



A STUDY OF EMPLOYEE -MANAGEMENT RELATIONSHIP IN INDIAN BANKING SECTOR

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ABSTRACT

Industrial revolution has changed the economic, social and technical aspects at workplace. All these changes introduced the complexities at the workplace. The relations shared between employer and employees had been changed. The employer who considered employees as a machine started to consider them as a human being and the most valuable asset of the organization. Banking sector has also been affected by these changes. Present study has been conducted to find out the determinants which shape the relationships between employees and managers. To find out the determinants a sample of 750 employees were taken from public sector banks (250), private sector banks (250) and foreign banks (250). The data was collected for 28 variables through questionnaires from different banks located in Haryana, Delhi and Punjab. Factor analysis extracted five determinants i.e., Adequate resources, information and ideas expression at the top followed by Employee counseling and involvement, Effective communication and Discipline and grievances handling with a total variance explained 67.449. *F*- Statistics found Employee counseling and involvement, Effective communication and Discipline and grievances handling are significantly affected by age, education and pay. Adequate resources, information and ideas expression is significantly affected by age and experience. Management support and unionism is significantly affected by only education. The study may be implied to develop healthy employee relations.

Key Words: Employee, Manager, Bank, EMR.

I INTRODUCTION

After the Industrialization phase all equations had been changed in the business scenario. The employer employee relationship transformed from contractual relations to supportive relations. Employees are being considered the most valuable asset of the organization as they contribute in the growth of the organization (Xesha et al., 2014). Indian economy considered as developing economy and banking sector one of an important pillar of this economy as it arrange funds for the growth and development of the economy. Hence, in the success of the economy one of the main determinants is banking sector and success of the banking sector depends upon performance of the human resource working in it. Manager in the banks has to ensure that all employees working in the banks clearly understand the policies, goals and mission of the bank. To attain this manager empowers employees by delegation of authority & responsibility and making participation in decision making. The kind of relationship shared between manager and employees determine the performance of that bank. The present study has been conducted to find out this relationship in the banks.

II REVIEW OF LITERATURE

Some earlier researches related to present study have identified the different variables. These researches have taken different sample size, used analysis techniques and drawn different results. Implications of these researches also suggested. The brevity table of those is as:



Table-1

Sr. No.	Author & Year	Title of the study	Variables	Sample size, and technique	Data Analysis technique	Results	Implications
1	Xesha et.al.,2014	Impact of Employer-Employee Relationships on Business Growth	Job satisfaction level	25*5=125, Questionnaire	Descriptive statistics	Good employee relations contribute in business growth	To compete at world level employees are the best technique.
2	Bajaj R., 2013	Suggestions to Implement Human Relations and Its Determinants in Public Sectors	Compensation management, role of top management, HRD functions(training, job rotations, job satisfaction, performance appraisal, participative management and career planning), Human relations (motivational measures and grievances redressel)	10PSU, questionnaire	Chi Square Test, ANOVA	Compensation management, training, job rotation, job satisfaction, participative management, performance appraisal, career planning and human relations are not satisfactory	Study guides the suggestions to improve the performance of the PSU's.
3	Krot & Lewicka, 2012	The Importance of trust in Manager-Employee Relationships	Competence, benevolence and integrity.	120, questionnaire completed by 84.	Spearman rank correlation	Integrity and benevolence are most important dimensions of trust and competency is least important.	Study guides the strategies for retention of the employees.
4	Agasti & Agasti,	Work Culture & Stress Management two parallel crux of Employee relation leading to Sustainable Inclusive Growth.	Stress management, Employee relations, basic requirements, employee engagement.	Secondary data (tables, journals, magazines, periodicals, books, newspapers etc.)	Critically analysis.	Strategic employee relations help to attract retain and engage the employees in the organization.	Develop a model of employee engagement for sustainable growth.



5	Rao&Rao, 1991	Employee Relations at Work in Urban Government- A Study.	Team work, responsibility, guidance, distribution of work, help as required, compliments for good work, receptiveness, support, councilor's interference and public relations.	200, questionnaire.	Percentage	Relations between workers are cordial but relations with supervisors, councilors and public are not harmonious.	Guide the strategies to opt or not for healthy relations.
6	Sharma & Das, 1981	Organizational determinants of Human Relations in Banking Industry.	Money, welfare, advancement, recognition, participation, delegation, training, grievances handling and rationality.	55, questionnaire	Multivariate analysis	Money, welfare, advancement and recognition are significantly determinants of human relations. Where money is negatively correlated with relations.	Strategy formation for retention.
7	Dyer, 1967	Employer-Employee Relations	Automation, Competition, trade unions, salaries, qualification and application of personnel policies.	Secondary data	Critically analysis	Helps to decide the factors that contribute in healthy relations.	

These reviews have taken variables in part this study have added more variables and analyzed as a whole. To bridge this gap present study has set these directions:



Objectives of the Study

1. To find out the determinants of employee- management relations.
2. To assess the employee management relations.

III RESEARCH METHODOLOGY

Tools for data collection: To find the determinants of employee relations in banking sector convenience sampling has been used to collect data from respondents through questionnaires.

Scale of data collection: Data have been collected on five point Likert Scale, Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Agree (5).

Sample size: 750 employees from private banks (ICICI, HDFC, AXIS, INDUS IND and J&K), public banks (SBI, PNB, BOI, BOB and Canara bank) and foreign banks (Citibank, Standard Chartered Bank, HSBC, Deutsch Bank and RBS) selected 50 employees from each bank.

Method of data analysis: Analysis has been done by using of Factor Analysis and *F*-statistics (ANOVA).

Factor analysis application

Likert scale has checked 28 items maximum rating would be 140. The mean score of the respondents have been found 98.1027. Correlation Matrix is computed and the mean correlation is .401 with a range of .838. It shows a sufficient correlation for factor analysis. Factor analysis is done with Varimax Rotation and PCA (Principal Component Analysis).



Table 2-Factor Analysis Results for Banking Sector Employees towards “Employee – Management Relations”

Variables	Factors				
	Employee counseling and involvement F1	Effective communication F2	Management support and unionism F3	Adequate resources, information and ideas expressions F4	Employee Discipline and grievances handling F5
Manager talk on your worries. (V ₂)	.760				
Manager address you problems and issues, solve them. (V ₅)	.759				
Manager actively listen you (V ₁)	.713				
Delegation of responsibilities according to your abilities.(V ₃)	.618				
Manager respect your privacy (V ₆)	.593				
Chances to evaluate your work. (V ₂₇)	.593				
Representation on board of management. (V ₂₈)	.581				
Manager enables you to perform your best (V ₄)	.565				
Encourage practices for knowledge and skill development(V ₂₆)	.565				
Get involved while making work group. (V ₂₄)	.454				
Invitation on informal talk on disciplinary issues (V ₁₉)		.824			
Feedback in forms of reports.(V ₁₈)		.816			
Communication of clear and sufficient information for targets. (V ₁₇)		.801			
Sufficient equipment and facility for communication. (V ₁₆)		.641			
Opportunity to explain. (V ₂₁)		.556			
Presentation of information affects your understanding.(V ₁₅)			.697		



Approach manager when need guidance. (V ₁₃)			.696		
Find information easily when need. (V ₁₄)			.601		
Appeal for unfair treatment.(V ₁₁)			.572		
Provision to become member of employee unions. (V ₁₂)			.541		
Interaction with other branch employees (V ₂₅)			.495		
Information about workplace hazards (V ₈)				.812	
Opportunity to express your ideas.(V ₉)				.732	
Available adequate resources and information about work. (V ₁₀)				.712	
Inform about work consequences. (V ₇)				.579	
Involvement of third party for negotiation. (V ₂₂)					.785
Committee formation to take measures on issues.(V ₂₃)					.708
Issuance of written warnings for misconduct. (V ₂₀)					.615
Eigen Value	12.020	2.489	1.798	1.424	1.154
% Variance	42.929	8.888	6.422	5.086	4.123
Cumulative % Variance	42.929	51.817	58.239	63.325	67.449
Scale Reliability alpha	.905	.889	.871	.861	.767
Cronbach' s Alpha= .948, Kaiser- Meyer- Olkin Measure of Sampling Adequacy= .919, Bartlett's Test of Sphericity (Approx. Chi-Square=15022.835, DF= 378, Sig= .000 , Mean= 98.1027					

Source: Primary Data processed through SPSS-18

Table 2 shows the factor analysis of the 28 variables; five factors are extracted from the analysis with at least three scale items. *KMO* value is .919 which is highly recommended for factor analysis. Another requirement, Bartlett's *Test of Sphericity* also shows value of $X^2=15022.835$, Degree of Freedom= 378, which is significant at ($p, \leq 0.5$). All the five factors are having the loading more than .4 with total variance explained 67.449.



Table 3-Confirmatory Statistics of Determinants of EMR in Banking Sector

Confirmatory statistics of factors influencing EMR of All banks employees										
Factors	Means of Variables	S.D	Confirmatory Statistics							
			Age (df=4,745)		Educational Level (df=2,747)		Experience (df=4, 745)		Pay (df=4,745)	
			F	Sig	F	Sig	F	Sig	F	Sig
Employee counseling and involvement F1	3.52 (2)	.948	7.642	0.000*	9.293	0.000*	2.312	0.056	2.51	0.041*
Manager talk on your worries. (V ₂)	3.67	0.881	3.632	0.006*	13.459	0.000*	1.257	0.285	0.662	0.618
Manager address you problems and issues, solve them. (V ₅)	3.6	1.079	5.114	0.000*	7.197	0.001*	0.946	0.437	3.942	0.004*
Manager actively listen you (V ₁)	3.51	0.834	5.245	0.000*	7.993	0.000*	3.753	0.005*	0.222	0.926
Delegation of responsibilities according to your abilities.(V ₃)	3.49	0.887	4.239	0.002*	12.305	0.000*	2.904	0.021*	1.738	0.14
Manager respect your privacy (V ₆)	3.72	0.865	6.19	0.000*	13.78	0.000*	3.283	0.011*	3.219	0.012*
Chances to evaluate your work. (V ₂₇)	3.39	0.944	3.249	0.012*	4.049	0.018*	1.295	0.27	3.202	0.013*
Representation on board of management. (V ₂₈)	3.34	0.986	2.813	0.025*	1.042	0.353	1.334	0.256	4.047	0.003*
Manager enables you to perform your best (V ₄)	3.44	0.984	2.808	0.025*	10.559	0.000*	3.249	0.012*	0.963	0.427
Encourage practices for knowledge and skill development(V ₂₆)	3.57	0.962	3.808	0.004*	6.316	0.002*	3.753	0.005*	2.18	0.07
Get involved while making work group. (V ₂₄)	3.41	0.957	0.494	0.74	10.037	0.000*	6.338	0.000*	2.383	0.05*
Effective communication F2	3.45 (4)	1.019	5.3	0.000*	6.935	0.001*	1.143	0.335	3.705	0.005*
Invitation on informal talk on disciplinary issues (V ₁₉)	3.36	1.054	5.565	0.000*	1.447	0.236	2.718	0.029*	2.033	0.088
Feedback in forms of reports.(V ₁₈)	3.41	1.083	1.515	0.196	0.609	0.544	2.293	0.058	1.033	0.389
Communication of clear and sufficient information for targets. (V ₁₇)	3.47	1.013	1.43	0.222	1.611	0.2	0.512	0.727	1.216	0.303
Sufficient equipment and facility for communication. (V ₁₆)	3.43	0.981	0.561	0.691	1.844	0.159	1.041	0.385	0.519	0.722



Opportunity to explain. (V ₂₁)	3.55	0.948	1.832	0.121	1.298	0.274	0.789	0.533	0.655	0.623
Management support and unionism F3	3.52 (3)	.974	0.63	0.641	7.404	0.001*	0.865	0.484	2.212	0.066
Presentation of information affects your understanding. (V ₁₅)	3.55	0.948	1.936	0.103	6.362	0.002*	2.099	0.079	1.56	0.183
Approach manager when need guidance. (V ₁₃)	3.51	0.992	2.368	0.051	20.922	0.000*	1.211	0.305	2.661	0.032*
Find information easily when need. (V ₁₄)	3.51	0.954	1.485	0.205	6.339	0.002*	2.406	0.048*	1.423	0.224
Appeal for unfair treatment. (V ₁₁)	3.46	0.99	2.378	0.05*	10.92	0.000*	0.495	0.739	3.534	0.007*
Provision to become member of employee unions. (V ₁₂)	3.51	1.061	1.508	0.198	8.058	0.000*	5.617	0.000*	8.412	0.000*
Interaction with other branch employees (V ₂₅)	3.57	0.886	2.974	0.019*	10.822	0.000*	1.83	0.121	0.935	0.443
Adequate resources, information and ideas expressions F4	3.63 (1)	.945	5.009	0.001*	2.566	0.078	3.62	0.006*	1.087	0.362
Information about workplace hazards (V ₈)	3.57	0.981	2.739	0.028*	1.98	0.139	1.928	0.104	4.25	0.002*
Opportunity to express your ideas. (V ₉)	3.65	0.937	2.037	0.088	1.291	0.276	1.223	0.3	0.341	0.85
Available adequate resources and information about work. (V ₁₀)	3.68	0.907	3.914	0.004*	4.817	0.008*	1.804	0.126	0.175	0.951
Inform about work consequences. (V ₇)	3.63	0.952	1.775	0.132	12.166	0.000*	3.535	0.007*	1.879	0.112
Discipline and grievances handling F5	3.36 (5)	1.053	3.444	0.008*	9.53	0.000*	1.783	0.13	3.877	0.004*
Involvement of third party for negotiation. (V ₂₂)	3.44	1.075	4.598	0.001*	7.772	0.000*	3.314	0.011*	2.214	0.066
Committee formation to take measures on issues. (V ₂₃)	3.45	0.944	2.52	0.04*	16.512	0.000*	3.369	0.01*	1.87	0.114
Issuance of written warnings for misconduct. (V ₂₀)	3.17	1.11	0.887	0.471	1.307	0.271	0.598	0.664	2.824	0.024*

Source: Primary Data processed through SPSS-18, * Significant at .05 level



After interpreting the factors, Table 3 enlisted the rating of the factors on the basis of their importance to maintain employee relations in all banks and also depicts the results through ANOVA. It depicts that (F4) Adequate resources, information and ideas expression *with* (Mean= 3.63, S.D. = .945) is at the top and most determinant factor of employee relations in banks followed by (F1) *Employee counseling and involvement* with (Mean= 3.52, S.D. = .948), (F3) *Management support and unionism* with (Mean= 3.52, S.D. = .974), (F2) *Effective communication with* (Mean= 3.45, S.D. =1.019) and (F5) discipline and grievances handling with (Mean= 3.36, S.D. = 1.053).

F –Statistics (ANOVA) at .05 significance level depicts that on the basis of age, employee relations in banks are significantly different for the variables manager talks you on your worries, manager address your problems, issues and solve them, manager actively listen you, delegation of responsibilities according to your abilities, manager respect your privacy, chance to evaluate your work, representation on board of management , manager enables you to perform your best, encourage practices for knowledge and skill development, invitation on informal talk on disciplinary issues, appeal for unfair treatment, interaction with other branch employees, information about workplace hazards, available adequate resources and information about work, involvement of third party for negotiation, committee formation to take measures on issues. On the basis of education employee relations are significantly different for the items manager talks you on your worries, manager address your problems, issues and solve them, manager actively listen you, delegation of responsibilities according to your abilities, , manager respect your privacy, chances to evaluate your work, manager enables you to perform your best, encourage practices for knowledge and skill development, get involved while making work group, presentation of information affects your understanding, approach manager when you need guidance, find information easily when need, appeal for unfair treatment, provision to become member of employee unions, interaction with other branch employees, available adequate resources and information about work, information about work consequences, involvement of third party for negotiation and committee formation to take measures on issues. Experience wise employee relations are significantly different for the variables manager actively listen you, delegation of responsibilities according to your abilities, manager respect your privacy, manager enables you to perform your best, encourage practices for knowledge and skill development, get involved while making work group, invitation on informal talk on disciplinary issues, find information easily when you need, provision to become member of employee union, information about work consequences, involvement of third party for negotiation and committee formation to take measures on issues. On the basis of pay employee relations are significantly different for the variables manager address your problems, issues and solve them, manager respect your privacy, chances to evaluate your work, representation on board of management, encourage practices for knowledge and skill development, get involved while making work group, approach manager when you need guidance, appeal for unfair treatment, provision to become member of employee unions, information about workplace hazards and issuance of written warnings for misconduct. Remained variables which are not significantly different on basis of age, education, experience and pay at .05 significant levels are rejected.

IV DISCUSSIONS AND SUGGESTIONS

Discussions

At last it is concluded that the employee relations in the banks are significantly affected by the variables like, manager talks you on your worries, manager address your problems, issues and solve them, manager actively listen you, delegation of responsibilities according to your abilities, approach manager when need guidance also supported by (Rao&Rao, 1991).Interaction with other branch employees, provide information about workplace hazards, make available adequate resources and



information about work supported by (Xesha,2014). Manager respect your privacy, chance to evaluate your work, representation on board of management , encourage practices for knowledge and skill development, invitation on informal talk on disciplinary issues, appeal for unfair treatment, involvement of third party for negotiation committee formation to take measures on issues supported by (Bajaj, R., 2013; Sharma & Das, 1981).Manager enables you to perform your best, provision to become member of employee unions, get involved while making work group (Dyer, 1967), Issuance of written warnings for misconduct. Hence, it may be stated that the determinants Employee counseling and involvement, effective communication, management support and unionism, adequate resources, information and ideas expression and discipline & grievances handling affect employee relations in banking sector up to a level.

Suggestions

The study suggests that while framing the employee relation policies variable which are manager talks you on your worries, manager address your problems, issues and solve them, manager actively listen you, delegation of responsibilities according to your abilities, approach manager when need guidance, Interaction with other branch employees, provide information about workplace hazards, make available adequate resources and information about work, manager respect your privacy, chance to evaluate your work, representation on board of management , encourage practices for knowledge and skill development, invitation on informal talk on disciplinary issues, appeal for unfair treatment, involvement of third party for negotiation committee formation to take measures on issues, manager enables you to perform your best, provision to become member of employee unions, get involved while making work group, Issuance of written warnings for misconduct should be considered and emphasized.

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Direct from the horse's mouth: What bank employees feel about training and development programmes in Indian banking sector. by Athar Mahmood Abstract: Training has become a potential tool for development of skills and managerial attributes in employees. In the banking sector, specially, training and development programs have become a routine feature. The current study attempts to understand the perceptions of bank employees with respect to trainings. The aim of this study is to understand the relationship between knowledge management practices and work performance of employees. The study was conducted among 102 firms in the pump and motor manufacturing cluster. A 70-item questionnaire was administered among the middle level managers.