

# A study on Employee relations and organizational culture

1. **Vinita Shankar Sutar, MBA II Year, School Of Business Management, JSPM University Pune**
2. **Mansi Prasad Patil, MBA II Year, School Of Business Management, JSPM University Pune**

## Abstract:

Employee relations and organizational culture are two very important parts of every organization. They play a major role in the success and growth of a company. Employee relations means the relationship between management and employees. It includes communication, trust, employee involvement, grievance handling, motivation, and solving workplace conflicts. Organizational culture means the common values, beliefs, rules, attitudes, and working style followed in the organization. It influences how employees behave and work with each other.

The main purpose of this research paper is to study the connection between employee relations and organizational culture and to understand how both together affect employee satisfaction, productivity, and overall organizational performance. Good employee relations help in creating a supportive and friendly work environment. It improves employee morale, reduces conflicts, and increases loyalty and commitment towards the organization. In the same way, a strong and healthy organizational culture encourages teamwork, innovation, discipline, and loyalty among employees.

This study is based on both primary and secondary data. Primary data was collected through questionnaires and interviews with employees. Secondary data was collected from books, journals, company reports, and published sources.

The findings of the study show that organizations with good employee relations practices and a positive work culture have higher employee engagement, lower employee turnover, and better efficiency in their operations. Employees feel more motivated and satisfied when they work in a fair and positive environment. The study concludes that employee relations and organizational culture are closely connected and are very important for long-term organizational growth. Therefore, management should focus on clear communication, fair policies, employee appreciation, and strong leadership to create a productive and peaceful workplace.

## 1. Introduction

In today's business world, employees are considered one of the most important assets of an organization. The success of any company depends not only on money, technology, or infrastructure, but also on the hard work, skills, dedication, and satisfaction of its employees. Because of this, maintaining good employee relations and building a strong organizational culture are very important for long-term growth and success. Employee relations means the relationship between management and employees in the workplace. It includes communication, cooperation, trust, employee involvement, grievance handling, motivation, and solving conflicts. Good employee relations help create a positive work environment where employees feel respected, valued, and motivated to give their best performance. Strong employee relations also help reduce misunderstandings, workplace disputes, absenteeism, and employee turnover.

Organizational culture refers to the shared values, beliefs, attitudes, rules, and practices followed within an organization. It is like the personality of the company and influences how employees behave, interact with each other, make decisions, solve problems, and achieve goals. A positive organizational culture encourages teamwork, innovation, discipline, loyalty, and employee engagement.

Employee relations and organizational culture are closely connected to each other. Good employee relations help in building a healthy organizational culture, while a positive culture increases trust and cooperation between management and employees. Organizations that give importance to these two factors are more likely to achieve higher productivity, better employee morale, lower employee turnover, and long-term success.

The main aim of this research paper is to study the concepts of employee relations and organizational culture, understand their relationship, and examine their effect on organizational performance. The study also highlights the importance of employee-friendly policies, clear communication, and supportive leadership in creating a productive and peaceful workplace.

## 2. Literature Review

A literature review is an important part of any research study because it helps in understanding previous research, theories, and ideas related to the topic. It gives the researcher knowledge about what has already been studied and helps in building a strong base for the present research. In this study, different books, journals, articles, and earlier studies related to employee relations and organizational culture were reviewed to understand their importance and effect on organizational performance.

Employee relations and organizational culture have been studied by many management experts, psychologists, and HR researchers. They explained how good relationships between employees and management help in creating a positive work culture and improving productivity.

### 1. Elton Mayo (1933) – Human Relations Theory

Elton Mayo is one of the major contributors to employee relations. He conducted the famous Hawthorne Experiments in the United States. His study found that employees are motivated not only by salary or physical working conditions, but also by attention, recognition, teamwork, and belongingness.

Mayo concluded that when employees feel respected and valued, their productivity increases. His theory highlighted the importance of communication, cooperation, and supportive management.

### 2. Abraham Maslow (1943) – Hierarchy of Needs Theory

Maslow explained that human needs are arranged in five levels:

1. Physiological needs
2. Safety needs
3. Social needs
4. Esteem needs
5. Self-actualization needs

According to Maslow, employees perform better when their needs are fulfilled. Organizations that provide job security, friendly workplaces, recognition, and growth opportunities can improve employee satisfaction.

### 3. Frederick Herzberg (1959) – Two Factor Theory

Herzberg divided workplace factors into two parts:

- **Hygiene factors** – salary, policies, supervision, working conditions, job security
- **Motivational factors** – achievement, recognition, responsibility, growth

He explained that hygiene factors prevent dissatisfaction, while motivational factors increase satisfaction. This theory shows the importance of positive relations and growth opportunities.

### 4. Douglas McGregor (1960) – Theory X and Theory Y

McGregor introduced two management styles:

- **Theory X** – employees dislike work and need strict control
- **Theory Y** – employees are responsible, creative, and self-motivated

Organizations following Theory Y create trust, participation, and empowerment. This improves employee relations and builds a positive culture.

### 5. Edgar Schein (1985) – Organizational Culture Model

Edgar Schein explained organizational culture as shared values, beliefs, and assumptions. He identified three levels of culture:

1. **Artifacts** – office layout, dress code, visible structures
2. **Espoused Values** – goals, strategies, policies
3. **Basic Assumptions** – deep beliefs and behavior

His model helps understand how culture influences employee behavior and performance.

### 6. Stephen P. Robbins – Organizational Behavior

Robbins explained that organizational culture performs important functions such as:

- Giving identity to employees
- Building commitment

- Promoting social stability
- Guiding employee behavior

He also highlighted the role of leadership and communication in developing culture.

### **7. Chester Barnard – Cooperative Systems Theory**

Barnard viewed organizations as systems where managers and employees must work together for common goals. He stressed communication, willingness to cooperate, and teamwork.

### **8. Rensis Likert – Participative Management**

Likert believed that involving employees in decision-making increases productivity and satisfaction. Employees feel respected and committed when their opinions are valued. This improves employee relations and creates a democratic work culture.

### **9. Modern Human Resource Studies**

Recent HR studies show that organizations with positive employee relations experience:

- Lower absenteeism
- Reduced employee turnover
- Better teamwork
- Higher engagement
- Improved innovation
- Greater customer satisfaction

Similarly, companies with strong cultures adapt better to change and perform better financially.

### **10. Employee Engagement Studies**

Modern studies show that employees who trust management and feel connected to organizational values are more productive. Open communication, fairness, recognition, and career opportunities increase employee engagement.

### **11. Leadership and Culture Studies**

Many researchers found that leadership style strongly affects organizational culture. Supportive leaders encourage trust, teamwork, and innovation, while authoritarian leaders may create fear and poor communication.

### **12. Conflict Management Studies**

Studies on workplace conflict show that unresolved conflicts reduce morale and productivity. Organizations with proper grievance handling systems, fair policies, and open communication maintain healthier employee relations and stronger culture.

## **3. OBJECTIVE OF STUDY**

The present research study titled “A Study on Employee Relations and Organizational Culture” has been conducted to understand the importance of good employee relations and a positive organizational culture for the success of an organization. Healthy relationships between employees and management, along with a strong work culture, help improve productivity, employee satisfaction, and long-term growth. The objectives of the study are as follows:

#### **Primary Objectives**

1. To study the concept of employee relations and understand its meaning, importance, and role in an organization.
2. To understand the concept of organizational culture and examine how culture affects employee behavior and performance.
3. To analyze the relationship between employee relations and organizational culture in the workplace.
4. To evaluate the impact of employee relations on employee satisfaction, motivation, and productivity.

5. To study how a positive organizational culture helps in increasing employee commitment and organizational growth.

### Secondary Objectives

1. To identify the major factors affecting employee relations such as communication, leadership, grievance handling, rewards, and employee participation.
2. To examine the factors influencing organizational culture such as values, ethics, management style, teamwork, and company policies.
3. To study the role of management and the HR department in maintaining healthy employee relations.
4. To assess the importance of communication systems in building trust and cooperation among employees.
5. To understand the role of leadership style in creating a positive organizational culture.
6. To identify common workplace problems such as conflicts, dissatisfaction, absenteeism, and employee turnover caused by poor employee relations.
7. To examine the importance of employee recognition and reward systems in improving employee morale and motivation.
8. To study the role of teamwork and collaboration in strengthening organizational culture.
9. To suggest practical measures for improving employee relations and organizational culture in organizations.
10. To provide useful recommendations for management for long-term organizational effectiveness and employee well-being.

### 4.Methodology/ Data

The present research study titled “A Study on Employee Relations and Organizational Culture” has been carried out using a proper and systematic research methodology. Research methodology means the methods and techniques used for collecting, analyzing, and interpreting data related to the study. A good research method helps in getting reliable results and accurate conclusions. In this study, both qualitative and quantitative methods were used to understand the relationship between employee relations and organizational culture.

#### Sources of Data:

##### Primary Data

Primary data was collected directly from employees through a structured questionnaire and personal interaction. The questionnaire included questions related to communication, teamwork, management support, employee satisfaction, conflict resolution, and workplace environment.

##### Secondary Data

Secondary data was collected from books, journals, company reports, websites, research papers, and HR manuals related to employee relations and organizational culture.

##### Sampling Design

- Population: Employees of the selected organization
- Sample Size: 100 respondents
- Sampling Method: Simple Random Sampling
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##### Data Collection Instrument

A structured questionnaire with close-ended questions and Likert Scale statements was used to collect responses from employees.

##### Tools Used for Data Analysis

The collected data was analyzed using the following statistical tools:

- Percentage Analysis
- Tables and Graphs
- Mean Method
- Correlation Analysis

## Study Area

The study was conducted in the selected organization to understand employee relations and the cultural environment of the workplace.

## Limitations of the Study

- Limited sample size
- Time constraints during the survey
- Possibility of biased responses
- Study limited to one organization only

## Estimated Design Result

The expected results of the study on Employee Relations and Organizational Culture show that positive employee relations help in developing a healthy organizational culture. Good communication between management and employees, mutual trust, teamwork, and proper conflict resolution are expected to improve employee satisfaction and motivation.

It is also expected that organizations with a strong and supportive culture will have higher productivity, better employee retention, and improved overall performance. Employees working in a positive cultural environment are likely to show more commitment, cooperation, and involvement in their work.

The study may also reveal that transparent policies, fair treatment, recognition programs, and participative management help strengthen both employee relations and organizational culture.

Therefore, the expected result suggests a strong positive relationship between employee relations and organizational success through an effective organizational culture.

## Data Analysis

The data collected from employees through questionnaires and interviews were analyzed using suitable statistical tools. The responses were classified, arranged in tables, and interpreted in a proper manner to achieve the objectives of the study.

## Techniques Used for Data Analysis

1. Percentage Analysis – Used to calculate the percentage of responses received for **each** question.
2. Tabular Analysis – Data was presented in tables for easy understanding and comparison.
3. Graphical Representation – Bar charts and pie charts were used to present the data visually.
4. Mean Analysis – Used to find the average opinion level of employees regarding different factors.
5. Correlation Analysis – Used to identify the relationship between employee relations and organizational culture.

## Interpretation of Data

The analysis is expected to show that effective communication, teamwork, fair treatment, and supportive leadership have a positive effect on employee relations and help strengthen organizational culture. Higher employee satisfaction levels are also connected with a positive work environment.

Thus, the data analysis helps in drawing meaningful conclusions and providing useful suggestions for organizational improvement.

## 6. Major Findings

Based on the analysis of data collected from employees, the major findings of the study on Employee Relations and Organizational Culture are explained below:

1. Healthy employee relations improve job satisfaction and morale  
The study found that when employees have good relationships with management and co-workers, they feel more satisfied with their jobs. A positive relationship at the workplace increases confidence, motivation, and overall morale of employees.

2. **Effective communication creates trust and transparency**  
Proper communication between management and employees helps in building trust within the organization. When information is shared openly and clearly, employees feel valued and understand organizational goals better. This also reduces misunderstandings and confusion.
3. **Teamwork and cooperation build a positive culture**  
The study shows that teamwork and cooperation among employees are important for creating a healthy organizational culture. When employees support each other and work together, the workplace becomes more friendly, productive, and positive.
4. **Fair treatment, recognition, and rewards increase motivation**  
Employees feel more motivated when they are treated fairly and their efforts are appreciated. Recognition programs, rewards, promotions, and incentives encourage employees to perform better and stay committed to the organization.
5. **Supportive leadership strengthens employee relations**  
Leadership plays an important role in maintaining good employee relations. Managers who are supportive, approachable, and understanding create trust and respect among employees. Good leadership also helps solve employee issues effectively.
6. **Proper grievance handling reduces dissatisfaction**  
The study found that organizations with proper grievance handling systems can solve employee complaints quickly and fairly. Effective conflict resolution reduces stress, dissatisfaction, and workplace tension.
7. **Positive organizational culture improves productivity**  
A strong and positive organizational culture leads to better employee performance and higher productivity. Employees working in a healthy environment are more focused, disciplined, and willing to contribute to organizational success.
8. **Employees prefer growth opportunities and friendly workplaces**  
Most employees prefer organizations that offer career growth, learning opportunities, and a supportive work environment. Employees feel more satisfied when they see opportunities for personal and professional development.
9. **Strong employee relations reduce absenteeism and turnover**  
Good employee relations help reduce absenteeism and employee turnover. Employees are more likely to remain in the organization when they feel respected, motivated, and connected to the workplace.
10. **Positive relationship between employee relations and culture**  
Overall, the study concludes that there is a strong positive relationship between employee relations and organizational culture. Better employee relations help create a positive culture, and a healthy culture further strengthens trust, cooperation, and employee commitment.

## 7. Suggestions

Based on the findings of the study on **Employee Relations and Organizational Culture**, the following suggestions are recommended to improve employee relations and build a positive organizational culture:

### 1. Improve Communication System

The organization should maintain open, honest, and clear communication between management and

employees. Regular meetings, feedback sessions, and suggestion boxes should be introduced so that employees can share their ideas, opinions, and problems freely. Good communication helps in building trust and reducing misunderstandings.

## **2. Encourage Teamwork and Cooperation**

The organization should promote teamwork among employees through team-building activities, workshops, and group assignments. When employees work together and support each other, it creates a friendly environment and increases productivity.

## **3. Provide Fair Treatment and Equal Opportunities**

All employees should be treated equally and fairly without any discrimination. Promotions, rewards, and performance appraisals should be based on merit and performance. Fair policies improve employee confidence, satisfaction, and trust in management.

## **4. Introduce Recognition and Reward Programs**

Employees should be appreciated for their hard work and achievements. Awards, incentives, bonuses, certificates, and appreciation letters can motivate employees and improve their morale, commitment, and performance.

## **5. Develop Supportive Leadership**

Managers and supervisors should be trained to become supportive, understanding, and approachable leaders. Good leadership helps in solving employee problems, guiding employees properly, and maintaining healthy workplace relations.

## **6. Establish Grievance Handling System**

The organization should create an effective grievance handling system to solve employee complaints and conflicts quickly and fairly. Employees should feel secure that their problems will be heard and resolved properly.

## **7. Conduct Training and Development Programs**

Regular training and development programs should be arranged to improve employee skills, knowledge, and confidence. Such programs help employees grow personally and professionally and prepare them for future responsibilities.

## **8. Promote Work-Life Balance**

The organization should encourage work-life balance by providing flexible working hours, leave benefits, wellness programs, and recreational activities. This helps in reducing stress and improving job satisfaction.

## **9. Build a Positive Work Culture**

The organization should encourage trust, respect, discipline, teamwork, and mutual understanding among employees. A positive work culture creates a pleasant atmosphere where employees feel comfortable and motivated to work.

## **10. Conduct Regular Employee Satisfaction Surveys**

Employee satisfaction surveys should be conducted regularly to understand employee needs, expectations, and workplace issues. Feedback from employees helps management make improvements continuously and maintain a healthy work environment.

## **Summary**

These suggestions can help organizations improve employee relations and create a strong organizational culture. A workplace with good communication, fairness, teamwork, and supportive leadership can achieve higher productivity, employee satisfaction, and long-term success.

## 8. Conclusion

From the study on Employee Relations and Organizational Culture, it can be concluded that employee relations are very important for the success and growth of any organization. Good relationships between management and employees help create a positive work environment, improve job satisfaction, and increase employee motivation. Effective communication, mutual trust, teamwork, and fair treatment are the key factors for maintaining strong employee relations.

The study also shows that organizational culture has a direct effect on employee behavior, performance, and commitment. A supportive and positive culture encourages cooperation, innovation, discipline, and loyalty among employees. Employees who work in a healthy and friendly environment are usually more satisfied and productive.

Good leadership, employee recognition programs, proper grievance handling systems, and opportunities for growth further strengthen employee relations and organizational culture. On the other hand, poor communication, unfair treatment, and lack of management support can create dissatisfaction among employees and reduce productivity.

Therefore, it is clear that there is a strong positive relationship between employee relations and organizational culture. Organizations that give importance to strong employee relations and a healthy work culture can achieve higher productivity, better employee retention, and long-term success.

## 9. References

The following books, journals, reports, and other published sources were referred to while preparing this research study on **Employee Relations and Organizational Culture**. These references provided useful information regarding human resource management practices, employee relations, organizational behavior, motivation theories, leadership styles, and workplace culture. They helped in understanding the theoretical concepts as well as practical applications related to the study.

1. **Aswathappa, K. (2017).** *Human Resource Management*. New Delhi: McGraw Hill Education.

This book provided valuable information about human resource management practices, employee relations, recruitment, motivation, and organizational development.

2. **Dessler, G. (2019).** *Human Resource Management* (16th Edition). Pearson Education.

This source helped in understanding employee management, communication systems, leadership, performance management, and employee satisfaction.

3. **Robbins, S. P., & Judge, T. A. (2018).** *Organizational Behavior* (17th Edition). Pearson.

This book explained organizational behavior, teamwork, motivation, leadership, communication, and the importance of organizational culture.

4. **Armstrong, M. (2020).** *Armstrong's Handbook of Human Resource Management Practice*. Kogan Page Publishers.

This handbook provided practical knowledge regarding HR policies, employee engagement, workplace relations, and organizational performance.

5. **Rao, V. S. P. (2016).** *Human Resource Management: Text and Cases*. Excel Books.

This book was useful in understanding real-life case studies and practical HR management concepts related to employee relations.

6. **Schein, E. H. (2017).** *Organizational Culture and Leadership*. Wiley Publications.

This source was highly useful for understanding the concept of organizational culture, shared values, beliefs, and the role of leadership in culture building.

7. **Gupta, C. B. (2018).** *Human Resource Management*. Sultan Chand & Sons.

This book provided information about employee welfare, industrial relations, training, motivation, and employee development.

8. **Flippo, E. B. (2015).** *Personnel Management.* McGraw Hill. This book helped in understanding personnel administration, employee discipline, labor relations, and management practices.

9. **Company Annual Reports and HR Manuals**  
Annual reports, HR manuals, and internal organizational documents were referred to for understanding actual employee relations practices, company policies, and organizational culture in practice.

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10. **Various Journals, Research Articles, and Official Websites**  
Different journals, published research papers, online articles, and official websites related to employee relations and organizational culture were also referred to as secondary sources. These sources provided recent trends, practical examples, and updated information related to the topic.

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