Employee Relations and Wellbeing

Lecture Title:
Introduction to Employee Relations and Wellbeing

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Masters in Human Resources Management

Group Introduction

- Introduce yourself
- Where do you come from?
- What interested you to choose this particular course?
- What do you expect to get out of it?
- Mention what is the most exciting thing that happened in your life so far.

Introduction to Employee Relations & Wellbeing

Learning Objectives

- **Define** employee relations (ER) and wellbeing in organizational contexts

- **Explain** the evolution of ER from industrial relations to strategic HRM

- **Assess** the strategic importance of ER and wellbeing for business outcomes

- **Identify** key themes and competencies to be developed in the course

Group Discussion

What is Employee Relations?

Employee relations refers to the policies, practices, and processes concerned with managing the relationships between employers and employees, both individually and collectively, to ensure productive and harmonious working environments (Armstrong & Taylor, 2023).

Group Discussion

"What does a 'good' employee-employer relationship look like in today's workplace?"

Employee wellbeing refers to the overall quality of an employee's experience at work, encompassing their physical, mental, and social health, as well as job satisfaction and work-life balance (Guest, 2017)

Key Concepts and Frameworks

Unitarist Perspective

Pluralist Perspective

Psychological Contract (Rousseau)

The Role of Trust, Communication & Engagement

Unitarist Perspective

- Views the organization as an **integrated and harmonious whole**.

- Assumes employer and employee interests are aligned.

- Conflict is seen as **abnormal or due to poor communication or 'troublemakers'**.

- **Management prerogative** is largely accepted; unions are often seen as unnecessary or disruptive.

- Common in traditional HRM approaches and **used in organizations with strong corporate cultures (e.g.,** Google, Apple).

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Global Organisations with a Unitarist Perspective

Company	Key Unitarist Traits	Illustrative Practices
Apple Inc.	Strong corporate culture, managerial control, low union presence	Direct communication channels, anti-union stance in retail, centralized decision-making
Google (Alphabet)	Emphasis on shared goals and innovation, preference for direct employee engagement	Internal feedback tools, leadership-driven culture, limited formal employee representation
Amazon	Top-down control, performance-focused, conflict avoidance	Union deterrence campaigns, focus on productivity, grievance handled internally
Tesla, Inc.	Charismatic leadership, direct engagement, resistance to unionization	Public opposition to unions, reliance on loyalty and alignment with Elon Musk's vision
Samsung Electronics	Traditional hierarchy, loyalty-driven culture, historically union-averse	Centralised ER systems, corporate harmony model, slow union recognition in South Korea

Pluralist Perspective

- Sees the workplace as consisting of **diverse groups with potentially conflicting interests** (e.g., management vs. employees).

- Conflict is viewed as **inevitable and natural**—a sign of healthy negotiation.

- Unions and collective bargaining are seen as **legitimate structures** to balance power.

- Inform HR strategies in **unionized or public sector environments** (e.g., NHS, civil service).

Global Organisations with a Pluralist Perspective

Company	Key Pluralist Traits	Illustrative Practices
BMW Group	Structured employee representation through **works councils** and **union negotiation**	Co-determination; employee representatives on supervisory boards; active union partnerships
John Lewis Partnership	Emphasis on **employee voice** and **shared governance**	Staff councils, democratic consultation, employee ownership model
Unilever	Recognizes the **legitimacy of trade unions** and engages in **collective bargaining**	Global union engagement, formal dialogue on labour standards, CSR integration
NHS (UK)	Highly **unionized public sector** model with **formal dispute resolution frameworks**	Collective bargaining agreements, staff-side negotiating bodies
IKEA (Sweden/global)	Recognizes unions and emphasizes **collaborative labour relations**	National-level social dialogue (especially in Nordic countries), collective agreements

Group Exercise

1. Refer to the worksheet provided and read each case scenario carefully

2.For each scenario, discuss in your group:
   1. What is the key issue?
   2. How would a **unitarist** view this situation?
   3. How would a **pluralist** view this situation?
   4. What might be the likely outcomes of each approach?

3. Record your group's analysis in the table provided

4. Be prepared to present one scenario to the class

Group Exercise Example

Staff Consultation on Restructuring

A large multinational telecommunications company is planning a restructuring that will result in the consolidation of departments and possible job losses. Management has announced the decision in an internal memo but has not involved employees or representatives in the planning process. Several staff members express concern about job security and lack of communication.

Key Issue	Unitarist View	Pluralist View	Likely Outcomes (Both)
-Lack of consultation during major organizational change; - Employee insecurity	- Management acts in the organization's best interest; - Decisions are not up for negotiation; - Assumes employees will align	- Restructuring should involve dialogue with unions or staff reps; - Employees have a right to be consulted about changes affecting them	**Unitarist**: Faster decision-making, but risks backlash, protests, or turnover. **Pluralist**: Greater trust, but slower implementation due to negotiation

Psychological Contract

Introduced by **Denise Rousseau**, the **psychological contract** refers to the **unwritten expectations** employees and employers have of each other beyond the formal contract of employment.

These can include:

- Job security
- Opportunities for development
- Fair treatment
- Managerial support
- Loyalty and commitment
- Flexibility

Breaches of the psychological contract can lead to:
- **Disengagement**
- **Reduced trust**
- **Turnover or presenteeism**

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The Role of Trust, Communication, and Engagement

Group Discussion

 - How do trust, communication, and engagement interact to influence employee wellbeing and organizational performance?

 - Can one element compensate if another is weak?

Element	Key Components	Importance in Employee Relations	Example Practices
Trust	- Integrity - Competence - Consistency	- Foundation for positive workplace relationships - Enables cooperation and reduces conflict	- Transparent decision-making - Fair treatment - Delivering on promises
Communication	- Clarity - Openness - Two-way feedback	- Ensures understanding of goals and expectations - Builds mutual respect	- Regular meetings - Open-door policies - Employee surveys
Engagement	- Involvement - Commitment - Recognition	- Drives motivation and productivity - Increases job satisfaction and retention	- Employee participation in decisions - Recognition programs - Career development opportunities

The Evolution of Employee Relations

The Evolution of Employee Relations

Industrial Revolution Era (Late 18th - Early 19th Century)
Focus: Employer authority and control; very little regard for worker rights.
Characteristics: Long hours, poor working conditions, child labor.
Impact: Led to harsh labor environments, prompting worker unrest and early unionization efforts

Trade Union Movement (Late 19th - Early 20th Century)
•**Focus:** Collective bargaining and worker solidarity.
•**Characteristics:** Formation of unions to fight for better wages, hours, and safety.
Impact: Introduced collective power of workers, pushed for legal protections, and began formalizing employee relations.

Human Relations Movement (1930s - 1950s)
•**Focus:** Recognition of workers' social and psychological needs.
•**Characteristics:** Emphasis on communication, motivation, and leadership (influenced by studies like the Hawthorne Experiments).
•**Impact: Shifted focus from purely economic factors to human factors, improving workplace morale and productivity.**

The Evolution of Employee Relations

Industrial Relations Era (1950s - 1970s)
- **Focus:** Balanced approach involving management, labor unions, and government.
- **Characteristics:** Formal dispute resolution, collective bargaining agreements, labor laws.
- **Impact:** Stabilized industrial relations, institutionalized negotiation processes, reduced conflicts.

Strategic Employee Relations (1980s - Present)
- **Focus:** Aligning employee relations with organizational goals.
- **Characteristics:** Emphasis on employee engagement, flexible work arrangements, diversity and inclusion, legal compliance, and HR partnership.
- **Impact:** Enhanced organizational performance, reduced adversarial relations, fostered a culture of collaboration, and promoted employee well-being.

Contemporary and Future Trends
- **Focus:** Technology integration, remote work, gig economy, employee experience.
- **Characteristics:** Use of AI, digital communication, focus on mental health, flexible contracts.
- **Impact:** Transforming traditional employee relations models, increasing the need for adaptable policies and ongoing dialogue.

Strategic Importance of Employee Relations and Wellbeing

Group Discussion

- How does wellbeing support strategic goals?

- Is ER more about policy or culture?

Strategic Importance of Employee Relations and Wellbeing

Strategic Goal	How Wellbeing Supports It	Examples of Wellbeing Initiatives
Increased Productivity	Healthier, less stressed employees perform tasks more efficiently and with higher quality.	Wellness programs, mental health support, ergonomic workspaces
Reduced Turnover & Absenteeism	Wellbeing initiatives improve job satisfaction and loyalty, lowering turnover rates and reducing sick days.	Flexible working, employee assistance programs, burnout prevention
Enhanced Innovation	Employees with good wellbeing are more creative and open to new ideas, fostering innovation.	Mindfulness training, continuous learning, supportive leadership

Strategic Importance of Employee Relations and Wellbeing

Strategic Goal	How Wellbeing Supports It	Examples of Wellbeing Initiatives
Improved Customer Satisfaction	Engaged and well employees provide better service, directly impacting customer experience and loyalty.	Recognition programs, team-building activities, supportive culture
Stronger Employer Brand	Organizations known for valuing wellbeing attract and retain top talent, supporting long-term growth.	Comprehensive benefits, work-life balance initiatives
Compliance and Risk Management	Proactive wellbeing reduces risks related to workplace stress and legal issues, protecting the organization.	Health and safety policies, stress management training

Employee Relations' Impact on Policy and Culture

Aspect	Impact of Employee Relations on Policy	Impact of Employee Relations on Culture
Definition & Focus	ER helps shape fair, compliant, and transparent HR policies and procedures.	ER fosters shared values, trust, and communication norms within the organization.
Compliance & Standards	Encourages policies that meet legal requirements (e.g., grievance, discipline, equal opportunity).	Promotes a culture of fairness and integrity beyond minimum compliance.
Employee Voice	Leads to formal mechanisms like surveys, forums, and suggestion systems to capture feedback.	Encourages an open, respectful environment where employees feel safe to speak up informally.
Conflict Resolution	Establishes formal procedures for handling disputes (e.g., mediation, investigation processes).	Builds a culture of dialogue and respect, reducing the likelihood of escalated conflict.

Strategic Importance of Employee Relations and Wellbeing

Aspect	Impact of Employee Relations on Policy	Impact of Employee Relations on Culture
Engagement & Morale	Informs benefits, recognition, and performance policies to improve satisfaction.	Reinforces a sense of belonging, purpose, and emotional connection to the organization.
Leadership Influence	Shapes leadership responsibilities for ER policy implementation.	Influences leadership behaviors and modeling of values like empathy, transparency, and fairness.
Organizational Change	Provides the structure for managing change legally and fairly (e.g., redundancy, restructuring).	Supports a culture of adaptability, resilience, and trust during periods of transition.

Core Competencies in Employee Relations and Wellbeing

To be effective in managing Employee Relations (ER) and promoting employee wellbeing, HR professionals, line managers, and ER specialists need to develop a blend of **technical**, **relational**, and **strategic** competencies.

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Competency	Key Focus	Impact on ER & Wellbeing
Legal Knowledge	Compliance, risk management	Fair and lawful decisions
Communication	Dialogue, clarity, empathy	Builds trust and reduces misunderstanding
Emotional Intelligence	Self-awareness, empathy	Supports positive working relationships
Conflict Resolution	Mediation, negotiation	Minimizes disputes and improves team dynamics

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Core Competencies in Employee Relations and Wellbeing

Competency	Key Focus	Impact on ER & Wellbeing
Employee Voice & Engagement	Participation, feedback	Increases retention and morale
Strategic Thinking	Business alignment	Demonstrates ROI and future-readiness
DEI & Cultural Competence	Inclusion, equity	Supports diverse and respectful environments
Analytical Skills	Data analysis, insight generation	Enables evidence-based HR practices
Change Management	Adaptability, support	Smooths transitions and reduces resistance

Group Exercise

- Split into groups.

- Refer to the scenarios provided.

- Identify 2–3 ER or wellbeing competencies that are most relevant to each case.

- Briefly explain why each competency is important in that context

Scenario -

1. An employee has raised a grievance against their manager, claiming favoritism in project assignments.
Which competencies are needed to manage this fairly and sensitively?

2. The organization is undergoing a merger, and employees are anxious about job security and cultural changes.
What competencies are needed to support staff and maintain morale?

3. A new wellbeing program is being introduced to reduce burnout and absenteeism.
What competencies are essential to design, communicate, and evaluate this program?

4. Survey results show that staff from minority backgrounds feel excluded from promotion opportunities.
What competencies should be used to address this fairly and effectively?

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