



Effect of Employee Relation Strategies on Employee Performance in the Energy Sector in Rwanda. A Case of Rwanda Energy Group (REG)

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Abstract: This paper explored the effect of employee relation strategies on employee performance in the energy sector in Rwanda. A case of Rwanda Energy Group. Specifically, this study attempted to assess the effect of grievance resolution on employee performance in Rwanda Energy Group. This study adopted a descriptive research design and consisted of both qualitative and quantitative research of 246 employees. The study sample 153 respondents taken as sample size and it used stratified and random sampling techniques because it was easy to select from large number of respondents. Data were collected by using of questionnaires and interview. The study used Statistical Package for Social Sciences (SPSS) version 21 to analyze data and the findings of the study was presented through the use of descriptive statistics to enable easily interpret the findings. The key findings of the research revealed that grievance resolution as component of employee relations strategies significantly affect an organizational performance at REG therefore various strategies to strengthen these components of employee relations strategies should be explored and put in place. The multiple regression analysis results indicated that variations in employee relations strategies discussed that is grievance resolution explains by R Square representing determinant coefficient was given by 0.702 meaning that 70.2% of variation in performance is determined by employee welfare, communication, employee participation and grievance resolution mechanism but 29.8 % is explained by other factors. The study recommended that the management of REG should ensure that grievance resolution mechanism strategies are those that ensure that grievance raised by employees are resolved promptly, fairly and consistently to all employees

Keywords: Employee relation strategies, employee performance and grievance resolution

1.0. INTRODUCTION

Employee relations simply defined is the relationship between employees and employers. Rose, (2008), defines Employees relations as the study of the regulation of the employment relationship between employer and employee, both collectively and individually, and the determination of both substantive and procedural issues at industrial, organizational and workplace levels. Employee relations is traditionally concerned with the institutions of job regulation and generation of employment rules and led to focus on trade unions, collective bargaining and collective agreements. Employee relations is both event driven by government change, technological change, demographic change, management change and changes in ownership of organization and also structure driven by economic trends, political trends and changes to social institutions (Wood, 1999).

Employee relations strategies define the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and their trade unions. Like all other aspects of HR strategy, employee relations strategies will flow from

the business strategy but will also aim to support it. For example, if the business strategy is to concentrate on achieving competitive edge through innovation and the delivery of quality to its customers, the employee relations strategy may emphasize processes of involvement and participation, including the implementation of programmes for continuous improvement and total quality management (Armstrong, 2006). Employee relations strategy is concerned with how to build stable and cooperative relationships with employees that minimize conflict; achieving commitment through employee involvement and communications processes; and developing mutuality a common interest in achieving the organization's goals through the development of organizational cultures based on shared values between management and employees. Today employee relations strategy in Kenya is more about involvement, engagement, participation and partnership rather than collective bargaining and conflict resolution (Beer et al, 1984). As a result, employee relations strategy is emerging as the optimal system to manage the employment relationships in modern organizations and improve the overall organization performance. Employee relations strategy is a particular approach to human resource management characterized by certain emphasis on the development of employee skills, job enrichment and provision of equitable incentives (Dunlop, 2013).

An organization can only achieve all its objectives through people (Dressler, 2013). The nature of the relationship of people at work is therefore, fundamental to the effective management of an organization. The way various human resources in all parts of an organization are combined together into relatively fixed relationship and defined patterns of social relations determine their performance. Organizations have to create positive work environment to make the work interesting and flexible and to motivate and develop employees if they are to be competitive in a changing and dynamic environment (Kum, et al.2014)). Effective employee relation strategies encourage individual and group commitments to excellence and help in creating favorable environment at workplace. The fact that organizations are subjected to constant change makes it imperative for both management individual employees to constantly evaluate the relevance and achievement of the organization's vision at all times. (Kuvus,2017)

1.1.Statement of the Problem

Despite the fact that in today's competitive business environment employee relations is one of the pillars and crucial functions of human resource management which leads to effective employee performance and organizational performance. Small organization in Rwanda seems to throw employee relations behind them by not giving it special attention and priority, as a result, they are still struggling to establish and maintain effective employee relations, this causes unnecessary disputes in these organizations which in turn affect their performance. Poor relations between the employer and employees among organizations operating in the globally and locally markets have become the challenge

1.3. Hypothesis of the study

The study sought to answer the following research hypothesis.

H₀₁: There is no significant effect of grievance resolution mechanism on employee performance at REG

3.0. METHODOLOGY

This study adopted a descriptive research design and consisted of both qualitative and quantitative research. Descriptive research design was chosen because this study seeks to determine the effect of employee relations strategies on employee performance in the energy sector in Rwanda. A case of Rwanda Energy Group. The research design was used to measure the effect of each variable namely; employee welfare, employee communication, employee participation and grievance resolution mechanism, on employee performance individually. It was used to measure how employee motivation moderates the effect of employee relations on employee performance. The study sought to establish the effect of employee relations of employee performance in energy sector in Rwanda.

The population involved in this study was staff from Rwanda Energy Group. The study targeted these respondents owing to the fact that they are responsible for the management of the company. At the time of the study the company have a work force of 246 employees. These included 15 top managers 26 middle level managers, 14 supervisors, and 191 support staff in Rwanda Energy Group.

This study adopted the stratified sampling technique. Stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata. The reason for the choice of the sampling method was because it enabled the researcher to representatively sample even the smallest and most inaccessible subgroups in the population. This allowed the researcher to sample the rare extremes of the given population. In addition, the study used the following formula proposed by using Yamane (1973) to determine the sample size;

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the marginal error of 5% through level of confidence of 95%. Thus, this formula is applied to the above sample

$$n = \frac{246}{1 + 246(0.05)^2} = 152.7 \cong 153$$

Therefore, for the case of this study, the sample size was 153 respondents, then, current researcher was chosen the sample size of population to be questioned through simple random sampling technique.

Table 1. Table representing the sample size

Respondents	Population	Sample size
Top managers	15	9
Middle level manager	26	16
Supervisor	14	9
Other staff	191	119
Total	246	153

Source: Primary data, 2023

Thus the sample size comprised of 9 top managers, 16 middle level managers, 9 supervisors and 119 other support staff. Thus the sample size was 153 respondents

This study used questionnaire and interview as data collection instruments. Semi structured Questionnaires was distributed to 153 respondents including REG supervisor and other staff. This study employed five point Likert scale questions. Besides, interview guide was used. The researcher ensured that the same general areas of information were collected from each interviewee; this provided more focus than the conversational approach, but still allowed a degree of freedom and adaptability in getting information from the interviewee. Qualitative interview was given to top managers and middle level managers.

At every stage of analysis, data cleaning, computations, coding and analyses was done by the use of statistical methods. The data from questionnaire was analysed in order to get information on quantitative data and was focused mostly on the effect of employee relations strategies on employee performance in the energy sector in Rwanda. A case of Rwanda Energy Group. It is during the quantitative data analysis that

the researcher was inevitably attempt to test the research questions which was formulated for the researcher study. This was done by the first defining research questions and setting the parameters for the study. The researcher selected an appropriate test based on the variables defined in the study and on whether the distribution was normal or not. Furthermore, qualitative and quantitative data were obtained, descriptive analysis like frequencies, tables, and percentage were used in data presentation. SPSS version 21 was used to analyse data. After data manipulation, the researcher analysed data following objective per objective. The correlation was used to test the relationship between the association of dependent and independent variables.

Data analysis were used of descriptive statistics. This was followed by use of regression analysis in assessing the effect of employee relations strategies on employee performance in the energy sector in Rwanda. Data were presented in form of tables and graphs.

The study used the following multiple regression model to establish the statistical significance of the independent variables on the dependent variable.

$$Y = a + \beta_1 X_1 + \epsilon$$

Whereby Y =Employee performance

a= Constant

X1= Grievance resolution mechanism

E = error term

β_1 , represents regression coefficients. These were helped in the generalization of the findings on the relationship between employee relations and employee performance. Multiple regression analysis was computed to establish whether the research questions were statistically supported or not at 95% confidence level.

2.0. FINDINGS AND DISCUSSION

3.1. Findings

3.1.1. Descriptive statistics on grievance resolution mechanism

The fourth objective sought to establish the effect of grievance resolution mechanism on the performance at REG. The findings are shown in Table 2 below. The respondents were asked to rate the statements by indicating the extent to which they apply to their organization in 5 point Likert scale. 5 Strongly Agree (SA), 4. Agree (A), 3. Neutral (N), 2. Disagree (D) and 1. Strongly Disagree (SD). Besides, the mean and deviation were used for interpretation of the findings where mean (M) is the average of group of scores and it is sensitive to extreme score when the population samples are small. Moreover, the standard deviation (SD) was also used to measure the variability in those statistics as it shows how much variation is there from the average (mean). The results are presented in Table 2

Table 2. Level of agreement on how grievance resolution mechanism affects employee performance

Statements	Mean	Std Dev.
Grievance raised are resolved by immediate supervisor	4.2648	0.78996
Grievance raised are resolved by HR Representative	4.1146	0.99538
Grievance raised by employees are resolved by union intervention	3.4704	1.21666
Corporate grievance is resolved through negotiation between management and union	3.3162	1.14209

Grievance raised by employees are resolved promptly	4.3162	0.83263
Grievance raised are resolved fairly and consistently to all employee	4.1542	0.8975
Timely resolution of grievance influence organization performance	3.9644	1.04022
Fairness and consistent resolution of grievance influence organization performance	3.7787	.81066
Arbitration by independent parties (HR/Supervisor) is critical in grievance resolution and affects employee performance	4.4032	.74236
Aggregate		3.940

Key: M – Mean; SD – Standard Deviation

Source: Primary data,2023

The data presented in Table 2 suggests that a majority of the respondents strongly agreed with the statement that employee grievances are resolved quickly, as indicated by a mean of 4.316 and a standard deviation of 0.832. Respondents also agreed that grievances are resolved by immediate supervisors, with a mean of 4.264 and a standard deviation of 0.789. Additionally, respondents believed that grievances are resolved fairly and consistently for all employees, with a mean of 4.154 and a standard deviation of 0.897. However, the respondents were less convinced that employee grievances were resolved by union intervention, with a mean of 3.470 and a standard deviation of 1.216, and that corporate grievances were resolved through negotiation between management and union, with a mean of 3.316 and a standard deviation of 1.142.

A majority of the respondents indicated that arbitration by independent parties (HR/Supervisor/Union) in grievance resolution influenced organizational performance (M=4.403,SD=0.742). Respondents also agreed that timely resolution of grievances influences organizational performance (M=3.964,SD=01.040). The least agreed upon statement was fairness and consistent resolution of grievances (M=3.964,SD=01.040). In conclusion, the data suggests that the grievance resolution mechanism at REG has an association with employee performance, as shown by the grand mean of 3.940.

4.1.3. Correlation analysis

The findings of the correlations between the independent variables and the dependent variables are summarized and presented in Table 3

Table 3: Correlation between independent and dependent variables

		Grievance resolution mechanism	Employee Performance
Grievance resolution mechanism	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	186	
Employee Performance	Pearson Correlation	.828**	1
	Sig. (2-tailed)	.000	
	N	186	186

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

Based on the results presented in Table 5, the Pearson correlation analysis revealed that there is a significant positive relationship between the grievance resolution mechanism (r=0.828, p=0.000) and employee

performance at REG. The correlation was deemed statistically significant as the p-value was less than 5%. These findings indicate that there is a strong and positive correlation between Employee Relation Strategies and Employee Performance.

These findings are similar to the study conducted by Oguwa (2016) on the influence of conflict resolution on job satisfaction at the Swissport Kenya Limited. The results revealed that job satisfaction is significantly influenced by conflict resolution practices and that employees' job satisfaction can be affected by how they are treated by the employer during conflict management and also the decision made during conflict management. The study left a gap as it only shows that good conflict resolution practices improves job satisfaction of employees thus failing to show its impact on the overall organization performance. This research intends to fill in the gap.

4.1.4. Multiple regression

A multiple regression analysis was performed in this section to identify the predictor and its contribution towards the criterion. It aims to determine the prediction of a single dependent variable from a group of independent variables. The multiple regression analysis was performed with all the assumptions complied with.

Table 4: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.838 ^a	.702	.691	.82701	.702	66.538	4	113	.000

a. Predictors: (Constant), grievance resolution mechanism

The correlation coefficient R value was found to be 0.838, indicating a strong positive correlation between grievance resolution mechanism (independent variable), and employee performance (dependent variable). The determinant coefficient R Square was 0.702, meaning that 70.2% of the variation in performance is determined by these independent variables, while the remaining 29.8% is influenced by other factors. Therefore, further research should be conducted to investigate these additional factors that impact performance at REG.

Table 5. Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	182.035	4	45.509	66.538	.000 ^b
	Residual	77.287	113	.684		
	Total	259.322	117			

- a. Dependent Variable: Employee performance
- b. Predictors: (Constant), grievance resolution mechanism

The study used ANOVA to test the significance of the model. According to Table 4.14, the P-value is 0.000b which is less than 0.05. Therefore, the model is statistically significant in predicting how employee welfare, communication, employee participation, and grievance resolution mechanism affect employee performance at REG. The F critical at a 5% level of significance is 66.538, indicating that the overall model was significant. There is a significant relationship between the dependent variable (performance) and the independent variable (grievance resolution mechanism).

Table 6. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	4.654	.396		11.745	.000
	Grievance Resolution	-.625	.142	-.367	-4.405	.000

a. Dependent Variable: Employee performance

The established regression equation by the study was;

$$Y = 4.654 - 0.625X_1 + \epsilon$$

Where Y = Employee performance

X1= Grievance Resolution Mechanism

Regression model established that taking the employee relations strategies investigated that is; grievance resolution mechanism at constant zero, employee performance is at 4.654. From the study findings, the researcher established that grievance resolution had the greatest influence on employee performance at 62.5%. This notwithstanding, grievance resolution significant as their P-values were less than 0.05 which implies that the management should continuously improve to change performance.

4.7. Hypothesis testing

Hypothesis testing is used to examine a regression analysis test. Regression test was used to examine the effect of independent variable on dependent variable. The hypothesis testing was performed by using SPSS tool and the result is as presented in Table 7.

Table 7. Summary of Hypotheses

S/N	Hypothesis	Rule	P-Value	Comment
1	H ₀₄ : There no significant effect between grievance resolution mechanism and employee performance at REG	Reject H ₀ if p value < 0.05	p < 0.05	Grievance resolution mechanism has a significant effect on employee performance at REG

Source: Primary data, 2023

The regression R value obtained, in which $r = 0.838^a$ (see Table 6) represented the correlation coefficient of the model whose order value > 0. This illustrates that the incorporation of many variables improved the model when analyzing the effect of employee relations strategies on employee performance at Rwanda Energy Group (REG). R Square representing determinant coefficient was given by 0.702 meaning that 70.2% of variation in performance is determined by grievance resolution mechanism but 29.8 % is explained by other factors. Therefore, further research should be conducted to investigate the other factors (29.8%) that affect the performance at REG. This leads to confirm that there is significant relationship between employee relations strategies and employee performance at REG.

Therefore, the researcher can conclude by saying that the research hypotheses was tested; verified and then they are rejected referring to the statistical (regression analysis) findings and then according to the research, the correlation of 70% categorized as positive and very high correlation; this leads to confirm that there is significant relationship between employee relations strategies and employee performance at REG.

4.1. Discussion

According to the study, employee grievances in an organization refer to a state of dissatisfaction or discontent on the part of either labor or management. Grievance is a negative feeling that can be expressed in various forms, from complaints to strike action or destructive reactions. To address this issue, organizations often establish a grievance practice to allow employees to voice their frustrations. For an organization to achieve meaningful productivity and improve labor-management relationships, it is necessary to design and adjust an equitable grievance handling system.

During the interview with one of senior staff he pointed out that REG has established a prompt and effective grievance handling mechanism; organization grievance procedure is based on step ladder policy that involves formal complaint which is presented to immediate supervisor, then the departmental head, joint grievance committees, chief executive and voluntary arbitration; it has provided employees with judicial protection, avenue to present their problems; enabled employees and management to settle grievances in nonviolent, orderly and in an efficient manner; provided a peaceful means to lessen the stresses and fears of workforces and to resolve workplace disputes without having to stop the routine work; improved perceptions of fairness and equity in the organization; and enabled employees to make their opinions heard at gradual high ranks of decision-making. The study findings confirm the observations of Francois (2004) that grievance handling mechanism is a gradual process that a worker is obligated to follow to ensure that his or her complaint is attended to in a satisfactory manner.

5.0. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

Good employee relations lead to intrinsic motivation and motivational practices affect employee performance positively. Motivated employees are inclined to be more productive than non-motivated employees. Maintaining harmonious relations is very important for the survival, prosperity and growth of the organization. Good and healthy employee relations leads to better organizational performance. Similarly, the study found that there is a positive significant relationship between employee relations and employee performance as well as between employee relations and organizational performance.

It can be deduced from the study findings that all the four employee relations strategies discussed in the study that is; employee welfare, communication, employee participation and grievance resolution were positively related to employee performance. Secondly, it was also established that; Grievance resolution, employee participation, employee welfare, and communication as strategies of employee relations at REG were found to be significant variables in as far as employee performance is concerned hence were critical in that regard.

Based on the findings, the study recommended that the research management should ensure that grievance resolution mechanism strategies are those that ensure that grievance raised by employees are resolved promptly, fairly and consistently to all employees.

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