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

Statement	Degree of Agreement
The organization has decentralized structure that enhance open communication	
Managers interact with their employees openly	
The organization gives timely feedback to its employees	
Employees always contribute in key decision making	



Communication hierarchy is two way traffic	
The organization encourages interactive learning approach	

### Encouragement of Teamwork

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

Statement	Degree of Agreement
The organization management highly values teamwork	
Employees are encouraged to form task related work-groups	
There is strong commitment to teamwork by employees	
Employees complete their tasks in time because of teamwork	
Employees work together to accomplish goals and objectives	

### Job Satisfaction

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Neutral</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>

Statement	Degree of Agreement
My job property utilizes of my abilities and skills	
I am satisfied with the decision making involvement in decisions affecting your	

work	
I am rewarded for my efforts' quality	
I feel encouraged to come up with better and new ways of performing tasks	
I have resources and tools to perform my duties well	
I get a feeling of personal accomplishment from my work	
I am satisfied with my work	
I am satisfied with the chance of getting a better position in the organization	