



THE ROLE OF EMPLOYEE - MANAGER RELATION ON EMPLOYEE PERFORMANCE:
IN THE CASE OF WOGAGEN BANK AT WOLKITE TOWN.

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DECLARATION

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APPROVAL

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LIST OF ACRONYMS/ABBREVIATIONS

CSA Central Statistic Agency

CRM Customer Relation Management

ERM Employee Relation Management

GIS Geographical Information System

HRM Human Resource Management

SNNP South Nation Nationalities and Peoples

Abstract

The study was carried out at Wegagen Bank in Wolkite branch. The general objective of this study was to examine the role of employee and manager relation on employee performance. Census method was planned to apply because the target populations were 10. Although there were proposed to use primary and secondary data types for data collection but secondary data was fully applied for this study. Empirical data analysis was applied. The finding of the literature showed that, good relation between manager and employee has the role of an employee be inspired and produce better and more, increase level of competency of employee, improved customer service and being an employee good customer consultant. The reason for the occurrence of bad relationship between manager and employee are lack of trust, lack of good communication, leadership style and lack of shared goal and value. The researcher suggested that, In order to be good relation between manager and employee, each manager/employer should develop two way communication strategies, trust and respect each other, establish clear shared goal and value and apply motivation strategy.

Key words: *employee and manager relation, wegagen bank, census, empirical literature*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

In an organization there are a group of peoples or individuals who have different interest and attitude towards the organization goals. Every aspect of employee and manager relation is ongoing on economic and social interaction of the organization. However, employee and manager relation deals with challenges pertaining to productivity and performance of employee as well as the role of managers' practice that decrease or increase employee performance within the organization (Dessler.G, 2008).

Banks play a great role of considerable economic significance as intermediaries in mobilizing public savings and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. On the other hand, the purpose of banking business is "accepting deposits of money from public for the purpose of lending or investing, repayable on demand through cheque/draft or otherwise" (chaudhary.k., and sharma.m., 2011).

Good employee manager relation involves providing fair and consistent treatment to all employees. Managers try to understand what employees are saying and experiencing keep they informed about what manager is planned to do and tell about how those plan may affect their interaction (Dessler.G, 2008)

Managing employee relation with manager is the responsibility of all managers. Effective employee manager relation requires cooperation and coordination between every employee and manager. Employee and manager relations are strongly affected by compensation, human relation decisions such as compensation, promotion, discipline, demotion, punctuality, loyalty and termination (Dessler.G, 2008). Manager and employee relation in the world is the most important part of any organization. No business can run efficiently and effectively without them. But peoples do not live in vacuum, they need to communicate and work with others to become effective. Employers need managers relation in the work place to keep the organization

functioning smoothly, avoid problem and make sure their performance is best. An organization with good employee and manager relation program provides fair and consistent treatment to all employees. In order to create a good attention of work for employee managers must be informed what is going to do within the company including manager plan, organizational policies, day to day tasks and how those plans and policies may affect their job. Therefore, this study is designed to know the role of employee and manager relation on employee performance (Dessler.G, 2008).

1.2. Statement of the problem

The existence of good manager and employee relation creates employee loyalty and business stability for the organization. In addition to this, It leads to a continuous development and better performance to an organization. Employee and manager relation problem was the problem of some organizations. Poor employee and manager relation decreases productivity, efficiency and quality of products as well as it affects the goal of the organization and its customers (Sing.P. and Kumar.N, 2011).

As different literature identifies there are a lot of reasons that cause dissatisfaction and decrease employee performance in the organization. For instance, lack of honesty, integrity and loyalty, service excellence, professionalism, learning and innovation, lack of employee respect and dignity, social responsiveness, lack of good corporate governance and employment opportunity, Lack of optimization on the stockholder value through sustainable growth and profitability, not provide wide range of innovative and customer focused banking products and services, Minimize the operational excellence by employing state -of-the art information technology. In the study area there was not any research which had conducted in such issue. So, because of this and the above mentioned problems that was occurred between employee and manager the researcher has motivated to conduct the study on this topic to know about the organization's situation based on employee manager relation and the employees performance as well at Wogagen bank in Wolkite town. In addition the researcher wants to direct recommendations for further research.

1.3. Research question

1. What looks like employee and manager relation at Wegagen Bank?
2. What are the main reasons for poor employee and manager relation at Wegagen Bank?
3. What are the roles of employee and manager relation on employee performance?

1.4. Objective of the study

1.4.1. General objective of the study

The overall objective of the study is to examine the role of employee and manager relation on employee performance in Wegagen Bank in Wolkite branch.

1.4.2. Specific objective of the study

1. To investigate the perception of employee on employee - manager relation in the study area.
2. To identify the main reasons for poor employee and manager relation in the study area.
3. To indicate the role of employee and manager relation on employee performance.

1.4. Significance of the study

This study will provide guidance to the employer of public and private organizations, leaders and managers necessary to increase employees and organization performance by focusing on the factors that lead to good employee-manager relation. In Ethiopia's context, adding to study will enriched the existing literatures hence giving a better understanding on the employee's performance from the Ethiopian organizations context. The findings of this study will also be beneficial to scholars in a way that this will be a contribution to the body of knowledge in this broad and yet not fully exploited area of human resource management as well as social sciences. This will enhance understanding and development of relevant theories as well as extensive areas of interest. The last but not the least, the study will open a door or would be utilize as an initial

base to conduct further research studies in various areas of the country as well as other concerning bodies.

1.5. Scope of the Study

In terms of geographical coverage, the study was conducted in Wolkite town of Wogagen Bank employees. It mainly focuses on the role of employee and manager relation on employee performance. The study was conducted on employees of who are working in the year 2012 E.C It had provide clear insight about the roles which had significant effect on employee performance.

1.6. Limitation of the Study

Though every type of survey has its own weakness, cross-sectional (one at a time) survey method has limited capacity to show the most required roles of employee-manager relation on employee performance than longitudinal data which can show relatively better performance due to frequent observations over a period of time; however, such type of data is rarely available. On the other hand, this study was mainly depending on specific employees to measure employee performance, because it is very difficult and beyond the scope of this paper to identify and discuss numerous factors that affect employees' performance. The researcher had not considered the whole factors in this research. Moreover, the research was only focus in a single bank sector located in Wolkite town by excluding others related to time, budget and availability of other resources consideration.

1.7 Organization of the study

The study has three chapters. The first chapter deals about the introduction part, which includes, background of the study, statement of the problem, research question, objective of the study, significance of the study, scope of the study, limitation of the study, and organization of the study. The second chapter includes review of related literature about the role of employee and manager relation on employee performance. The third chapter deals with research methodology include research design, source of data, sampling techniques and sample size, method of data analysis and presentation, conclusion and suggestions

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Theoretical Literature

Definition of Employment Relations

The American HRM literature frequently refers to it when describing the corpus of HRM functional activities and associated interactions that exist between individual employers and employees at the level of the workplace. Used in this way it is typically held to describe something quite different to older forms of personnel management and industrial relations (see, for example: (Breadwell.I. & Holden .L, 1994). The British HRM literature, however, tends to apply a wider meaning that goes beyond the workplace, covering in its most extreme manifestation the type of interactions that can take place between the states, employer associations and organized labor. Employment relations conceived in these terms not only involves the micro-level relations that take place between individual managers and employees, as is predominantly the case in the American use of the term, but also the macro-level interactions that take place between extraneous institutions set up to govern such relations (Gennard & Judge, 2002).

Theories on employee relation

Unitarism Theory

Unitary start from a set of assumptions and values that hold workplace conflict is not an inevitable characteristic of relations between managers and employees. Conflict in the workplace may periodically emerge between the two, but such occurrences are believed to be aberrations in a relationship that is inherently prone to be cooperative. Those holding this perspective 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. 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. To ensure such divisions do not thwart the 'natural order' of things, it is thought that the rational management team must pay careful attention to removing the sources of potential conflict. To this end it must ensure that recruitment and promotion processes are fair and equitable. It must also ensure that communication systems are in place to alert employees of where their true interests lie, and that individuals who are 'difficult' or prone to personality conflicts are either suppressed or dismissed. It must finally ensure that the organization is promoted amongst the workforce as the single source of authority, and that any alternative sources of authority, such as shop stewards and trade unions, are eliminated from the workplace (Fidler, 1981).

Scientific Management Theory

Unitarist assumptions and values have played a significant role in three schools of theoretical and practical thought. The first is (Taylor, 1974) theory of scientific management. As a management practice, this particular theory holds that the employment relations choices of management must start from the assumption that employees are immature in the ways of work, are prone to avoid it whenever possible, and have limited, self-centered aspirations and time-horizons. In so far as these conflicts with the aspirations and time-horizons of organizations, efforts to reduce the outward manifestation of internal tension are to be undertaken by direct and highly rigid control of the workplace activities of employees. Indeed it is the task of management to show rational leadership when recruiting and directing workers, to have a clear understanding of the tasks employees are expected to perform, and to have untrammelled prerogatives to control the pace and processes under which they work. Companies subscribing to this form of management practice should reduce work to its basic elements, such that the skills of workers necessary to undertake tasks are kept to a minimum. Employees should be treated impersonally and collectively, with any workplace issues being referred to management. Under these conditions the management approach to employee relations is one that seeks to suppress internal tension over the distribution of organizational power by ensuring that management retains superior knowledge about the structure and organization of work, and has the authority to direct workers as it sees fit.

Human Relations Theory

The second theory comes from the so-called human relations school (Maslow, 1954). In this case the reduction of organizational tension is held to rest on the ability of individuals to achieve self-fulfillment in the workplace. Workers are regarded as qualitatively different to other resources used in production. Thus, if workers are denied autonomy on the job, or are reduced to acting as mere extensions of the machinery they operate, or are given work that inhibits their capacity to create and think, it is argued that they will invariably find ways to subvert the methods of control that enforce these conditions. The principal task of management on this conception is to manipulate workplace relations in ways that enable employees to feel personal satisfaction with being involved with the organization. To this end, companies operating on this basis are expected to recognize the right of employees to have a say in how they are governed. They are also expected to take an active interest in developing the skills of employees as a means of demonstrating a commitment to their personal well-being. In whatever form, the aim of this managerial approach to employee relations is one that seeks to reduce internal tensions by developing the sense of workplace satisfaction felt by employees through techniques that involve them in the organization and regulation of work.

Human Resource Management Theory

The third theory refers to human resource management practices (Blyton.P & Turnbull.P, 1992). This form of management practice differs from the previous two in that it starts from the belief that organizational tensions can be completely resolved by nurturing a psychological contract based on cooperation. The employee relations' choices in this instance are predicated on the belief that the forces uniting managers and employees are far stronger than the forces dividing them. It is the task of management to facilitate these unifying forces by establishing workplace conditions that encourage autonomous individuals, whether employees or management, to work collaboratively for the common good. Companies taking this approach are expected to regard workplace relations holistically, whereby collaboration between management and employees is encouraged through the development of a unifying culture, strong and pervasive leadership, and

a clear vision of organizational goals. The employee relations aim of these techniques is to resolve internal tensions by breaking down workplace social classes, developing open lines of communication lines different stake-holders, and promoting a collective understanding that the interests of all are better served by working together and avoiding conflict. Collaborative management practices in the form of workplace teams, as well as performance appraisals, performance related pay and individual contracts of employment are activities that are thought to give content to this approach.

Pluralism Theory

Pluralists differ from unitarists in that they start from a set of assumptions and values that workplace conflict is inevitable. Typical of those holding this perception is the view that business organizations are complex social constructions made up of different interest groups. Management and employees constitute two such groups, who, because of the very nature of the factory system, are seen as invariably subscribing to different values and objectives. From this frame of reference it is also assumed that there will be different sources of authority within an organization, and that the potential for conflict between them will always exist over the organization of work tasks and the allocation of rewards. By recognizing the inevitability of workplace conflict, those holding this perspective tend to regard conflict as necessary for the health of an enterprise as it serves to bring grievances held by workers to the surface. It is also argued that the potential for conflict provides a spur to managers to explore innovative methods for handling it in a way that will produce the best results. Acknowledging the existence of competing sources of authority, most notably in the form of shop stewards or trade unions, is held by pluralists to offer benefits by allowing organizations to deal with industrial relations issues on a collective basis. In this regard it is argued to not only provide management with the most efficient means for institutionalizing employment rules and minimizing the level of workplace conflict, but to also encourage fairer outcomes by enabling employees to organize and counter-balance the power of managers when negotiating workplace contracts. It is on the basis of these conceptions that pluralists generally accept the legitimate right of employees to bargain collectively and trade unions to act in this capacity on their behalf (Fox, 1966).

Systems Theory

The most famous theory drawing on a pluralist frame of reference is (Dunlop, 1958) systems theory, which 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. On the back of these assertions four elements are held to make up the system of industrial relations rule-making. The first is industrial actors, which consists of employers and their representatives (i.e., employer associations), employees and their representatives (i.e., trade unions), and external agencies with an interest in industrial relations (i.e., government departments and labor courts). The second is the environmental context, which was made up of prevailing economic and technological conditions, as well as the distribution of power in wider society, each of which is thought to influence or constrain the actions of actors engaged in industrial relations. The third is a so-called 'web of rules' that governs the employment relationship and is held to be the outcome of interactions between the actors. The last is a '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. An important aspect of this framework conceives the industrial relations system as self-adjusting towards equilibrium. In so far as change in one element had repercussions for the other elements, they are held to set in motion a range of processes that invariably restores a sense of order on the system.

Strategic Choice Theory

Another widely used and more recent theory drawing on pluralist assumptions is (Kochan, 1986) strategic choice theory. This particular theory picks up on the systems concept developed by (Dunlop, 1958) and advanced on it by accommodating a number of contemporary changes in the

way industrial relations was being practiced. Three such changes are noted as being influential in determining the way manager's deal with industrial relations issues. The first is identified in the recent decline in union membership and the rise of new industries not covered by unions. The second is noted in the way collective bargaining structures and outcomes involving trade unions have altered. And the third is recognized in the emergence of new managerial values and human resource strategies that encouraged information sharing, workplace cooperation, performance incentive schemes and autonomous work teams. The theory argues that these changes have made dealing with industrial relations matters far more complex than has traditionally been the case. First, the decline of trade unionism, the increasing decentralization of bargaining processes and the advancement of human resource management practices have caused a redistribution of decision making authority over workplace relations. In this regard orthodox industrial relations specialists are held to have lost significant power to human resource and line managers when dealing with issues in this area. Second, the growing popularity of unitarist ideas in techniques used by human resource managers has encouraged organizations to take a more proactive approach to the management of employees. This was reflected, the theory argues, in the way senior executives are taking a more integrated approach to the development of human resource and business strategies. Third, and as a consequence of this, it is asserted that managers can no longer be regarded as merely the passive reactors to demands and initiatives put forward by organized labor. Indeed the integration of human resource and business strategies means that decisions about marketing, production, finance, investment, and soon, are all having more and more influence over the day-to-day management of workplace relations.

An important element of this theory is that it recognizes the interrelationship between decisions and activities across different levels of the industrial relations system. Thus, a decision taken at the strategic level to introduce new technologically improved capital equipment will almost certainly have ramifications for the conduct of collective bargaining over future training and manning levels, as well as for the conduct of workplace relations if manning levels are to be altered or jobs reorganized. The theory also acknowledges the effects of strategic decisions on different actors in the system. Strategic changes made by government to macroeconomic policy settings, for instance, may influence a company's long-term investment strategy, particularly if it believes such changes will affect bank interest rates. If it is believed such rates will rise and

thereby diminish the need to maintain existing manning levels, then it will almost certainly have consequences for the organization's future employment strategies, human resource policies, collective bargaining position, and nature and conduct of employment relations in the workplace.

Marxism Theory

A Marxist frame of reference may seem redundant in view of the break-up of the Soviet Union, the collapse of communism in Eastern Europe and the decline of 'radical' thinking in the West. There are, however, a number of studies from this school of thought that remain influential. This is because they are based on vastly different assumptions about the nature and cause of workplace conflict, and second, because they act as valid critiques of the previous two frames of reference and their associated theories. Those arguing from a radical perspective draw principally from the work of (K.Marx, 1978)who argued that capitalist societies were characterized by perpetual class struggle. This struggle is caused by inequalities in the distribution of wealth and the skewed ownership of the means of production. Wealth and property ownership, he observed, were highly concentrated in the hands of a small number of bourgeoisie (or capitalists), whilst the vast mass of the proletariat (or workers) lived in poverty and had nothing to sell but their labor. The dominant capitalist class controlled the levers of political and economic power and was forced to exploit the working class by extorting 'surplus value' from their labor. Capitalism generated this exploitation because, by its very nature, it required capitalist to engage in ruthless competition with each other. Each round of new investment placed increasing competitive pressure on profits and created the need to cut costs and rationalize productive operations. This dynamic was seen by Marx as forcing capitalist to perpetually drive down the wages of workers and reduce their numbers. As the latter constituted by far the larger number of those consuming the output of their own productive labors, each new round of investment produced its own inherent contradiction.

Marx argued that societies organized along these lines developed political systems and class-based values that legitimized the dominant position of the capitalist class and coerced the working class into a 'false consciousness' that accepted the status quo. At the same time, however, he argued that capitalist political systems and class-based values are incapable of indefinitely controlling the internal inconsistencies of capitalism. Consequently, the deepening

impoverishment of workers eventually moves them to recognize their common class interests and spurs them to organize against their exploitation. Applying a Marxist frame of reference to employee relations, social conflict is viewed as a natural outcome of capitalism, the result of on-going struggle between two competing social classes, whilst industrial conflict is viewed as being a reflection of this struggle played out in the workplace.

Labor Process Theory

There is a wide range of ‘radical’ theories informed by a Marxist frame of reference. Some draw more prominently on economic assumptions pertaining to capitalist modes of economic organization being inherently exploitative and prone to conflict. Others draw more on sociological assumptions pertaining to the existence of class-based value systems that serve to legitimize the dominant position of capitalist interests. (Braverman, 1974) labor process theory is a widely referred to example of the former. In the manner of Marx, this particular theory argues that the primary role of management is to convert raw materials into products through the use of labor and machinery; that the only way management is able to do this is through the establishment of structures of power and control that convert the capacity of employees to perform work (i.e., labor power) into actual work effort (i.e., labor); and that it is only through this conversion that profitable production and capital accumulation can take place. It is on the basis of these three observations that the theory asserts that since the turn of the century the ability of managers to control the activities of workers has been increasingly facilitated by the advancement of technology and the spread of scientific management techniques. These developments, it is suggested, have changed the labor process by deskilling work and fragmenting the tasks involved until they are devoid of any meaningful content by those performing them. They have also served to centralize the knowledge of work in the hands of managers and diminished the autonomy of employees to determine the pace and conduct of work. In so far as these developments are intrinsic to the logic of modern forms of capitalist production, they are held to be the outcome of the ever-present necessity for business organizations to find new ways to employ labor more efficiently and more cheaply. The other side of this logic, however, is that the deepening alienation and on-going exploitation involved in such moves are perennially resisted by employees, either openly or covertly, making them unreliable contributors to the labor process and prone to act in ways that are against the interests

of the organizations employing them. On this conception workplace conflict is not merely the outcome of the recalcitrant behavior of individuals or inappropriate management selection and promotion practices, as unitarists assert. Nor is it simply the product of competing group interests in the workplace, as pluralists assert. It is instead the result of the very nature of capitalist industrial development itself.

Feminist Theories

An example of the application of Marxist sociological assumptions can be found in feminist theories. Theories of this type typically frame their analysis by noting the role of patriarchy in capitalist modes of economic organization. Although there is a range of interpretations in this school of thought, the common characteristic in each seeks to highlight how men act in ways that confine women to inferior positions. Thus it is not a class-based value system that serves to legitimize the dominate position of capitalist interests, as Marx once argued, so much as a gender based value system that serves to legitimize the dominant position of men's interests – one of which just happens to be the ownership and operation of the means of production. To the extent that the dominance of patriarchy has pervaded history and seen the arrangement of society and its institutions to best reflect the interests of men, it has also propagated notions that link appropriate forms of behavior to biological sex – notions that have served to socialize women into accepting their subjugation in a manner akin to Marx's concept of 'false consciousness'. Liberal feminist theories seek to establish women as the equal of men, and to this end argue the need for policy reform, the dispensing of sex stereotypes, and the removal of barriers to advancement in all areas of social, economic and political life. It thus accepts the existing institutions of society but seeks ways of improving the position of women through reforming actions that open up their opportunities and reduce gender-based prejudices and stereotypes. In the field of employment relations, this can take form in such things as equal employment opportunity and affirmative action legislation and management programmes (Kanter, 1983).

Postmodernist Theories

Postmodernist theories sit uneasily under any frame of reference and range over all manner of social phenomena beyond the world of work. Indeed those of the more extreme variety generally

abhor categorizations of any type, offering critiques of theories and explanations that try to interpret the world in terms of a singular 'rationale' or a 'systemized' set of understandings – which, incidentally, embraces almost all of the theories we have so far mentioned. Theories of this type argue that there are many rationales, in fact as many as there are people, who each attach all manner of 'meanings' to their day-to-day lives and experiences in ways that make it impossible to generalize or systemize social phenomena with any degree of precision. This is because people construct the 'truth' and 'reality' of the world around them through language (or 'discourse', to use their terminology), which itself reflects widely varying assumptions, values and ideas. Postmodernist theories of the more moderate variety similarly argue that our assumptions and values about truth and reality are problematic, but tend to believe that certain rationalities can be corralled and thus analyzed. In so doing they acknowledge the (possible) existence of certain types of system or systems. Typically, this acknowledgement centers on highlighting 'systems' of domination in the distribution of organizational power in capitalist societies, and it is in this sense that they owe some debt to Marxism (Baudrillard, 1981).

2.2 Empirical Literature

HR Practices: HR Practices is crucial function of Human Resource Management which can bring change status of ERM in the organization as this function could be quantified and resulted in statistical data to prove its importance in enhancing ERM status in the organization. Hence improved quality and productivity linked to motivation can be achieved through Training, Job rotation, Job Satisfaction, Participative Management, Performance Appraisal, Career planning and development. This will definitely improve ERM status in the organization. This makes employees more satisfied and can improve employee's performance in the organization (Sinha, S., & Bajaj, R., 2013).

Trust: Trust is a critical variable influencing the performance, effectiveness, and efficiency of the organization (Dirks, K., & Ferrin, D., 2002). Trust is considered one of the most influential variables on organizational performance. Trust may grow, decline, or even remerge over the course of a relationship. A majority of researchers posit trust as consisting of two elements; integrity and reliability. In employee employer relationship trust is the level of reliance one can place upon the information received from another person and confidence in the relationship

partner. As such, trust is a key relationship element. (Herington, C., Johnson, L., & Scott, D., 2009) If employees do not trust their managers, the flow of upward communication will be compromised (or simply will not happen); likewise, if managers do not trust the employees who work for them, the downward flow of communication will be negatively affected (Daniel.T, 2003).

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

Leadership Style: Leadership is considered a factor that has a major influence on the performance of organizations, managers and employees (Bergeron.B, 2003). Leadership style, often called ‘management style’, describes the approach managers use to deal with people in their teams.

Shared Goals and Values: In the business context, a goal is most commonly viewed as something that a firm “values” and the extent to which employee’s value the same goal provides a sharing of something of value between employees and the firm. Shared values is defined as the extent to which partners have beliefs in common about what behaviors, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong (Herington, C., Johnson, L., & Scott, D., 2009). The essence of a shared goal is that it is a reflection of connection among employees and management towards an important undertaking (Kantabutra.S and Avery.G, 2009). Sharing common goals enables employees to direct their efforts to the achievement of that particular goal, but for that to happen there should be interdependence and

collaboration among employees. Sharing common goals can positively impact on employee performance and organizational outcomes (Chinomona.R and Sandada.M, 2013).

The relationship between the manager and the employee is important, therefore business owners need to pay attention to this relationship if they want their businesses to grow and succeed (Bhattacharya et al. 2012). There are a number of employee retention strategies that business owners can utilize in order to maintain the good relationship they have with the employees. Several sources including Kleinaltenkamp and Ehret (2006), Strohmeier (2013), and Yan and Stafford (2011) outline relationship strategies targeted at workers might include amongst others motivating, providing incentives, delegating important responsibilities, being open and transparent, team building, and so on.

Burns (2012: 186-196) declared that good manager-employee relations are essential for different reasons. These reasons might include:

- Employees who are inspired to work produce better and more results.
- The level of competency of the staff increases because of their drive to become better.
- Customer service is improved because employees who have good relations with their employer are usually viewed as good customer consultants.

Lack of trust and respect: According to Hunt et al. (2009: 71-77) trust and respect are earned by an employer through open communication, consistent feedback and delegation of responsibilities to the staff. An employer who fails to abide by these elements of trust and respect will eventually also put a negative strain on the relationship.

Employees Performance

Effective people resourcing includes not only the acquisition of the suitable amount and excellence of people, but also the management of employees to guarantee that the recital is continually reviewed and at a level which is steady with the achievement of organizational objectives. Employees should know what is expected, not just in terms of duties and responsibilities but also in standards of performance (Pilbeam.S and Corbridge.M, 2002). The concept of performance covers both what has been achieved and how it has been achieved. Firm

performance can be measured in a number of different ways. The most obvious way to measure what has been achieved, and the approach used in many studies, is by reference to key performance indicators (KPIs), which are usually to do with financial results (profitability) or productivity (Armstrong, 2009). Many organizations feel that their people can provide a competitive advantage, and therefore their people contribute to the organization's performance. Employee performance has been shown to have a significant positive effect on organizational performance (Hayward, 2005). Employee performance may be taken in the perspective of three factors like declarative knowledge, procedural knowledge and motivation which makes possible to perform better than others (Ahmed.S and Shahzad.K, 2011). Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure (Sonntag.S and Frese.M, 2005). Managing employee's performance is necessary for achieving goals that an organization has for itself. Assessing an employee's competency and measuring his productivity is essential in the overall plan of the organization. Better performance of each employee creates immense outcomes which mainly include congruence among employees, quality production and commitment at work place (Shields.J, 2007).

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. Methodology should give full details to show the research activity is going to be carried out.

3.1. Description of the Study Area

The study area is found in Welkite town, Guraghe zone, SNNP region, Ethiopia. It is one of an administration and trading center of twenty two reform towns in Guraghe zone that opted as a hub of development in the region.. It locates 158 km away from Addis Ababa. The town is bound by Addis Ababa in the Southwest and Jimma in the south (Beshir, 2014).

According to Central Statistic Agency of Ethiopia (CSA, 2007), total population of the town was 28,856 of which 15063 (52.2%) were male and the rest 13793 (47.8%) were female. It located in the geographic coordination of 905500-916500 North latitude and 360500-371500 East longitude (Beshir, 2014).

3.2 Research Design and Approach

The research design was descriptive research design. Research design can have a number of classifications which could integrate the degree to which the research question will be crystallize, the method of data collection use, the ability of the researcher to produce effects in the variables which will be studied, the purpose of the study, the time dimension, the scope of the study and also the research environment. The classification of the particular research design for this study is the purpose of the study. A descriptive study is based on making findings concerning questions of; who, what, where, when, or how much? Descriptive studies are always handled with hypothesis which are clearly defined or investigative questions and they serve a number of objectives in the study which include making descriptions of phenomena or characteristics associated with a subject, making estimates of the proportions of a population that have these characteristics, and also discovery of associations among different variables which is sometimes

referred to as a correlation study, a subset of descriptive studies (Cooper D.R. and Schindler P.S. , 2011). The researcher found it appropriate that a descriptive research design was appropriate for this study because this study was concerning with find out what the factors that influence performance of employees.

The research approach for this study was Cross-sectional method to assess the role of employee-manager relation on employee performance.

3.3 Target Population of the Study

The population of the study was 10 employees who were working in the year 2019/2020 in Wegagen Bank of Wolkite town.

3.4 Sample Size and Sampling Technique

The researcher had used census to collect data from employee. The reason for this was to cover all employees, because there were a small number of employees in Wogagen Bank at Wolkite town which are 10 employees 3 female and 7 male employees within the bank.

3.5 Data Sources and Type

The study had used both primary and secondary data types. Primary data was collected from primary data sources and secondary data was collected from secondary data sources. Primary data had used so as to answer the question about what are the roles of employee-manager relation on employee performance in the study area and to show the finding. On the other hand secondary data was also applied to support the finding that what the different literature and previous researchers explain about role of employee manager relation on employee performance in Wogagen bank at Wolkite town.

3.6 Data collection Methods

According to (Cooper D.R. and Schindler P.S. , 2011), Data collection Methods refer to the process of gathering data after the researcher has identified the types of information needed which is; the investigative questions the researcher must answer, and has also identified the

desired data type (nominal, ordinal, interval, or ratio) for each of these questions and also ascertained the characteristics of the sample unit that is, whether a participant can articulate his or her ideas, thoughts, and experiences. This study had focused on the use of primary data which was collected from the target respondent of Wegagen Bank employees. A structured questionnaire had used to collect the data. The data collection instrument for the study was developed based on literature from various scholars on the subject of the roles of employee manager relation on employee performance.

3.7 Methods of Data Analysis

Managers have a need for information, not raw data. Researchers generate information by analyzing data after its collection. Data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques (Cooper D.R. and Schindler P.S. , 2011). This study used statistical methods of frequency and percentage to analyze data that is, descriptive statistics in the tabulation form.

3.8 Conclusion

As the finding of different researchers on the empirical literature and theoretical literature indicated: the existence of good relation between manager and employee results an employee be inspired and produce better and more, increase level of competency of employee, improved customer service and being an employee good customer consultant.

The literature reveals, there are a lot of things that could be the reason for the occurrence of bad relationship between manager and employee. These are: lack of trust, lack of good communication, leadership style and lack of shared goal and value. As it explains trust and respect are earned by an employer through open communication, consistent feedback and delegation of responsibilities to the staff. An employer who fails to abide by these elements of trust and respect will eventually also put a negative strain on the relationship. Sharing common goals enables employees to direct their efforts to the achievement of that particular goal but if there will no shared goal conflict and confusion will happen between manager and employee. As the literature proved improved quality and productivity linked to motivation but different managers and employers ignore motivating and compensating their employees.

3.9 Suggestions

Based on the finding on literature the researcher suggested the following ideas:

- In order to be good relation between manager and employee, each manager/employer should develop two way communication strategies.
- In order to avoid conflict and develop good relation, Manager and employee should trust and respect each other.
- In order to be an employee effective and efficient, managers should establish clear shared goal and value.
- In order to increase performance of employee, managers should apply motivation strategy.

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