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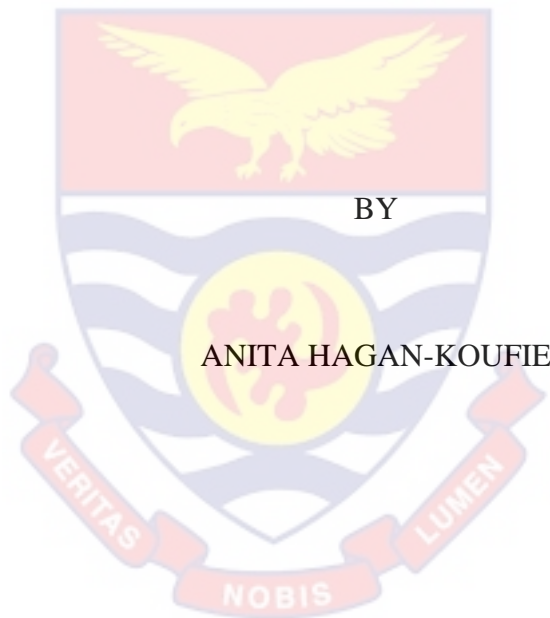
EMPLOYEE-EMPLOYER RELATIONS AND EMPLOYEE
PERFORMANCE AMONG SMALL AND MEDIUM ENTERPRISES IN
CENTRAL REGION



2024

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Dissertation submitted to the Department of Human Resource Management of the School of Business, College of Humanities and Legal Studies, University of Cape Coast in partial fulfilment of the requirements for the award of Master of Business Administration Degree in Human Resource Management

DECEMBER 2024

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: Date:

Name: Anita Hagan-Koufie

Supervisors' Declaration

I hereby declare that the preparation and presentation of this dissertation was supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature: Date:

Name: Prof. (Mrs.) Rebecca Dei Mensah

ABSTRACT

This study was aimed on the examination of the effect of employer-employee-employer relations on employee performance. Specifically, the study sought to examine the employee-employer relations among Small and Medium Enterprises in the Central Region; to assess the level of employee performance among Small and Medium Enterprises in the Central Region; to examine the relationship between employee-employer relations and employee performance among Small and Medium Enterprises in the Central Region. The study was centered on the Herzberg's two-factor theory and Locke's theory of goal setting. The study employed the explanatory research design since the study tested the relationship between the various variables. The data collection instruments were questionnaire. The study employed the quantitative research approach. The simple random sampling technique was used in selecting a respondent of 326. Descriptive statistics and structural equation model were employed to analyse the objectives of the study. The study found that employees in the region generally perceived their organizations as fostering positive relations with their employers. Key aspects such as open communication, support from colleagues and supervisors, and the opportunity for professional growth were highly rated by the respondents. The study found that employees in the SMEs studied generally rated their performance highly. The results from the structural equation model indicated that improvements in employee-employer relations are associated with higher levels of employee performance.

The recommended that employees of small and medium enterprises must foster a culture of open communication.

KEYWORDS

Employee-Employer relations

Employee performance

Small and Medium Enterprises

ACKNOWLEDGEMENTS

I wish to express my profound gratitude to my supervisor, Prof. (Mrs.) Rebecca Dei Mensah of the Department of Human Resource Management, School of Business of the University of Cape Coast. I appreciate her time, counseling and teachings during the entire dissertation.

I also thank Hagan Koufie, Christabel Boakye, Mr. Sylvester Kwesi Dadzie and Mr. Gordon Akotey for their profound support during my programme.

DEDICATION

To my Late father, Mr. Hagan Koufie and my mother, Gertrude Gyepi-Garbra.

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CHAPTER ONE

INTRODUCTION

Employee-employer relations significantly influence employee performance within an organisation. Positive employee-employer relations can contribute to higher levels of engagement, motivation, and job satisfaction, resulting in improved performance. When employees have positive relationships with their managers and colleagues, feel respected and valued, and have their needs and concerns addressed, they are more likely to experience higher job satisfaction. Satisfied employees are generally more engaged, committed, and motivated to perform well in their roles. Most small and medium enterprises have been dissolved due to relational issue between employees and employers. Proper relationship between employers and co employees are likely to ensure smooth and conducting working environment. This study seeks to analyse how employee-employer relations can enhance employee performance.

Background to the Study

The growth of most economies in the world, especially, Africa, is highly dependent on the growth of Small and Medium Enterprises (Quartey, Trukson, Abor & Iddrisu, 2017). Fifty percent (50%) of labour force in developing countries are been employed by the Small and Medium Enterprises (World Bank, 2019). Forty-five percent (45%) of Gross Domestic Product (GDP) of these countries are being sourced from Small and Medium Enterprises. The performance and growth of Small and Medium Sized Enterprises (SMEs) have throughout the nations, been of great concern to, among others, development economists, entrepreneurs, governments, venture

capital firms, financial institutions and non-governmental organisations (Agyapong & Attram, 2019).

Small and Medium Enterprises (SMEs) cannot perform better and achieve its objectives if there is a bad relationship between employees and employer, therefore it is very important for managers to create and maintain good relationship with their employees (Bulinska-Stangrecka & Bagienska, 2021). Effective employee and management relationship is vital to the workplace whether at the time of recruitment, during an employees' tenure or at the time of separation (Badrianto & Ekhsna, 2020). Good employer-employee-employer relations are essential to the organisation because it inspires employees to work better and produce more results (Eyouun, Chen, Ayoun & Khelifat, 2020). The application of human relations in managing human resource is critical in today's business competitive environment (Massawe, 2022).

Factors such as job satisfaction are achieved when there is a great working relationship between labour and management (Boyle, 2006). Organisations can have competent, qualified and motivated employees but if there is no peace and harmony at the workplace their performance will be in danger. Because the relationship between the employer and the employee is very crucial, employers need to pay attention to this relationship if they want their businesses to grow and succeed (Mira, Choong & Thim, 2019) and that firms should actively seek good employee-employer relations whether or not they are bound by union contracts (Putri, Ekowati, Supriyanto, & Mukaffi, 2019).

Organisations need employees who can peacefully work together towards the achievement of the set objectives and goals, and this can only be achieved if there is a good employee-employer relation in the organisation as the objectives of employee-employer relationship is to achieve harmonious employee-employer relations and minimize conflict practices in employment (Sahoo & Sahoo, 2019). Employee-employer relations has many documented positive effects in organisations such as strengthening corporate communication and culture, fostering about company products, services and customer providing real-time access to company training, targeting information to an employee based on their needs (Li et al., 2019).

Employee-employer relations refer to the interactions and dynamics between an organization and its employees, encompassing aspects such as communication, mutual respect, and collaborative engagement. Good employee-employer relations create an environment where employees feel valued, respected, and motivated to contribute their best efforts. Such relations are essential for fostering harmony in the workplace, minimizing conflict, and enhancing organizational productivity (Mira, Choong & Thim, 2019). On the other hand, employee performance pertains to the efficiency and effectiveness with which employees achieve organizational goals, measured through outcomes such as productivity, innovation, and quality of work (Ali, Lei & Wei, 2018). Effective employee-employer relations positively impact employee performance by fostering a conducive work environment where employees are motivated to excel.

Theoretical perspectives provide insight into the relationship between employee-employer relations and employee performance. Herzberg's two-

factor theory, also known as the motivation-hygiene theory, suggests that workplace factors influencing satisfaction and dissatisfaction fall into two categories: hygiene factors and motivators. Hygiene factors, such as fair pay, supportive management, and job security, prevent dissatisfaction but do not directly lead to high motivation or performance. Motivators, such as recognition, responsibility, and opportunities for personal growth, are intrinsic to the job and drive motivation, job satisfaction, and enhanced performance (Thant & Chang, 2021). In the context of employee-employer relations, fostering effective communication, fair treatment, and respect addresses hygiene factors, while creating opportunities for professional development and meaningful contributions addresses motivators, collectively improving employee performance (Bulinska-Stangrecka & Bagienska, 2021).

Locke's goal-setting theory further emphasizes the importance of well-defined goals and clear communication in enhancing employee performance. According to the theory, specific, challenging goals, coupled with feedback, motivate employees to perform at higher levels (Locke & Latham, 1990). Employee-employer relations play a pivotal role in goal-setting by ensuring that employees are involved in setting achievable targets and receive constructive feedback. When employers engage with employees in a supportive manner, employees are more likely to commit to organizational goals and align their efforts to achieve them (Putri et al., 2019). This alignment leads to improved productivity, innovation, and overall organizational success.

The use of employee-employer relations in the supervision of human assets is essential in the current serious business situation (Omar, Rafie &

Selo, 2020). Factors, for example, work completion is achieved when there is an incredible work connection between work and employee (Boyle, 2006). In fact, organisations can have skilled, trained and persuaded employees; however, in the event that there is no harmony and congruence in the workplace, the exposure will be at risk. As the connection between the company and the representative is exceptionally significant, leaders should focus on this relationship in case they need their organisations to develop and succeed (Samwel, 2018) and that organisation need to effectively seek good relationships with employees, regardless of whether they are bound by organisational contracts (Brhane & Zewdie, 2018).

Organisations need employees who can calmly cooperate in achieving set goals and objectives, and this should be achieved if there is a decent relationship with employees in the organisation, since the purpose of the relationship with employees is to establish friendly relationships with employees and limiting conflict processes in business (Gill & Meyer, 2013). In the relationship with employees, the employer has many constructive results perceived in organisations, for example, strengthening correspondence and corporate culture, encouraging elements of the organisation, administrations and the client by giving continuous access to the preparation of the organisation, focusing on data for a worker who depends on their needs (Hassan & Hatmaker, 2015).

Armstrong (2006), notes that employee-employer relations can be regarded as a system or web of rules regulating employment and the ways in which people behave at work place. The systems theory of industrial and employee-employer relations as propounded by Dunlop (1958), states that the

role of the system is to produce the regulations and procedural rules that govern how much is distributed in the bargaining process and how the parties involved or the actors in the industrial relations scene relate to one another. The scope of employee-employer relations is wide to include establishment and maintenance of good personal relations in the industry, ensuring manpower development, establishing a closer contact between persons connected with the industry, management and the workers, creating a sense of belongingness in the minds of the management, creating a mutual affection, responsibility and regard for each other, stimulating production as well as industrial and economic development, establishing good industrial climate and peace and ultimately maximizing social welfare.

Armstrong, (2006) relates that employee-employer relations consist of all those areas of human resource management which involve relationships with employees - directly and/or through collective agreements where trade unions are recognized (Chaudhry, Sohali & Riaz, 2013). Employee-employer relations are generally concerned with the employment relationship which deals with the agreements of terms and conditions of employment and issues arising from employment (Kuzu & Ozihan, 2014). Employee-employer relations, practices include formal processes, procedures, and channels of communication. It is important to note that employee-employer relations are mainly conducted on a day-to-day informal basis by line managers and team leaders; without the framework of employment and employee-employer relations policies but acting mainly on their own initiative.

Employees are generally motivated from within, but the focus of human resources and the organisation should focus on what they can do to

help foster the kind of environment in which employees thrive to perform at their best. Since the success of the organisation is directly related to the performance of its employees, companies that maintain strong employee-employer relationship initiatives will benefit from this because their workforce is highly motivated to do their best. Therefore, managing these relationships becomes important to business success, as strong and healthy relationships can lead to greater employee happiness and even greater performance (Samwel, 2018).

According to Ali, Lei and Wei (2018), a high degree of relations of employees in running a company will not only develop hidden talent, but it will also have a positive effect on that company's level of productivity. Similarly, Ahmed, Ahmad and Jaaffar (2017) have argued that “satisfied employees are a precondition for increasing productivity. Even skilled employees with excellent access to information will not contribute to the success of the organisation if they are not motivated to act in the best interests of an organisation or if they do not have the freedom to make decisions and act.

Herzberg's two-factor theory, also known as the motivation-hygiene theory, suggests that there are two sets of factors that influence employee satisfaction and motivation in the workplace (Thant & Chang, 2021). When this motivational hygiene is available, it presents and meet the employees' basic expectations, which do not do not necessarily result in high motivation or satisfaction. Essentially, hygiene factors are necessary to prevent dissatisfaction but do not directly contribute to increased job satisfaction or performance (Siruri & Cheche, 2021).

On the other hand, motivators are factors intrinsic to the job itself and are related to the work content and the opportunities for personal growth and achievement. These factors include recognition, responsibility, advancement, challenging work, and opportunities for learning and development. When these factors are present, they can lead to increased motivation, job satisfaction, and performance (Bulinska-Stangrecka & Bagieriska, 2021).

Good employee-employer relations involve creating an environment where employees feel valued, heard, and respected. Engaged employees are more committed to their work, are enthusiastic about contributing their best efforts, and are more likely to go the extra mile to achieve organisational goals. Employee-employer relations encompass the interactions and relationships between employees and the organisation, including managers, colleagues, and the overall work environment. According to Herzberg's theory, positive employee-employer relations can contribute to both hygiene factors and motivators (Mira, Choong & Thim, 2019). Effective employee-employer relations can help create a positive work environment, good interpersonal relationships, and supportive management practices, which are essential for hygiene factors. For example, if employees have a good relationship with their managers and colleagues, receive fair treatment, and have effective communication channels, it can contribute to their overall job satisfaction and prevent job dissatisfaction (Putri et al., 2019). This study therefore seeks to analyse the effect of employee-employer relations on employee performance.

Statement of the Problem

The performance of Small and Medium Enterprises (SMEs) is central to the economic development of many regions, particularly in emerging economies such as those in the Central Region of Ghana. Despite their importance as key drivers of employment, economic growth, and innovation, many SMEs in this region face significant challenges in achieving sustained success and growth. One of the most pressing issues affecting their performance is the quality of employee-employer relations. This problem is particularly relevant because it directly impacts employee motivation, job satisfaction, and productivity, all of which are critical to the overall performance of the organization. In the Central Region, a substantial number of SMEs experience strained relationships between employees and employers, which has been linked to poor performance outcomes, low morale, and high turnover rates.

A strong, positive relationship between employees and employers is essential for creating a conducive work environment that fosters collaboration, trust, and mutual respect. However, in many SMEs in the Central Region, the lack of effective communication, poor managerial practices, and an absence of fair treatment contribute to poor employee-employer relations. These relational deficiencies manifest in various ways, including conflicts, dissatisfaction, disengagement, and reduced productivity, all of which hinder the organization's ability to perform at its full potential. The quality of employee-employer relations is especially critical for SMEs, as they often operate with limited resources, making it essential for employees to work effectively and cohesively to achieve organizational goals. When these

relationships are strained, however, it can lead to a toxic work culture that negatively impacts overall business performance.

Research has consistently shown that employee performance is significantly influenced by the nature of the relationships between employers and employees. In many SMEs, the lack of attention to these relationships has contributed to lower levels of job satisfaction, decreased employee engagement, and reduced performance. A study by Putri et al. (2019) highlights the importance of good employee-employer relations, stating that when employees perceive their work environment as supportive and fair, they are more likely to be motivated, productive, and committed to achieving organizational goals. On the other hand, poor relationships, characterized by unfair treatment and lack of recognition, contribute to dissatisfaction, low morale, and poor performance (Mira, Choong & Thim, 2019). This issue is particularly prevalent in SMEs, where the lack of formal structures and processes often leaves employees feeling undervalued and demotivated.

The relevance of this problem is evident when considering the significant role that SMEs play in the local economy of the Central Region. SMEs account for a large proportion of employment and GDP in the region, yet many struggle to compete effectively due to issues related to human resource management, including employee-employer relations. Poor relations between employees and employers not only hamper individual performance but also limit the growth potential of the business itself. For SMEs to thrive in today's competitive business environment, it is crucial that they foster positive relationships between management and employees. Effective employee-employer relations contribute to job satisfaction, which in turn drives

motivation and performance. By addressing these relational challenges, SMEs in the Central Region could significantly improve their performance outcomes, contribute more to the local economy, and create a more stable and committed workforce.

An empirical review of existing studies highlights several key findings regarding the relationship between employee-employer relations and employee performance. According to Herzberg's two-factor theory, employee satisfaction and performance are influenced by both hygiene factors (such as working conditions, pay, and job security) and motivators (such as opportunities for growth, recognition, and responsibility). Studies by Thant and Chang (2021) and Bulinska-Stangrecka & Bagienska (2021) support the idea that good employee-employer relations directly influence both sets of factors. When employees feel valued and respected by their employers, they are more likely to experience greater job satisfaction, which leads to higher motivation and better performance. In contrast, when employees perceive that they are treated unfairly or that their contributions are not acknowledged, their job satisfaction and performance levels decline.

Furthermore, Locke's goal-setting theory underscores the importance of clear, achievable goals in motivating employees to perform at their best. Research by Eyoun et al. (2020) and Mira et al. (2019) suggests that effective employee-employer relations enhance communication and goal-setting processes, enabling employees to understand their roles and responsibilities more clearly and to work towards specific, measurable objectives. In organizations where employee-employer relations are strong, employees are more likely to be motivated to achieve organizational goals and contribute to

overall business success. Conversely, when these relations are weak, employees may lack the clarity or motivation needed to perform at their best, leading to suboptimal outcomes.

Despite these insights, there is a noticeable gap in the literature when it comes to the specific impact of employee-employer relations on the performance of SMEs in the Central Region of Ghana. While there is a wealth of studies examining the role of employee-employer relations in larger organizations and developed economies, limited research has been conducted in the context of SMEs in sub-Saharan Africa, particularly in the Central Region. Much of the existing literature focuses on the general factors that affect employee performance, such as job satisfaction and motivation, but there is insufficient attention to how employee-employer relations specifically shape performance in the unique environment of SMEs in this region. Additionally, while much of the research draws on theoretical frameworks such as Herzberg's two-factor theory and Locke's goal-setting theory, few studies have explored how these theories apply in the specific cultural and economic context of Ghana.

This gap in the literature is significant because SMEs in the Central Region of Ghana face unique challenges that may influence employee-employer relations and performance in ways that are not fully captured by existing studies. For example, the informal nature of many SMEs, coupled with limited resources and managerial expertise, may result in different dynamics between employees and employers compared to larger, more formal organizations. Moreover, the cultural context of Ghana, with its particular attitudes towards work and authority, may shape the way in which employee-

employer relations are experienced by both parties. Understanding these dynamics is crucial for developing tailored strategies that improve employee-employer relations and, by extension, employee performance in SMEs in the Central Region.

The significance of addressing this gap is underscored by the potential benefits to both employees and employers. By improving employee-employer relations, SMEs can create a more motivated and committed workforce, which can lead to increased productivity, innovation, and overall business success. Furthermore, fostering positive relationships can help reduce turnover rates, minimize workplace conflicts, and improve employee well-being, all of which contribute to a more stable and successful business environment. In turn, this can lead to enhanced competitiveness for SMEs in the Central Region, allowing them to thrive in a rapidly changing and increasingly competitive market.

The problem of poor employee-employer relations and its negative impact on employee performance remains a significant challenge for SMEs in the Central Region of Ghana. Despite the recognized importance of these relationships in driving business success, there is a lack of focused research on how they specifically affect performance in the context of SMEs in the region. Addressing this gap in the literature is crucial for developing more effective management practices and strategies that can enhance employee motivation, job satisfaction, and performance. By focusing on improving employee-employer relations, SMEs in the Central Region can unlock their full potential and contribute more effectively to the region's economic growth and development.

Purpose of the study

The purpose of this study was to examine the influence of employee-employer relations on employee performance of Small and Medium Enterprises in the Central Region.

Research Objectives

Specifically, the study seeks;

1. To examine the employee-employer relations among employees of Small and Medium Enterprises in the Central Region.
2. To assess the level of employee performance at Small and Medium Enterprises in the Central Region.
3. To examine the effect of employee-employer relations on performance of employees of Small and Medium Enterprises in the Central Region.

Research Questions

1. What is the employee-employer relations among Small and Medium Enterprises in the Central Region?
2. What is level of employee performance of Small and Medium Enterprises in the Central Region?
3. What is the effect of employee-employer relations on performance of employees of Small and Medium Enterprises in the Central Region?

Significance of the Study

The study on employee-employer relations and employee performance can contribute to the debate on employee participation and organisational performance by examining the role of employee-employer relations in fostering employee participation and its subsequent impact on organisational performance. Employee participation refers to involving employees in

decision-making processes, giving them a voice in shaping organisational policies, and empowering them to contribute their ideas and expertise. The study can explore how positive employee-employer relations, characterized by open communication, trust, and a supportive work environment, can facilitate employee participation. Additionally, it can analyze the effects of employee participation on various aspects of organisational performance, such as productivity, innovation, employee satisfaction, and overall effectiveness. By providing empirical evidence and insights into this relationship, the study can inform the debate on the importance of employee participation and its potential benefits for organisational performance.

The study seeks to bridge the existing gap in the literature by focusing on the specific context of small and medium enterprises (SMEs) regarding the relationship between employee-employer relations and employee performance. While previous research has explored this relationship in larger organisations, there is a lack of comprehensive studies that address the unique challenges and dynamics of employee-employer relations in SMEs. By narrowing the focus to SMEs, the study aims to fill the gap by providing insights into how employee-employer relations practices impact employee performance within this distinct organisational context. It can shed light on the specific factors and mechanisms through which employee-employer relations influence employee performance in SMEs, thus expanding the knowledge base in this area.

The study results can shape policy direction by offering evidence-based recommendations for improving employee-employer relations practices in SMEs. It can identify key areas for intervention, such as enhancing

communication channels, promoting employee participation, fostering a positive work environment, and developing effective leadership practices. Policymakers and organisations can utilize these recommendations to formulate policies and practices that support the establishment of favorable employee-employer relations, ultimately leading to improved employee performance and organisational outcomes in SMEs.

Moreover, the study results can contribute to the existing literature by adding empirical evidence and insights specific to the context of SMEs. It can expand the understanding of the relationship between employee-employer relations and employee performance, particularly within the SME sector, which has its unique characteristics and challenges. The study's findings can be referenced and built upon by future researchers, further advancing the knowledge and understanding of how employee-employer relations impact employee performance. It can also contribute to theoretical frameworks and models that explain the mechanisms through which employee-employer relations influence organisational outcomes, thus enriching the literature on employee-employer relations and its connection to performance.

Delimitation of study

The delimitations of this study outline the scope and boundaries within which the research is conducted. By clearly defining these boundaries, the study maintains a focused and manageable approach to addressing the relationship between employee-employer relations and employee performance among Small and Medium Enterprises (SMEs) in the Central Region of Ghana.

Firstly, the study is geographically delimited to the Central Region of Ghana. This focus allows for an in-depth exploration of the unique socio-cultural, economic, and business environment of the region, which is characterized by a mix of urban and rural settings. By concentrating on this specific region, the study aims to provide insights that are directly relevant to local SMEs, without attempting to generalize findings to other regions of Ghana or beyond. This geographical delimitation ensures that the research findings remain context-specific and address the unique challenges and dynamics faced by SMEs in the Central Region.

Secondly, the study is delimited to small and medium-sized enterprises (SMEs). These businesses are defined according to the criteria established by the Ghana Statistical Service, which categorizes SMEs based on factors such as employee size, annual turnover, and asset base. Large enterprises are excluded from the study as they often have more formalized structures, resources, and processes for managing employee-employer relations, which differ significantly from those in SMEs. By focusing solely on SMEs, the study aims to provide tailored recommendations that address the unique needs and constraints of these enterprises.

Additionally, the study is delimited to examining the relationship between employee-employer relations and employee performance. While numerous factors influence employee performance, such as organizational culture, leadership style, and job design, this study specifically focuses on the quality of interactions and relationships between employees and employers. This delimitation allows for a detailed examination of how relational dynamics, including trust, communication, fairness, and respect, impact

employee motivation, engagement, and productivity. Other related factors, such as compensation or training programs, are considered only insofar as they intersect with employee-employer relations.

The study is also limited to data collection methods that align with the research objectives. Primary data is collected using surveys and interviews with employees and employers of SMEs in the Central Region. This approach allows for the gathering of firsthand information about the perceptions, experiences, and attitudes of both parties regarding their relationships and its impact on performance. Secondary data, including reports and academic literature, is used to provide additional context and support for the findings. However, the study does not employ longitudinal data collection, which would have provided insights into changes in employee-employer relations over time.

Furthermore, the study is delimited by its theoretical framework. It adopts relevant theories such as Herzberg's two-factor theory and Social Exchange Theory to analyze and interpret the relationship between employee-employer relations and employee performance. These theories provide a lens for understanding how relational factors influence employee behavior and outcomes. However, the study does not seek to test these theories comprehensively or explore alternative theoretical perspectives that may also be relevant.

Definition of Terms

Employee-employer relations: The definition of employee-employer relations refers to an organisation's efforts to create and maintain a positive relationship with its employees.

Employee Performance: Employee performance is defined as how well a person executes their job duties and responsibilities. Many companies assess their employees' performance on an annual or quarterly basis to define certain areas that need improvement and to encourage further success in areas that are meeting or exceeding expectations.

Small and Medium Enterprises: Small and midsize enterprises (SMEs) are businesses that maintain revenues, assets, or a number of employees below a certain threshold.

Limitations

The sample size of the study was limited due to resource constraints or the availability of SMEs in the central region. A small sample size limited the generalizability of the findings to the larger population of SMEs. Additionally, if the sample is not diverse enough, the results may not accurately reflect the variety of SMEs in the region. This limitation was eliminated by employing an inferential statistic in the analysis.

Also, the accuracy and reliability of the study heavily rely on the data collection methods used, such as surveys. If the data collection instruments are not well-designed, it could have led to biased or inaccurate responses.

Organisation of the study

The study was organized into five chapters. Chapter one consists of the background of the study, the statement of the problem, objectives of the study, significance of the study and limitation of the study. Chapter two was on a review of related literature. This chapter provides the fundamentals of the study and therefore help to shape the nature and direction of the study. Chapter three was on the research methods of the study. It covers the research design,

the population and sampling procedures, data and data collection procedure, research instruments, as well as method of data processing and analysis. Chapter four was on results and discussion of the study whiles Chapter five was on the summary of the findings, conclusions and recommendations for the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The literature review is composed of three components namely theoretical review, empirical review, and conceptual framework. The theoretical review explains the theories that underpin the study, Further, the empirical review documents the results of the most recent closely related studies that relate to the research topic, as well as identifying the similarities, gaps, and contradictions in such studies. The last section of the study will concentrate on the conceptual framework of the study.

Theoretical Review

The theoretical review explains Herzberg's two-factor theory and Locke's theory of goal-setting and how these theories relate to the study.

Herzberg's two-factor theory

Herzberg's Two-Factor Theory, also known as the Motivation-Hygiene Theory, proposes that there are two sets of factors that influence employee motivation and job satisfaction: motivators and hygiene factors (Thant & Chang, 2021). These factors can help us understand the relationship between employee-employer relations and employee performance in small and medium enterprises (SMEs).

Motivational factors are related to the nature of the work itself and have a positive effect on job satisfaction and performance (Alrawahi et al., 2020). These factors include challenging work, recognition, responsibility, growth opportunities, and achievement. When these motivators are present in employee-employer relations within SMEs, they can contribute to higher

levels of motivation and performance. For example, when employees feel that their work is meaningful and they have opportunities for personal growth and advancement, they are more likely to be motivated and perform better (Siruri & Cheche, 2021).

Hygiene factors are related to the work environment and job context (Yousaf, 2020). They do not necessarily lead to motivation and job satisfaction on their own, but their absence or dissatisfaction can create job dissatisfaction and lower performance. These factors include factors such as salary, job security, working conditions, company policies, and interpersonal relationships at work. If hygiene factors are not adequately addressed in employee-employer relations within SMEs, they can lead to job dissatisfaction and hamper employee performance (Rai, Thekkekara & Kanhare, 2021). For example, if employees feel that their salaries are inadequate or the work environment is unpleasant, it may negatively impact their motivation and performance.

When SMEs foster positive employee-employer relations by providing opportunities for growth, recognition, and challenging work (motivators), employees are more likely to be motivated, satisfied, and perform well. A supportive work environment, good interpersonal relationships, and fair company policies (hygiene factors) also contribute to positive employee-employer relations (Al-Awar et al., 2022). Conversely, if SMEs neglect employee-employer relations and fail to address motivators and hygiene factors adequately, it can lead to negative employee-employer relations. This may result in reduced motivation, job dissatisfaction, and lower performance (Bhatt, Chitranshi & Mehta, 2022). For example, if employees feel

undervalued, lack growth opportunities, or experience poor relationships with colleagues or superiors, their motivation and performance may suffer (Ganesh & Liu, 2022). Overall, Herzberg's Two-Factor Theory suggests that both motivators and hygiene factors play a significant role in influencing employee motivation, job satisfaction, and performance within SMEs. By understanding and addressing these factors in employee-employer relations, SMEs can create a positive work environment that fosters employee engagement, satisfaction, and ultimately, higher performance.

Herzberg's Two-Factor Theory directly links to the variables of employee-employer relations and employee performance by emphasizing the dual role of motivators and hygiene factors in shaping workplace dynamics. Employee-employer relations are inherently tied to both categories of factors, as they encompass interactions, communication, and policies that influence employees' perceptions of their work environment and job satisfaction. For instance, positive employee-employer relations characterized by trust, recognition, and support align with motivators, fostering intrinsic motivation and higher performance. Conversely, ensuring adequate hygiene factors such as fair remuneration, job security, and a conducive work environment minimizes dissatisfaction, creating a stable foundation for improved performance. The theory underscores that when SMEs effectively balance these factors within their employee-employer relations, they can enhance employee motivation and engagement, leading to sustained performance improvements. Thus, Herzberg's framework provides a critical lens for understanding how relational dynamics between employees and employers directly impact organizational outcomes.

Locke's theory of goal-setting

Locke's theory of goal-setting provides insights into how the relationship between employee-employer relations and employee performance in small and medium enterprises (SMEs) can be understood (Locke & Latham, 2019). According to this theory, setting specific and challenging goals for employees can lead to higher levels of motivation, performance, and job satisfaction. Here's how this theory explains the relationship (Jeong, Healy & McEwan, 2021):

Employee-employer relations within SMEs play a crucial role in establishing clear and specific goals for employees (Locke & Latham, 2019). When employees have a clear understanding of what is expected of them, it enhances their performance. Effective communication and collaboration between management and employees are essential in establishing goal clarity. By establishing a positive and supportive relationship with employees, SMEs can ensure that employees understand their goals and have the necessary resources to achieve them (Swann et al., 2021).

Locke's theory emphasizes that goals should be challenging but attainable (Locke & Latham, 2020). Employee-employer relations in SMEs can contribute to setting challenging goals that push employees to perform at their best. When employees are faced with challenging goals, it can increase their motivation and engagement, as they see the goals as meaningful and significant. However, it is essential to strike a balance, as excessively difficult goals may lead to frustration or a sense of inadequacy. Strong employee-employer relations can help in assessing employees' capabilities and setting goals that stretch their abilities without overwhelming them (Aarts, 2019).

Employee-employer relations in SMEs can influence the level of commitment employees have toward their goals. When employees feel valued, supported, and included in decision-making processes, they are more likely to be committed to achieving their goals. Effective employee-employer relations involve fostering a positive work environment, providing support, recognizing and rewarding employees' efforts, and involving them in setting their own goals. This commitment enhances employees' motivation, perseverance, and ultimately, their performance (Al-Hoorue & Al-Shlowiy, 2020).

Employee-employer relations within SMEs should include mechanisms for providing feedback and holding employees accountable for their goals. Regular feedback and performance reviews allow employees to track their progress, make adjustments, and stay motivated (Welsh et al., 2020). When employees receive constructive feedback, they can learn and improve their performance. Additionally, clear accountability for goal attainment helps create a sense of responsibility and ownership among employees. Employee-employer relations that emphasize open communication, continuous feedback, and fair evaluation processes contribute to enhancing performance and maintaining a positive relationship between employees and the organisation (Demirkol, 2021).

In summary, Locke's theory of goal-setting suggests that employee-employer relations in SMEs can significantly impact employee performance. By establishing goal clarity, providing challenging but attainable goals, fostering commitment, and ensuring feedback and accountability, SMEs can create a supportive work environment that motivates employees and enhances their performance. Strong employee-employer relations play a vital role in

aligning employee goals with organisational objectives, fostering engagement, and ultimately contributing to the success of SMEs.

Locke's Goal-Setting Theory closely aligns with the variables of employee-employer relations and employee performance, highlighting how effective goal management can strengthen this relationship. Employee-employer relations form the foundation for setting, communicating, and achieving goals within SMEs. Positive relationships ensure clarity in goal communication, encourage mutual trust, and promote a collaborative approach to goal-setting, which are essential for enhancing employee performance. When employers involve employees in goal-setting processes, offer regular feedback, and provide support, employees are more likely to be motivated and committed to achieving their objectives. This theory underscores that the quality of employee-employer relations directly influences the alignment of individual and organizational goals, which in turn drives improved employee performance. By fostering transparent, supportive, and goal-oriented interactions, SMEs can leverage the principles of Locke's theory to create an environment where employees are motivated to achieve their full potential, contributing to organizational success.

Conceptual Review

This section analyses and examines the concepts underpinning the study. The concept of employee-employer relations and employee performance were explained under this section.

Employee-employer relations

According to Kaushik and Guleria (2019), the relationship between employees and management is a framework of organisational justice

consisting of organisational culture and management styles as well as rules and procedural sequence for grievance and conflict management. Demirkol (2021) stated that employee-employer relations are a study of the rules, regulations and agreements by which employees are managed both as individuals and as a collective group. Lewis et al (2003) explained that employee-employer relations suggest a wider employment canvas being covered with equal importance attached to non-union employment arrangements and white-collar jobs. Armstrong (2005) observed that employee-employer relations is to manage the relationship between employer and employees with the ultimate objectivity of achieving the optimum level of productivity in terms of goods and services, employee motivation taking preventive measures to resolve problems that adversely affect the working environment.

Putri et al., (2019) narrated that the unitary viewpoint of employee-employer relations is the belief that management and employees share the same concerns and it is therefore in both their interests to cooperate. Perkins and Short land (2006) advocated that employee-employer relations are concerned with the social economic relationship that forms and revolves around a contract between the parties to perform work in return for employment benefits such as remuneration. Mira, Choong and Thim (2019) commented that effective employee-employer relationship management requires cooperation between managers representatives and employees, that good relationship between employer and employee do not just happen but they are the result of a strategy and activities that employee-employer relations managers design to improve communication between employees and

management (Brhane & Zewdie, 2018).

George and Jones (2008) said that employee-employer relations involve the communication and relationships that in the end contribute to satisfactory productivity, job satisfaction, motivation and morale of the employees. Consequently, Foot and Hook (2008) highlighted that the right of employer on employer and employee-employer relationships to control work performance, integrate employee in the organisation's structure and management system and create a mutual trust environment, confidence and supply of enough and reasonable work while employees obey lawful and reasonable orders, maintain fidelity and work with due diligence and care.

Gomez-Mejia et al (2001) argued that for organisational members to perceive employee-employer relations management practices positively, the organisational leadership needs to put emphasis on gaining support from employees, having mutual trust and confidence building, allowing freedom of association, improving career and salary tracks, retirement benefits, and retaining measures. Pearce and Robinson (2009) observed that organisations should strive to satisfy their employees with good pay, good supervision and good stimulating work. Mayhew (1985) inferred that best employee-employer relationship management practices incorporate labour and employment laws, resourcefulness and human resource expertise in developing practices that improve working relationships.

Purcell and Ahlstrand (1994) insisted on the need of the existence of a distinctive set of written guiding principles which set parameters to and signposts for management action regarding the way employees are treated and how particular events are handled. Lewis et al (2003) contended that it is good

to involve employees direct in decisions that go beyond their immediate work tasks and given opportunity to control their work situation in a manner that benefits the organisation also to have a managerial policy where employees and employers share goals and agree on the means to achieve them, their involvement is very important because participation in goal setting has been found relating to acceptance and subsequent commitment to the established goals which leads to favourable outcomes in terms of performance and attitudes (Harzing & Ruysseveldt, 2004).

According to Schweitzer and Lyons (2008) factors that lead to good employee-employer relations in the organisation include employee empowerment and involvement, initiating employee suggestions, conflict management and grievance redress measures, facilitating collective bargaining, expertise training and development, encouraging teamwork and transparency in communicating. Ivancevich (2001) supported that employee empowerment improves employee-employer relations because it contributes directly to organisational objectives by increasing skill sets and granting authority to the employees to make a decision that would traditionally be made by managers.

Kovach (1995) focused on the need of effective communication that it is one of the most important factors which either improves or spoils the relationship among employees, employees with open lines of communication with managers are more likely to build effective work relationships with those managers, increase their organisational identification and enhance their performance which at last contributes to organisation productivity (Welsh et al., 2020).

Employee Performance

Performance is the ability to achieve organisational goals more effectively and efficiently, Employee performance refers to how well an employee is performing in different aspects. Meek (2009). The organisation's management should talk with its employees about what makes the organisation great, how it brings value to the customers, and how the employees make that possible. According to Otley (1999), the performance of organisations is dependent upon the performance of employees and other factors such as the environment in which the organisation operate. An organisation performs well successfully attains its objectives. Harvey and Bowin (1996) refer to performance management as the total system of gathering information and cascading it down to the employees in order to improve organisation performance.

According to Sultan (2016) business performance can be measured by many indicators, such as asset base, market share, quality, customer satisfaction and profitability. As detailed by Pollitt (2002), the success of organisation performance leans on basic fundamental rights like professional management, specific use of performance indicators, performance monitoring and enforcement, greater discipline in use of resources, decentralization of organisations, introduction of flatter organisational designs, introduction of competition for resources and service delivery through competitive tendering, establishment of remuneration linked to results and promoting personnel rotation, pursuit of user satisfaction, implementation of measuring and evaluation systems, shift in the focus of management systems from inputs and processes to out puts and outcomes.

Poor organisational performance has been defined as characterizing of sluggishness, excess bureaucracy and over control of organisations as frustrating the self-development effort of individual members and failing to capitalize on potential, Margerison (2016). Managers influence organisational outcomes by establishing context, and context is the result of a complex set of psychological, sociological, and physical interactions.

Empirical Review

As mentioned earlier, empirical review documents the results of the most recent studies that are closely related to employee-employer relations and productivity nexus, as well as identifying the similarities, gaps, and contradictions in such studies.

In 2018, Simon and Jeromy conducted a study focusing on the effect of employee engagement on employee performance in the hospitality industry. The main objective was to determine how engagement influences performance metrics. Data were collected through surveys distributed to employees across multiple hotels, and the analysis was performed using statistical methods to assess correlations. The findings indicated a positive relationship between employee engagement and performance, suggesting that higher engagement levels lead to improved performance. The study concluded that enhancing employee engagement is crucial for boosting performance and recommended that future research explore engagement strategies in different sectors.

In 2020, a study examined the impact of employees' workplace environment on their task performance, considering the mediating roles of employee commitment and achievement-striving ability. The primary objective was to assess how the work environment influences performance

through these mediators. Data were gathered from academic staff using a cross-sectional research design, and structural equation modeling was employed for analysis. The study found that a positive workplace environment significantly enhances employee performance, with commitment and achievement-striving ability serving as effective mediators. The conclusion emphasized the importance of a conducive work environment in academic settings and suggested that future research could explore longitudinal designs to establish causality.

In 2021, a study titled "Exploring the Impact of Workplace Relationships and Employee Job Satisfaction" aimed to understand how various dimensions of workplace relationships affect job satisfaction. The supplementary objectives included examining co-worker relationships, supervisor-subordinate dynamics, and overall social interactions. Data were collected through questionnaires administered to employees in diverse industries, and regression analysis was used to interpret the data. The major findings indicated that positive workplace relationships significantly enhance job satisfaction, which in turn boosts performance. The study concluded that fostering healthy workplace relationships is vital for employee satisfaction and recommended that future research investigate these dynamics in remote work settings.

In 2022, a study examined the effect of employee relations on employee performance and organizational performance, focusing on small organizations in Tanzania. The main objective was to evaluate how employee relations impact both individual and organizational outcomes. Data collection involved surveys and interviews with employees and managers, and data

analysis was conducted using both qualitative and quantitative methods. The findings revealed that strong employee relations lead to improved performance at both individual and organizational levels. The study concluded that investing in employee relations is beneficial for organizational growth and suggested that future research could explore this relationship in larger organizations.

In 2023, a study titled "The Mediating Role of Employee Performance in the Relationship between HRM Practices and Organizational Effectiveness" aimed to explore how human resource management practices influence organizational effectiveness through employee performance. The supplementary objectives included identifying specific HRM practices that most significantly impact performance. Data were collected via structured questionnaires from employees in various sectors, and path analysis was utilized for data interpretation. The major findings indicated that employee performance mediates the relationship between HRM practices and organizational effectiveness. The study concluded that effective HRM practices enhance performance, leading to greater organizational effectiveness, and recommended that future research examine this model in different cultural contexts.

In 2018, a study by Kumar and Soni examined the impact of employee-employer relations on job satisfaction and performance in the Indian manufacturing sector. The main objective of the study was to explore how various aspects of employee-employer relations, such as communication, trust, and support, affect job satisfaction and employee performance. The study also sought to understand the mediating role of job satisfaction in this relationship.

The researchers used surveys administered to employees of manufacturing firms, and the data were analyzed using regression analysis. The findings revealed that positive employee-employer relations, characterized by open communication and trust, significantly enhance job satisfaction, which in turn boosts employee performance. The study concluded that organizations must prioritize fostering strong relationships between employees and employers to improve performance and suggested that future research could explore the impact of employee-employer relations on innovation and creativity in organizations. (Kumar & Soni, 2018)

A 2019 study by Adedeji and Adebayo focused on the relationship between employee relations and performance in the Nigerian banking sector. The main objective was to analyze how effective employee relations strategies, such as recognition, rewards, and conflict resolution, influence employee performance. The study collected data using questionnaires from employees in various banks, and data analysis was done using structural equation modeling (SEM). The results showed that effective employee relations practices lead to higher employee performance, with recognition and rewards being the most significant factors. The study concluded that banks should invest in employee relations to enhance performance and recommended that future research explore the role of employee relations in job retention and organizational commitment. (Adedeji & Adebayo, 2019)

In 2020, a study by Ojo and Akinlabi explored the relationship between organizational culture, employee relations, and performance in Nigerian small and medium-sized enterprises (SMEs). The main objective was to investigate how organizational culture and employee relations practices

impact employee performance in SMEs. The supplementary objective was to examine the role of organizational culture as a moderator in the relationship between employee relations and performance. The study used a mixed-method approach, with data collected from both surveys and interviews with employees and managers in SMEs. The findings indicated that organizational culture plays a significant moderating role in the relationship between employee relations and performance, with a positive organizational culture strengthening the impact of employee relations on performance. The study concluded that SMEs need to focus on creating a positive organizational culture and fostering good employee relations to improve performance. The study recommended that future research could explore how organizational culture influences the relationship between employee relations and innovation in SMEs. (Ojo & Akinlabi, 2020)

A 2021 study by Smith and O'Reilly examined the effects of employee-employer relations on employee job performance in the healthcare industry. The primary objective of the study was to assess how positive employee-employer relations affect employee performance in healthcare organizations. The study was conducted using a cross-sectional survey design, where data were collected from healthcare employees through structured questionnaires. The data were analyzed using factor analysis and multiple regression analysis. The major findings indicated that positive employee-employer relations, including clear communication, respect, and trust, significantly enhance employee performance. The study concluded that healthcare organizations should improve employee-employer relations to improve service quality and employee performance. It recommended that

future studies examine the effects of leadership styles and management practices on employee performance in healthcare settings. (Smith & O'Reilly, 2021)

In 2022, a study by Lee and Zhang explored the influence of employee-employer relations on employee performance in multinational corporations (MNCs) operating in China. The main objective was to examine how management practices in MNCs impact employee performance, with a focus on employee relations, trust, and communication. Data were collected through a combination of surveys and interviews with employees and managers in MNCs. The data were analyzed using hierarchical regression analysis. The findings suggested that positive employee-employer relations, characterized by trust and transparent communication, significantly enhance employee performance. The study concluded that multinational corporations should prioritize effective employee relations strategies to improve employee performance in diverse cultural settings. The study recommended that future research explore the role of cross-cultural management in shaping employee-employer relations and performance. (Lee & Zhang, 2022)

A 2023 study by Njoroge and Muturi focused on the role of employee relations in promoting employee performance in the Kenyan public sector. The main objective was to explore how employee relations practices in public sector organizations affect employee performance. The study used a survey design and collected data from employees of various government agencies in Kenya. The data were analyzed using descriptive statistics and correlation analysis. The major findings revealed that employee relations, including job security, recognition, and training opportunities, positively influenced

employee performance. The study concluded that public sector organizations should improve their employee relations practices to enhance performance. The study recommended that future research examine the impact of employee relations on public sector innovation and service delivery. (Njoroge & Muturi, 2023)

A 2023 study by Thompson and Harris explored the effects of employee-employer relations on organizational commitment and job performance in the retail industry. The main objective was to investigate how employee-employer relations influence organizational commitment and how that relationship affects employee performance. Data were collected through surveys administered to retail employees, and data analysis was conducted using structural equation modeling. The findings indicated that strong employee-employer relations lead to higher organizational commitment, which in turn positively affects employee performance. The study concluded that fostering positive employee-employer relations is critical for improving job performance and organizational success. It recommended that future research could explore the impact of employee-employer relations on employee turnover and retention in the retail industry. (Thompson & Harris, 2023)

In 2018, a study by Hammad and Hussain investigated the relationship between employee-employer relations and performance in Pakistan's textile industry. The primary objective of the study was to determine how various employee-employer relations practices, such as feedback mechanisms, trust-building activities, and employee involvement in decision-making, influence employee performance. The study used a questionnaire survey method,

gathering responses from employees working in textile firms. The collected data were analyzed using correlation and regression analysis. The study found that employee involvement in decision-making and effective feedback mechanisms positively impacted employee performance. The study concluded that organizations should strengthen employee relations by encouraging feedback and involving employees in key decisions to enhance job performance. It recommended future research on the role of employee-employer relations in employee creativity and innovation in the manufacturing sector. (Hammad & Hussain, 2018)

In 2019, Okwu and Ayo studied the effect of employee-employer relations on job performance in Nigerian service industries. The study aimed to analyze how workplace conditions, supervisory support, and work-life balance initiatives, which are part of employee-employer relations, affect the performance of service sector employees. Data were collected using structured questionnaires, and the sample consisted of employees in banking, telecommunications, and hospitality sectors. The researchers used descriptive statistics and inferential analysis to interpret the data. The study's findings suggested that a positive work environment, effective supervisory support, and work-life balance initiatives were significant factors influencing employee performance. The study concluded that improving employee-employer relations in service industries could result in better employee performance and satisfaction. The researchers recommended that future studies focus on how technology can be integrated into employee relations practices to further enhance performance. (Okwu & Ayo, 2019)

In 2020, a study by Akinlabi and Adeoye examined the relationship between employee relations and job performance in the Nigerian manufacturing sector. The primary objective was to investigate how employee relations, including job security, training, and recognition, affected employee performance in manufacturing firms. The researchers used a cross-sectional survey design, gathering data from employees working in various manufacturing companies. Statistical tools like factor analysis and multiple regression were used to analyze the data. The results indicated that employee relations, particularly training and recognition, had a positive effect on employee performance. The study concluded that manufacturing firms in Nigeria should invest in employee relations strategies to improve performance and productivity. It recommended that future research explore the long-term impact of employee-employer relations on organizational sustainability and competitiveness. (Akinlabi & Adeoye, 2020)

A 2021 study by Agbim and Ogbuabor explored the effect of employee relations practices on job performance in the Nigerian public service. The main objective was to assess how specific employee relations practices, such as communication, trust, and workplace fairness, impacted employee performance. Data were collected from a sample of public sector employees through questionnaires, and data were analyzed using path analysis and structural equation modeling (SEM). The findings indicated that effective communication, trust-building activities, and fair treatment of employees were significantly correlated with higher job performance. The study concluded that public sector organizations should prioritize transparent communication and fair treatment to boost performance. The study suggested that future research

could investigate how employee-employer relations impact employee performance in different public sector subdomains, such as education and health. (Agbim & Ogbuabor, 2021)

A 2021 study by Ojo and Fatimah examined the influence of employee-employer relations on job performance in SMEs in Lagos, Nigeria. The study aimed to analyze how factors such as recognition, involvement in decision-making, and work-life balance initiatives contributed to employee performance in SMEs. The data were collected via structured surveys administered to employees of SMEs in the city, and analysis was conducted using regression models. The study found that when employees felt recognized and involved in decision-making processes, they exhibited higher levels of job performance. Work-life balance programs were also found to have a significant positive effect on job performance. The study concluded that SMEs should focus on improving employee relations practices to boost performance. It recommended that future studies examine the role of leadership styles in shaping employee-employer relations in SMEs. (Ojo & Fatimah, 2021)

A 2022 study by Orji and Uche explored the impact of employee-employer relations on employee performance in the educational sector. The main objective of the study was to evaluate how employer support, communication, and feedback systems affect the performance of academic staff in Nigerian universities. The data were collected using questionnaires distributed to academic staff across several universities, and data were analyzed using descriptive statistics and multiple regression analysis. The study found that employer support, open communication, and regular feedback

were crucial factors influencing the job performance of academic staff. The study concluded that universities must improve employee-employer relations, particularly through better communication and feedback systems, to enhance performance. It recommended future research on the role of technology in improving employee-employer relations in higher education institutions. (Orji & Uche, 2022)

In 2023, a study by Akinbode and Adegboye investigated the relationship between employee-employer relations and employee performance in Nigeria's financial sector. The study's objective was to assess how practices such as fair treatment, employee recognition, and involvement in decision-making impact employee performance. The research design involved administering structured questionnaires to employees in Nigerian banks, and the data were analyzed using correlation and regression analysis. The results showed that positive employee-employer relations, characterized by fair treatment and employee recognition, significantly enhanced employee performance. The study concluded that financial institutions should invest in fair treatment and recognition programs to increase employee performance. The study recommended that future research explore the role of organizational culture in shaping employee-employer relations and its impact on performance in the banking industry. (Akinbode & Adegboye, 2023)

A 2023 study by Ibrahim and Waziri examined the influence of employee-employer relations on employee performance in manufacturing SMEs in Ghana. The primary objective of the study was to assess how employee relations, including training, job satisfaction, and conflict management practices, affect employee performance. The study used a survey

approach, gathering data from employees working in small and medium-sized manufacturing enterprises across Ghana. The data were analyzed using structural equation modeling (SEM). The findings revealed that training programs, job satisfaction, and effective conflict resolution were significant factors in improving employee performance. The study concluded that SMEs should implement strategies that enhance employee relations to boost performance. The study recommended that future research focus on the role of leadership and managerial styles in shaping employee-employer relations in the manufacturing sector. (Ibrahim & Waziri, 2023)

A 2023 study by Mensah and Osei analyzed the impact of employee-employer relations on organizational performance, specifically focusing on employee performance in the hospitality sector in Ghana. The study aimed to examine how effective communication, conflict resolution, and recognition influenced employee performance. Data were collected through surveys and analyzed using regression analysis. The study found that effective communication and conflict management practices played a significant role in improving employee performance. The study concluded that the hospitality industry should focus on improving employee-employer relations to increase overall performance. It suggested that future research could investigate the impact of employee-employer relations on employee creativity and innovation in the service industry. (Mensah & Osei, 2023)

Conceptual Framework

Based on the objectives of the study, employee-employer relations will be linked with employee performance. The conceptual framework is presented on Figure 1.

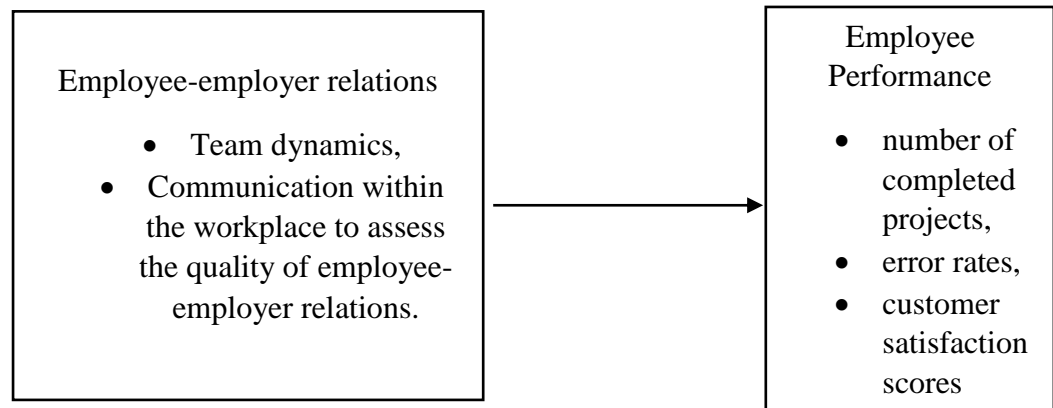


Figure 1: Conceptual Framework

Source: Author's Construct (2023)

The employee-employer relationship was shown to be connected to employee performance, as seen in Figure 1. In order to evaluate the quality of employee-employer interactions, the dynamics of the team and the communication that took place inside the workplace were used as measurement tools. In addition, the number of projects that were finished, the mistake rate, and the customer satisfaction ratings were used to evaluate the performance of the employees.

Chapter Summary

This chapter covered theoretical review, empirical review, and conceptual framework. The theoretical review explained the Herzberg's two-factor theory and Lock's theory of goal-setting and how these theories related to the study. Successively, the empirical review documented the results of other studies that were closely related to employee-employer relations and productivity. Finally, the conceptual framework showed the researchers' idea on how employee-employer relation and productivity was explored.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter outlines the research methodology that underpins the study and examines the methods that were used to meet the study's objectives. This chapter covers the research design, the research approach, study area, population, sample and sampling procedure, data collection instrument, data collection procedures and data processing analysis, finally, the ethical consideration.

Research Approach

The qualitative approach operates on the interpretivism assumption that people have a different individual interpretation of knowledge (Flick, 2014). This method is flexible and can be adjusted to capture new issues as they immerge. However, critics have pointed out that the qualitative approach is time-consuming, lacks objectivity and comes with analysis and interpretation difficulties (Tindana et al., 2021).

Quantitative research approach, on the other hand, explains a phenomenon by gathering arithmetical data and analysing the data mathematically (Rahman, 2016). It focuses on the aspects of behaviour that can be quantified rather than finding out or interpreting the reasons for the actions that yielded the result. It emphasises how many, how much or to what extent. The quantitative approach is widely used for its objectivity, speed, economy, and wide coverage. However, the method is not flexible and not suitable for studies involving no arithmetical data. The quantitative approach has also been criticised for its failure to ascertain a much deeper understanding

of the respondents' actions, experiences, and perspective (Ary et al. 2013). It overlooks the common meanings of the social phenomenon and hence has the tendency of prescribing a snapshot of the phenomenon (Denzin & Lincoln, 2003).

The inherent weaknesses in both methodologies have generated a triangulation of research approaches. Triangulation is the use of both qualitative and quantitative research methodologies in studying the same phenomenon (McNeil & Chapman, 2005). Proponents of the triangulation methodology assume that the weaknesses of one methodology can be catered for by the strength of the other (Amaratunga et al., 2002; Schoonenboom & Johnson, 2017). Furthermore, Neuman and Kreuger (2003) proposed that the qualitative and quantitative research methodologies are not mutually exclusive, neither are they divergent or antithetic. However, they must be combined because they are complementary methodologies that focus on different dimensions of the same phenomenon (Schoonenboom & Johnson, 2017). From the above discussion, this study adopted a quantitative approach to research.

Research Design

A research design according to Egharevba, Pharr, van Wyk and Ezeanolue (2017), is a structured methodology followed by a researcher to answer a research question. It is a detailed outline of how the research would be conducted. It entails ways of data collection, the instruments employed, and how they are used and the means of analyzing the collected data. The researcher adopted for this study a explanatory survey research. The study had a broader purpose to examine the effect of employees relations on employee

performance among Small and Medium Enterprises in Central Region. The study was based on the descriptive survey design because it allows for the gathering of opinions, beliefs, or perceptions about a current issue from a large group of people (Mavchira, 2019).

The main thrust of survey design was to collect appropriate data which work as a basis for getting results and drawing conclusion. Bartels (1997), opines that, in descriptive surveys, the events or conditions either exist or have occurred and the researcher merely selects the relevant variables for the analysis of the relationships and reports the way things are. This research design was therefore suitable for the study because data was collected through questionnaire, to answer the research questions concerning employee-employer relations and employee performance.

Polio (2012) indicated that, there are some difficulties involved in the use of survey design. They give the following as some of the difficulties; to ensure the questions are very clear and not deceptive, getting respondent to honestly and thoughtfully answer the questions as well as getting enough of the questionnaires completed and returned to enable meaningful analysis to be made. To minimize these difficulties, the questionnaires were reviewed by the expertise. Moreover, few respondents were piloted to analyse their responses. This enabled the researcher to check if the responses given were in line with the study's objectives. Also, the researcher allowed respondents to answer the questions willingly. This also enhanced the honesty that was needed from the respondents since only those who were ready to partake in the study were considered. Polio (2012) added that, despite these disadvantages, descriptive survey helps researchers to observe, describe and record

situations as they occur naturally. Based on this, descriptive survey design was seen as the most appropriate for the study.

Population

The target population for this study comprises employees working in Small and Medium Enterprises (SMEs) in Ghana. SMEs in Ghana play a significant role in the country's economy, contributing to job creation and economic growth. According to the National Board for Small Scale Industries (NBSSI) 2019 report, there are a total of 3,652 SMEs operating within the country. These SMEs vary in size, with each employing at least one individual. The total population of this study, therefore, consists of 3,652 employees who are directly engaged in various activities within these enterprises.

The selection of SMEs in Ghana as the target population is justified given the central role they play in the nation's labor market. SMEs contribute significantly to employment, innovation, and the overall competitiveness of Ghana's economy. By focusing on employees in this sector, the study aims to gather insights into how employee-employer relations influence performance in a sector that constitutes the backbone of Ghana's economic infrastructure. The diverse range of industries and the variety in organizational structures within SMEs make them an ideal context for exploring how different factors in employee relations affect employee performance.

Furthermore, SMEs are often faced with unique challenges, such as limited resources, lower wages, and a lack of formalized management practices compared to larger organizations. This makes it crucial to examine how employee-employer relations, often more informal and personalized in

SMEs, can influence employee motivation, satisfaction, and overall performance. By studying this population, the research will contribute to understanding how different employee relations practices impact SMEs' ability to thrive in a competitive business environment.

The study's target population of 3,652 employees represents a relatively manageable size for data collection, ensuring that results will be reflective of the broader population of SMEs in Ghana. While each SME may vary in terms of size, industry, and management practices, the focus on employees ensures that the study captures a wide range of perspectives. This is important as employee performance is influenced by both individual and organizational factors. The diversity within the sample will allow for a comprehensive understanding of how different employee-employer relationships affect job performance across various sectors.

Given that SMEs in Ghana are often categorized into micro, small, and medium-sized enterprises, the study will encompass employees from businesses of all sizes, enabling the research to draw comparisons between these different categories. This will provide valuable insights into whether the scale of the business impacts the strength and nature of employee-employer relations and, consequently, employee performance.

In conclusion, the selection of employees working in SMEs in Ghana as the target population for this study is well-justified. SMEs are crucial to the national economy, and understanding the dynamics of employee-employer relations within this context can offer valuable insights for both policymakers and business owners. By focusing on this population, the study will contribute to the academic literature on employee relations in SMEs, providing a

foundation for further research and offering practical recommendations for improving employee performance within the sector.

Sample Size and Sampling Procedure

Sampling refers to the process of selecting the group from a population that would represent the population. Data is often not taken from the entire population (Thygesen & Ersbøll, 2014). The main objective of sampling is to select a representative group of components that reflect the characteristics of the population (Ritchie, Lewis & Elam, 2013). The simple random sampling technique was used to select the sample for the data collection. This sampling approach gives respondents equal chance to be part of the study.

Moreover, the convenience sampling technique was used due to the unpredictability of the nature of the changes in the operations and actual time the staff will be available to answer. Al-Shaalan (2014) opined that convenience sampling technique is usually employed in studies of this nature because, it is deemed to be more suitable for gathering many responses speedily and with economy. Using the sampling size computation propounded by Krejcie and Morgan (1970) ($n = \left(\frac{385}{1 + \frac{385-1}{3,652}} \right)$), with the appropriate parameters ($z=1.97$, $e = 0.05$, $p=0.5$ and $N = 3,652$), the appropriate sample size was 326. The study's sample size was 326 respondents.

The sample size of 326 respondents selected for this study is considered the most appropriate based on several important factors. First, the sample size was determined using the formula provided by Krejcie and Morgan (1970), which is a widely accepted method for calculating sample sizes in social science research. This formula takes into account the total

population size, the desired confidence level ($z=1.97$), the margin of error ($e=0.05$), and the expected variability of the population ($p=0.5$). The sample size of 326 is large enough to ensure that the study results are statistically valid and generalizable to the broader population of 3,652 employees working in SMEs in Ghana.

Moreover, the sample size of 326 is suitable because it strikes a balance between achieving a reliable representation of the population and considering practical constraints such as time and resources. A larger sample would have provided even more precision in the results, but it would have required significantly more resources, both in terms of time and finances, which would have been challenging to manage in the context of this study. On the other hand, a smaller sample might have compromised the robustness of the findings and limited the study's ability to accurately reflect the diverse characteristics of employees within SMEs in Ghana.

Additionally, the selection of 326 respondents ensures that the study captures a sufficient range of perspectives from employees working in various SMEs, regardless of their size or industry. This allows for meaningful analysis and comparisons across different types of businesses. By utilizing a sample size of 326, the research is able to collect reliable data while maintaining efficiency and practicality, making it the most appropriate choice for this study.

Data Collection Instruments

Self-administered questionnaires were used to collect data from the sample. Plano and Badiie (2010), defines questionnaire as a set of questions with a definite purpose designed for a target group of people to be

administered by themselves within a particular time frame. Plano and Badiee, (2010) continues that questionnaire guarantees high efficiency in data collection and high generalizability of results over the more intensive research designs. Questionnaire was chosen for the data collection because it is a self-reported measure which guarantees confidentiality (Badiee et al., 2010). It is also more likely to elicit truthful response with regard to the information required from the respondents. Also, appropriate language was used to avoid ambiguity and to attract respondent's interest.

The questionnaire was developed using a combination of existing scales across two themes of the research: employee-employer relations (Gonos & Gallo, 2013; Goldman, 1998) and employee performance (Al Mehrzi & Singh, 2016; Sun & Bunchapattanasakda, 2019). The questionnaire comprised 25 items grouped under three main sections (i.e., Section I-III). Section I consisted of five statements determining the demographic information of the respondents. Section II comprised ten items to measure employee-employer relations. The third section looked at the questionnaires on employee performance. Ten questions were extracted for this section.

All the variables which include employee-employer relations and employee performance were measured on a Likert-scale. Employee-employer relations which was the independent variable for the study was measured on a five-point Likert-scale where 1 was strongly disagree and 5 was strongly agree. Similar measurement was used to measure the dependent variable, employee performance. A Likert scale was used because it eliminates the development of response bias amongst the respondents; it assesses attitudes, beliefs, opinions and perception; makes the response items standard and

comparable amongst the respondents; responses from the Likert scale questions are easy to code and analyse directly from the questionnaires (Cant, 2003).

Validity

Validity in research simply means the extent to which instruments (questionnaires or structured interview schedules) measure what they intend to measure. In other words, validity means the extent to which the selected tool measures the intended research objectives (Bowling, 2009). In the context of this study, several strategies were undertaken to validate and refine the content of the questionnaire. To address the face validity, the researcher read the questionnaires and corrections were made before administering them. All efforts and views of experts on the content of the questionnaire was taking into consideration hence, adding or dropping of some items in the questionnaire. Simple language was used to enhance clarity and to be assured that the instrument is entirely applicable.

Reliability

With regards to reliability, it can be seen as the extent to which the application of a scale produces consistent results if repeated measures are taken (Anwer et al, 2021). It is achieved when keeping results at a consistent level despite changing in time and place (Bowling, 2009). Internal consistency: internal consistency comprises testing the homogeneity that assesses the extent to which personal items are inter-correlated, and the extent to which they correlate with overall scale findings, and this can be performed by using Cronbach's alpha test (Hertzog, 2008). In terms of observation, reliability of observations refers to the same inferences or activities of intra-

observation (one observation at different time) and inter-observation reliability (more than one observer) (Hertzog, 2008).

The Cronbach's coefficient alpha (α) was used in this study to determine the reliability of items in the questionnaire. The value of Cronbach's alpha ranged from 0 to 1. It is worthy to note that, the closer the value of α to 1, the better its reliability. In order to measure the reliability of the gathered data, Cronbach's alpha was used.

Source of Data

Saunders et al (2007) posited that there are two main types of data source. These include the primary data source and secondary data source. Due to the nature of the study's respondents, the primary data source was appropriate for the study. The primary data was collected through a survey instrument administered to employees of Small and Medium Enterprises in the Central region. Opinions and responses were generated from respondents through the administration of questionnaires.

Data Collection Procedure

An introductory letter from the Department of Human Resource of the University of Cape Coast was obtained. Thereafter, permission was sought from the Small and Medium Enterprises, the sector which was considered in the study. Respondents were given the full assurance that the study was for academic purposes and that their responses would be treated with the utmost confidentiality. The respondents were given one week to return answered questionnaires. All respondents fill and submitted the questionnaire. The study therefore recorded 100% response rate

Data Processing and Analysis

After three weeks, questionnaires were retrieved, and all were used in the study. Response rate was therefore 100% which is an acceptable rate. According to (Mugenda & Mugenda, 2003; Kuria, 2017) response rate of 50% is adequate, 60% is good, while over 70% is very good. The 326 questionnaires were later assigned numerical values (coded) and keyed into SPSS and Smart PLS version 4. SPSS was used in analysing demographic variable and the descriptive statistics was used to analyse the objective one and two, while analyses of the objective three of the study was done using structural equation model. Presentation and discussion of the findings were done after following acceptable assessment criteria of the measurement and structural models of the multiple regression.

Ethical Considerations

According to Mundalamo, Ramakuela and Ndou (2018), ethics is mostly associated with morality and deals with issues of right and wrong among groups, society or communities. It is therefore important that everyone who is engaged in research be aware of the ethical concern (Rubin & Babbie, 2016). The researcher employed every effort to avoid possible violation of ethical principles.

A conscious effort was made in this study to protect the right and prevent any potential effect of the study on participants. First, prior to data collection, ethical clearance was secured from the University of Cape Coast Institutional Review Board. Secondly, at every data point, the researcher tendered the letter of introduction from the department to the director and gave a verbal overview of the study. The researcher assured the participants of

confidentiality and gave them the opportunity to willingly participate or opt out from participating in the study. Also, respondents were assured that the responses provided would be used solely for the purpose of the study and under no circumstance shall the responses be given to a third party or used for a different purpose. To win the trust of participants, personal details such as managers name, telephone number or address and name of the business were not collected as part of the data. This assured respondents of the high level of anonymity and confidentiality.

Chapter Summary

This chapter presented specific research methodology used in the study. It covered research design, population, sample and sampling procedure, instruments used, data collection procedure as well as data analysis procedure. It also provided justification for the methods and data instruments employed in the study.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

Introduction

The chapter analyses the study's objectives. The main purpose of the study was to analyse the effect of financial management practices and sustainable performance of Small and Medium Enterprises in Cape Coast Metropolis. The chapter started with the demographic characteristics of the study. The study's objectives were analysed in the subsequent section.

Demographic Characteristics

This section analysed the characteristics of the respondents. This was based on the gender proportion, age, educational level, nature of enterprises, number of years in business, and current number of employees. The result of the demographic characteristics is presented on Table 1.

Table 1: Demographic Characteristics

Variable	Frequency	Percentage
Gender		
Male	212	65.03
Female	114	34.97
Age		
18-24	86	26.38
25-34	99	30.37
35-44	62	19.02
45-55	55	16.87
Above 55	24	7.36
Educational Level		
Non-Formal	75	23.01
Primary Education	89	27.30
Secondary Education	58	17.79
Tertiary	104	31.90
Nature of Enterprises		
Manufacturing	82	25.15
Hairstyling	76	23.31
Trading/Retailing	64	19.63
Tailoring/Dressmaking	83	25.46
Other (please specify)	21	6.44

Number of years in business

1-5	119	36.50
6-10	37	11.35
11-15	120	36.81
Over 15	50	15.34

Current number of employees

1-5	243	74.54
6-10	49	15.03
11-15	21	6.44
Over 15	13	3.99

Total	326	100
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Source: Field Survey (2022)

From the table, 212 of the respondents were males. This represented 65.03 percent of the respondents. Females were 114 which also represented 34.97 percent of the respondents. Out of 326 of owners of SMEs, 99 of the respondents were between the ages of 25-34. This represented 30.37 percent of the respondents. Eighty-six (86) of the respondents were between the ages of 18 to 24 years. This represented 26.38 percent of the respondents. Sixty-two (62) of the respondents were between the ages of 35 to 44 years. This represented 19.02 percent. Fifty-five (55) of the respondents were between the ages of 45-55 years. Twenty-four (24) of the respondents were above 55 years of age. This represented 7.36 percent of the respondents.

One hundred and four (104) of the respondents had tertiary education certificate. This represented 31.90 percent of the respondents. Eight-nine (89) of the respondents had primary education. This represented 27.30 percent of the respondents. Seventy-five (75) of the respondents had non-formal educational level. This represented 23.01 percent of the respondents. Fifty-eight of the respondents had secondary education. This also represented 17.79 percent of the respondents.

Eighty-three (83) of the respondents were working in the tailoring and dressmaking industry. This represented 25.46 percent of the respondents. Eighty-two (82) of the respondents were in the manufacturing industry. This represented 25.15 percent of the respondents. Seventy-six (76) of the respondents were into the hairstyling. This represented 23.31 percent of the respondents. Sixty-four of the respondents were into trading/retailing industry. This represented 19.63 percent of the respondents. Twenty-one of the respondents were into other mode of business. This represented 6.44 percent of the respondents.

One hundred and twenty (120) of the respondents had been in business for 11 to 15 years. This represented 36.81 percent of the respondents. One hundred and nineteen (119) of the respondents. This represented 36.50 percent of the respondents. Fifty (50) of the respondents had been in business for over 15 years. This represented 15.34 percent of the respondents. Thirty-seven (37) of the respondents had been in business for 6-10 years. This also represented 11.35 percent of the respondents.

With respect to the number of employees, 243 of the respondents had 1 to 5 employees. This represented 74.54 percent of the respondents. SMEs with employees between 6-10 were 49. This represented 15.03 percent of the respondents. Twenty-one (21) of the respondents had 11-15 employees. This represented 6.44 percent of the respondents. Thirteen of the respondents had over 15 current employees. This represented 3.99 of the respondents.

Employee-employer relations

The first objective of the study was to analyse the perceived level of employee-employer relations among employees in the Central Region. In

order to achieve this, the descriptive statistics was used. Mean and Standard deviation was computed. Result is presented on Table 2.

Table 2: Perceived employee-employer relations

	Mean	Std. Deviation
My organisation encourages open and constructive communication among employees.	4.26	.906
I feel supported by my colleagues in achieving my work goals.	4.14	.932
I feel comfortable seeking assistance or guidance from my supervisor/team leader.	4.14	.943
My organisation effectively resolves conflicts and promotes a harmonious work environment.	4.09	.965
My organisation provides opportunities for professional growth and development.	4.07	.902
My organisation provides opportunities for employees to participate in decision-making processes.	4.04	.974
I am satisfied with the level of autonomy and decision-making authority I have in my role.	4.04	1.053
I feel motivated to give my best effort in my work.	3.96	.931
I have a good working relationship with my immediate supervisor.	3.90	.990
I believe that my organisation invests in creating a positive and supportive work culture.	3.84	1.022

Source: Field Survey (2023)

The data presented in Table 2 reflects the perceived employee-employer relations in organizations within the Central Region. The perception of employee-employer relations is essential to understanding the working environment, employee satisfaction, and overall organizational health. Descriptive statistics such as mean and standard deviation provide valuable insights into the general trends and variability in employee responses. The mean represents the central tendency or average response, while the standard deviation indicates the degree of variation or dispersion of the responses from the mean. A lower standard deviation suggests that responses are relatively consistent, while a higher standard deviation suggests more variability in employee perceptions.

The first item on the table, "My organisation encourages open and constructive communication among employees," records a mean of 4.26 with a standard deviation of 0.906. This high mean indicates that employees generally perceive their organizations as promoting open and constructive communication. Communication is a key factor in fostering a healthy employee-employer relationship, and organizations that prioritize it are likely to experience improved morale and productivity (Crampton & Hodge, 2020). The standard deviation of 0.906 indicates that while most employees agree with this statement, there is some variation in their perceptions, suggesting that some employees may feel communication could be improved.

The second item, "I feel supported by my colleagues in achieving my work goals," has a mean of 4.14 and a standard deviation of 0.932. This also suggests a generally positive perception of support from colleagues, which is vital for creating a collaborative work environment. Social support in the workplace has been shown to lead to better job satisfaction, lower stress, and improved performance (Heaphy & Dutton, 2008). The standard deviation here is slightly higher, indicating a bit more variation in how employees perceive support from their peers. Some employees may not feel as supported, highlighting potential areas for improvement in fostering teamwork and collaboration.

"I feel comfortable seeking assistance or guidance from my supervisor/team leader," with a mean of 4.14 and a standard deviation of 0.943, reflects a positive perception of supervisor support. Employees' comfort in seeking help is a critical factor in fostering a healthy employee-employer relationship, as it encourages employees to seek guidance and resolve work-

related issues. This aligns with findings from studies indicating that employees who feel they can approach their supervisors are more likely to have positive job outcomes and higher levels of job satisfaction (Rhoades & Eisenberger, 2002). The relatively high standard deviation here suggests that there may be inconsistencies in supervisor support across the organization, with some employees possibly feeling less comfortable seeking assistance.

The fourth item, "My organisation effectively resolves conflicts and promotes a harmonious work environment," shows a mean of 4.09 and a standard deviation of 0.965. This result indicates that most employees feel their organizations are effective in managing conflict and fostering a positive work environment. Conflict resolution and the promotion of harmony are essential for maintaining a productive workplace, as unresolved conflicts can lead to decreased morale, lower job satisfaction, and even increased turnover (De Dreu & Weingart, 2003). The relatively high standard deviation suggests that while many employees feel this way, there are also some employees who may have experienced or witnessed unresolved conflicts, which could hinder the harmonious environment.

"My organisation provides opportunities for professional growth and development," with a mean of 4.07 and a standard deviation of 0.902, indicates a generally positive perception of professional development opportunities. This is a crucial element of employee-employer relations, as employees who feel that they can grow and advance in their careers are more likely to remain motivated and committed to the organization (Noe, 2017). The lower standard deviation of 0.902 suggests that the majority of employees

have a similar perception of the availability of growth opportunities, though some may still feel that opportunities could be improved or more accessible.

The sixth item, "My organisation provides opportunities for employees to participate in decision-making processes," has a mean of 4.04 and a standard deviation of 0.974. This suggests that most employees feel they have a voice in decision-making processes. Employee involvement in decision-making has been linked to increased job satisfaction and organizational commitment (Lawler, 1986). However, the higher standard deviation here suggests that some employees may feel excluded from important decisions, which could impact their perception of the organization's openness and inclusivity.

"I am satisfied with the level of autonomy and decision-making authority I have in my role," with a mean of 4.04 and a standard deviation of 1.053, reflects that most employees are relatively satisfied with the autonomy they have in their roles. Autonomy has been shown to positively affect job satisfaction, as employees appreciate having control over their work and decision-making (Gagné & Deci, 2005). The relatively higher standard deviation in this item suggests that employees' satisfaction with autonomy varies more significantly. Some employees may feel they have too little autonomy, while others may feel empowered to make decisions, indicating a possible inconsistency in how decision-making authority is granted across the organization.

The eighth item, "I feel motivated to give my best effort in my work," has a mean of 3.96 and a standard deviation of 0.931. This indicates that, on average, employees feel moderately motivated to exert their best effort.

Motivation is a key driver of employee performance, and organizations that cultivate a motivating environment are likely to see improved productivity and employee engagement (Ryan & Deci, 2000). The standard deviation of 0.931 suggests that motivation levels vary, with some employees perhaps feeling more disengaged or less motivated, possibly due to a lack of resources or support.

"I have a good working relationship with my immediate supervisor," with a mean of 3.90 and a standard deviation of 0.990, indicates that most employees report having a positive working relationship with their supervisors. Supervisor relationships are fundamental to employee satisfaction and job performance, and strong supervisor-subordinate relationships can lead to higher levels of trust, commitment, and job satisfaction (Graen & Uhl-Bien, 1995). The higher standard deviation here suggests that some employees may not have as positive a relationship with their supervisors, potentially pointing to areas for improvement in supervisor training or management practices.

Finally, "I believe that my organisation invests in creating a positive and supportive work culture," with a mean of 3.84 and a standard deviation of 1.022, suggests a moderate perception that the organization invests in fostering a positive culture. A positive work culture is critical for employee engagement, satisfaction, and retention (Schein, 2010). The relatively high standard deviation indicates that there is considerable variation in how employees perceive the organization's efforts to create a supportive environment. Some may feel that the organization invests in culture-building activities, while others may perceive a lack of such efforts, pointing to potential disparities in organizational culture initiatives.

Empirical studies examining employee-employer relations in different contexts support these findings. For instance, Crampton and Hodge (2020) found that organizations that prioritize open communication and support from supervisors and colleagues tend to have higher employee satisfaction and engagement. Similarly, Heaphy and Dutton (2008) emphasized the importance of social support in the workplace, which aligns with the positive perceptions of support reflected in the results. However, contradicting studies also highlight that not all employees perceive the same level of support or organizational commitment. For example, De Dreu and Weingart (2003) found that conflict resolution efforts in some organizations may not be effective, leading to dissatisfaction among employees, which is reflected in the variation in perceptions of conflict resolution and work environment harmony in the current study.

Overall, the results suggest a generally positive perception of employee-employer relations, but with notable variability, indicating areas for improvement, particularly in terms of conflict resolution, decision-making involvement, and supervisor relationships. Addressing these areas could enhance the overall work environment and strengthen employee-employer relations in the Central Region.

Level of Employee Performance among Small and Medium Enterprises in the Central Region

The second objective of the study was to analyse the level of employee performance among small and medium enterprises in the Central Region. This objective was achieved by employing the descriptive analysis. The mean and standard deviation of the study were computed and analysed.

Table 3: Level of Employee Performance

	Mean	Std. Deviation
I actively seek feedback to enhance my performance and skills.	4.14	.779
I take initiative to solve problems and make improvements in my work area.	4.14	.954
I effectively collaborate with my colleagues to achieve common goals.	4.14	.853
I am adaptable and flexible in handling changes and challenges.	4.11	.909
I effectively utilize the resources and tools provided to perform my job.	4.08	.861
I continuously strive to enhance my knowledge and skills relevant to my role.	4.08	.884
I demonstrate a high level of accuracy and attention to detail in my work.	4.07	.977
I demonstrate a strong work ethic and commitment to achieving results.	4.04	.751
I effectively prioritize my tasks and manage my time to meet deadlines.	3.97	.904
I consistently meet the expectations and goals set for my role.	3.88	.956

Source: Field Survey (2023)

The data presented in Table 3 sheds light on the perceived level of employee performance among small and medium enterprises (SMEs) in the Central Region. Employee performance is a critical indicator of organizational success, and the perceptions of employees regarding their own performance can provide valuable insights into the effectiveness of the organization's operations, management practices, and overall work culture. The mean scores in the table represent the average level of agreement among employees for each statement, while the standard deviation indicates the degree of variability in the responses. A higher mean signifies a stronger agreement with the statement, while a lower standard deviation suggests that most employees share similar perceptions.

The first item, "I actively seek feedback to enhance my performance and skills," with a mean of 4.14 and a standard deviation of 0.779, indicates

that employees are generally proactive in seeking feedback to improve their performance. Seeking feedback is a key component of continuous learning and professional development. It allows employees to identify areas for improvement and take the necessary steps to enhance their skills (London, 2003). The relatively low standard deviation (0.779) indicates that most employees agree on the importance of feedback, with relatively little variation in their responses. This suggests that seeking feedback is a widely accepted practice in the organizations surveyed, pointing to a culture of self-improvement and openness to constructive criticism.

The second item, "I take initiative to solve problems and make improvements in my work area," also has a mean of 4.14 but with a higher standard deviation of 0.954. This suggests that while most employees feel they take initiative in their work, there is more variability in how strongly this belief is held. Initiative is a key driver of employee performance, as it reflects an employee's proactive attitude toward problem-solving and process improvement (Organ, 1988). The higher standard deviation could indicate that while some employees consistently take initiative, others may be less inclined to do so, perhaps due to a lack of empowerment, resources, or support from management.

"I effectively collaborate with my colleagues to achieve common goals," with a mean of 4.14 and a standard deviation of 0.853, reflects that employees generally perceive themselves as effective collaborators. Collaboration is essential in achieving organizational goals, especially in SMEs where teamwork often plays a crucial role in achieving efficiency and innovation (Katzenbach & Smith, 1993). The relatively low standard deviation

indicates that most employees feel similarly about their collaborative abilities, suggesting a generally cooperative work environment. However, the slightly higher standard deviation compared to the first item indicates some variation in employee experiences with collaboration, potentially pointing to challenges in communication or teamwork in certain areas.

The fourth item, "I am adaptable and flexible in handling changes and challenges," has a mean of 4.11 and a standard deviation of 0.909. This suggests that employees perceive themselves as relatively adaptable and flexible when faced with change or challenges. Adaptability is increasingly viewed as a critical skill in the modern workplace, particularly in SMEs, where employees must often juggle multiple tasks and respond quickly to market fluctuations or organizational shifts (Pulakos et al., 2000). The standard deviation of 0.909 suggests moderate variability in responses, meaning while most employees feel adaptable, there may be some who struggle with change or find challenges more difficult to handle.

"I effectively utilize the resources and tools provided to perform my job," with a mean of 4.08 and a standard deviation of 0.861, indicates that employees generally feel they use the resources and tools at their disposal effectively. Proper resource utilization is crucial for maximizing productivity and efficiency in any organization, and SMEs are no exception (Jain et al., 2019). The relatively low standard deviation suggests that most employees share a similar perception of their ability to use available tools and resources effectively. However, there is still some variability, indicating that in certain cases, employees may feel that the resources provided are inadequate or that they require further training to use them effectively.

The sixth item, "I continuously strive to enhance my knowledge and skills relevant to my role," has a mean of 4.08 and a standard deviation of 0.884. This indicates that employees are generally committed to enhancing their skills and knowledge. Lifelong learning is vital for both individual employee performance and organizational success, especially in the dynamic and competitive environment of SMEs (Colquitt et al., 2002). The standard deviation of 0.884 suggests that most employees agree with this statement, but some may not prioritize continuous learning, possibly due to time constraints, lack of resources, or limited opportunities for training and development.

"I demonstrate a high level of accuracy and attention to detail in my work," with a mean of 4.07 and a standard deviation of 0.977, shows that employees perceive themselves as generally attentive to detail and accurate in their work. Accuracy and attention to detail are essential traits for high performance, as they reduce errors, improve quality, and contribute to the overall efficiency of the organization (Hughes et al., 2008). The relatively high standard deviation suggests that while most employees are diligent in their work, there is greater variation in this perception, with some employees possibly struggling with maintaining high levels of accuracy due to work pressures, distractions, or lack of clarity in tasks.

The eighth item, "I demonstrate a strong work ethic and commitment to achieving results," with a mean of 4.04 and a standard deviation of 0.751, indicates that employees generally perceive themselves as dedicated and committed to achieving organizational goals. A strong work ethic is often associated with higher levels of productivity, job satisfaction, and organizational commitment (Meyer & Allen, 1997). The lower standard

deviation suggests that most employees have a similar perception of their work ethic and commitment, pointing to a generally strong culture of dedication within the organization.

"I effectively prioritize my tasks and manage my time to meet deadlines," with a mean of 3.97 and a standard deviation of 0.904, suggests that while employees generally manage their time well, there is some variability in their ability to prioritize tasks effectively. Time management is a critical skill in the workplace, particularly in SMEs where resources may be limited and employees often wear multiple hats (Macan, 1994). The moderate standard deviation indicates that while many employees feel they manage their time effectively, others may struggle with prioritization or time constraints, which could impact their overall performance.

The final item, "I consistently meet the expectations and goals set for my role," with a mean of 3.88 and a standard deviation of 0.956, reflects that most employees believe they meet the expectations set for them, but there is notable variation in responses. Meeting expectations and goals is a key indicator of employee performance, and organizations that set clear and achievable goals tend to see better outcomes (Locke & Latham, 2002). The higher standard deviation here suggests that while many employees are confident in meeting their goals, others may face challenges in doing so, possibly due to unclear expectations, insufficient resources, or external factors beyond their control.

The findings in this table align with empirical studies that emphasize the importance of proactive behaviors, adaptability, collaboration, and continuous learning for high employee performance. For instance, research by

Colquitt et al. (2002) found that employees who engage in continuous learning and seek feedback tend to perform better, as they are more equipped to handle challenges and improve their skills. Similarly, the study by Hughes et al. (2008) supports the notion that attention to detail and accuracy are vital for high performance, particularly in roles that require precision and quality control.

However, there are also studies that present contrasting findings. For example, Macan (1994) found that time management skills, while important, do not always correlate directly with higher performance, particularly in environments where external factors such as organizational support or resource availability play a significant role. Likewise, some studies have suggested that employees in SMEs may not always have the opportunity to receive adequate training or feedback, which could negatively impact their performance (Jain et al., 2019).

The data presented in Table 3 suggests a generally high level of employee performance among SMEs in the Central Region, with employees demonstrating initiative, collaboration, adaptability, and a strong work ethic. However, the variability in responses across the different performance indicators highlights areas where improvements can be made, such as in time management, meeting expectations, and utilizing resources effectively. Addressing these areas could help further enhance employee performance and contribute to the overall success of SMEs in the region.

Employee-Employer Relations and Employee Performance among Small and Medium Enterprises in the Central Region

The third objective of the study was to analyse the effect of employee-employer relations on the employee performance among small and medium enterprises in the Central Region. In order to achieve this objective, the structural equation model was employed. The outcome has been explained in the subsequent sections.

Assessment of Measurement Models for the Study

The measurement models that were used for the investigation are the primary emphasis of this section. The evaluation of the indicator loadings comes first in this part of the section. Indicator loadings, internal consistency reliability (also known as composite reliability), convergent validity (AVE-average variance extracted), and discriminant validity are some of the aspects of the measurement model that are evaluated throughout the process (Fornell-Lacker and HTMT). In order to provide indications for the evaluation of the measurement model, a dependable PLS algorithm was put through its paces. The findings are summarised in the tables that are shown below.

Assessing Indicator Loadings

The data in Table 4 reveals that some of the indications have been removed. In order to make the overall model more reliable, we eliminated any and all indicators that had a loading score lower than the suggested threshold of 0.7, which was established by Hair et al (2016). 35 of the 50 measurement items scored significantly over the threshold, which was established at 0.7, while all of the ones that fell within the individual variables were kept.

Table 4: Cross Loadings

	Employee Performance	Employee-employer relations
EmplPerf1	0.806	0.767
EmplPerf10	0.799	0.671
EmplPerf2	0.8	0.766
EmplPerf3	0.841	0.711
EmplPerf4	0.869	0.7
EmplPerf5	0.837	0.646
EmplPerf6	0.875	0.71
EmplPerf7	0.875	0.725
EmplPerf8	0.894	0.754
EmplPerf9	0.742	0.602
Rel1	0.6	0.782
Rel10	0.747	0.853
Rel2	0.575	0.773
Rel3	0.594	0.79
Rel4	0.56	0.827
Rel5	0.61	0.816
Rel6	0.584	0.812
Rel7	0.769	0.783
Rel8	0.761	0.844
Rel9	0.777	0.824

Source: Field Survey (2023)

All the indicators on table loaded 0.7 and above. This indicates that, the items explained each of the constructs appropriately.

Assessing Internal Consistency Reliability

In this particular investigation, the composite reliability was used in order to determine the level of internal consistency and dependability possessed by the various structures. Cronbach's alpha is not the most effective way to quantify internal consistency; the composite reliability is a more acceptable metric (Rossiter, 2002). According to the findings shown in Table 5, which show that all of the latent variables investigated in this research are trustworthy since their loadings were all very close to the 0.7 criterion. The employee performance had the highest composite reliability measure (0.953).

This was followed by employee-employer relations (0.937). The findings of the convergence validity are shown in Table 5.

Table 5: Validity and Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Employee				
Performance	0.951	0.953	0.958	0.697
Employee- employer relations	0.934	0.937	0.943	0.625

Source: Field Survey (2023)

Before a data gathering device can be considered dependable, Cronbach (1951) suggests that its Cronbach alpha value should be at least 70 percent. According to the findings shown in the table that is located above, the levels of reliability achieved were higher than those considered to be acceptable (Cronbach's alphas $>.70$, Average Variance Extracted $>.50$, and composite reliability $>.70$), as suggested by researchers (Fornell & Larcker) (1981). In addition, the factor loadings, which ranged from 0.7-0.9, demonstrated high convergent validity. More than half of the volatility in the model's indicators can be explained by the model's constructs, which are able to account for that much variance. The discriminant validity of the measurement model was also evaluated as part of the overall evaluation process.

Assessing Discriminant Validity

In order to establish discriminant validity, a construct has to demonstrate that it is singular and can reflect phenomena that are not captured by any of the other constructs in the model (MacKinnon, 2008). In order to determine the discriminant validity of the HTMT and the Fornell-Lacker

criterion's results, this research was carried out. The Fornell-Larcker criteria is a comparison that is made between the square root of the AVE values and the correlations of the latent variables (Fornell & Larcker, 1981). To be more specific, the square root of the average variance explained for each construct need to be higher than the greatest correlation it has with any other construct (Hair et al, 2013). According to the findings in Table 6, the square root of each variable has a correlation that is much higher than its correlations with the other constructs that were investigated in this research. This indicates that every construct is one of a kind and that no two constructions capture the same phenomena in the same way.

Table 6: Fornell-Lacker Criterion

	Employee Performance	Employee- employer relations
Employee Performance	0.835	
Employee-employer relations	0.649	0.791

Source: Field Survey (2023)

Assessing Coefficient of Determination and Predictive Relevance

According to Hair et al. (2014), a level of significance of 0.25, 0.5, or 0.75 for a structural model's coefficient of determination (R^2) is considered to have a low level of significance, moderate level of significance, and large level of significance, respectively. In addition, the author said that a predictive relevance (Q^2) of "0.02, 0.15 and 0.35," as well as an effect size (f^2) of "0.02, 0.15 and 0.35," are each regarded as being "little," "mid," and "large," respectively, for structural models. The following conclusion is one that may be drawn from the data that is shown in Table 7: employer-employee-employer relations showed a moderate coefficient of determination (0.72) and

it accounts for 72 percent of the variation in employee performance. The results show that the model has a modest level of predictive relevance when it is applied to the endogenous variable. This is based on the examination of the predictive relevance of the model (0.352). This indicates that the independent variables are capable of generating accurate predictions about the dependent variable. The results of the impact size indicate that each variable has a very little influence on the endogenous variable.

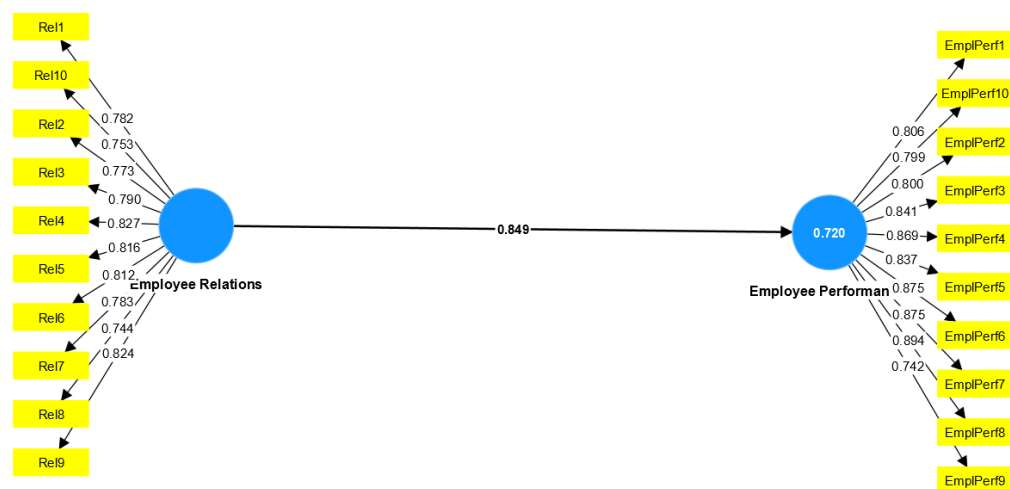


Figure 2: Model Specification
Source: Field Survey (2023)

Table 7: Regression

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Employee-employer relations -> Employee Performance	0.849	0.856	0.038	22.47	0.00

Source: Field Survey (2023)

From the Table, there was a positive and significant relationship between employee-employer relations and employee performance [$B=0.849$, $t(324)=22.47$, $p<0.05$].

These findings suggest that better employee-employer relations are associated with higher levels of employee performance in the SMEs studied.

The relationship between employee-employer relations and employee performance is both intuitive and well-supported by previous empirical research. Employee-employer relations encompass various elements, including communication, support, conflict resolution, opportunities for professional growth, and involvement in decision-making (Cohen & Bailey, 1997). When an organization fosters strong relationships between employees and their employers, it creates a conducive environment for employees to perform at their best. Positive employee-employer relations often lead to greater job satisfaction, trust, motivation, and commitment, all of which are critical factors influencing performance (Locke, 1976). For instance, when employees feel supported by their supervisors and have open channels of communication, they are more likely to take initiative, collaborate effectively, and demonstrate a high level of engagement in their work.

The coefficient (B) of 0.849 in the table signifies the strength of the relationship between employee-employer relations and employee performance. A value of 0.849 is relatively strong, suggesting that improvements in employee-employer relations can lead to considerable improvements in employee performance. In other words, for every unit increase in the quality of employee-employer relations, employee performance is expected to increase by approximately 0.849 units. This strong relationship may be attributed to several factors. First, when employees perceive their relationship with their employer as positive, they tend to feel more valued and respected, which enhances their motivation and engagement at work (Vroom,

1964). The sense of security and recognition they experience in a supportive work environment often leads to improved performance outcomes.

The t-value of 22.47 is highly significant, far exceeding the typical threshold for significance (usually $t > 1.96$ for a 95% confidence level). This high t-value indicates that the observed relationship between employee-employer relations and employee performance is statistically significant, providing strong evidence against the null hypothesis that there is no relationship between the two variables. The significance of this relationship reinforces the idea that employee-employer relations are not just a trivial aspect of organizational life but a key driver of employee performance. The p-value of less than 0.05 further confirms the statistical significance of the relationship, as it indicates that the probability of observing such a strong relationship by chance is very low.

This result aligns with several empirical studies that have explored the impact of employee-employer relations on employee performance. For example, a study by Eisenberger et al. (2001) found that positive perceived organizational support, which is closely related to the quality of employee-employer relations, is positively correlated with higher levels of employee performance. Similarly, Affective Commitment Theory (Allen & Meyer, 1990) suggests that when employees feel a strong emotional attachment to their organization, which is often nurtured through positive relations with employers, they tend to put in more effort and show greater performance. Furthermore, studies have shown that supportive leadership, open communication, and employee involvement in decision-making processes

contribute to a work environment where employees feel empowered and motivated to perform better (Gerstner & Day, 1997; Tims et al., 2011).

The positive and significant relationship between employee-employer relations and employee performance can also be understood through the lens of social exchange theory. Social exchange theory posits that the relationship between employers and employees is based on reciprocal exchanges, where employees offer their performance and commitment in return for various organizational rewards, including recognition, support, and opportunities for growth (Blau, 1964). In this exchange, when employees perceive their employer as fair, supportive, and willing to invest in their development, they are more likely to reciprocate by increasing their efforts and demonstrating high levels of performance. The strong relationship observed in the study suggests that such reciprocal exchanges are occurring in the SMEs within the Central Region, with positive employee-employer relations serving as a catalyst for better employee performance.

However, not all empirical studies have found a uniformly positive relationship between employee-employer relations and employee performance. For instance, some research suggests that the impact of employee-employer relations on performance may vary depending on the organizational context, such as the size of the company, industry characteristics, and the organizational culture (Podsakoff et al., 2000). In larger organizations, for example, employees may feel more distant from their employers, which could weaken the relationship between employee-employer relations and performance. Additionally, if the workplace culture is highly competitive or hierarchical, even strong employee-employer relations may not

translate into significant improvements in performance (Zhao et al., 2007). Similarly, some studies have indicated that while positive relations with supervisors may enhance individual performance, team-based performance may not always benefit from such relationships if there are issues with intra-team dynamics or organizational structure (Balkundi & Harrison, 2006).

Furthermore, external factors such as economic conditions, organizational restructuring, or changes in leadership can influence the dynamics of employee-employer relations and their subsequent effect on employee performance. For instance, a study by Koys (2001) found that changes in organizational leadership can temporarily disrupt employee-employer relations, leading to declines in performance until a new equilibrium is established. This highlights the importance of considering the broader context when interpreting the findings of studies on employee-employer relations and performance.

Despite these contradictory findings, the vast majority of research supports the notion that positive employee-employer relations are a key factor in enhancing employee performance. The findings from this study, which show a strong and significant relationship between the two variables, contribute to the growing body of literature that underscores the importance of fostering positive relationships within organizations. The results suggest that SMEs in the Central Region can benefit significantly from investing in improving employee-employer relations, such as through enhanced communication, support systems, and involvement in decision-making processes. Such efforts can not only boost employee morale but also lead to

tangible improvements in performance, which is critical for the competitiveness and sustainability of SMEs in the region.

The positive and significant relationship between employee-employer relations and employee performance, as demonstrated by the results of this study, provides valuable insights for organizations seeking to improve their workforce performance. The strong coefficient and statistical significance of the relationship underscore the importance of cultivating a supportive, communicative, and empowering work environment. While there are some studies that present contrasting findings, the prevailing evidence suggests that positive employee-employer relations play a crucial role in enhancing employee performance. SMEs in the Central Region, therefore, have a compelling incentive to focus on improving these relations as part of their strategy for boosting employee performance and achieving organizational success.

Chapter Summary

This chapter was centered on the results and discussion of the study. The first objective of the study was to analyse the employer-employee-employer relations existing among the small and medium enterprises in Central Region. This objective was achieved by using the mean and standard deviation. The second objective was to analyse the level of employee performance among small and medium enterprises in the Central Region. This objective was also achieved by using the descriptive statistics. The final objective of the study was to analyse the effect of employee-employer relations on employee performance. This objective was achieved by using the structural equation model. The chapter also discussed the demographic characteristics of the respondents.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

Introduction

It just so happens that this is the very last chapter of the research. In this chapter, we will go through the results and conclusions, as well as the policy implications and suggestions that stem from the research. In addition, the chapter provides some ideas for additional research.

Summary

This study was aimed on the examination of the effect of employer-employee-employer relations on employee performance. Specifically, the study sought to examine the employee-employer relations among Small and Medium Enterprises in the Central Region; to assess the level of employee performance among Small and Medium Enterprises in the Central Region; to examine the relationship between employee-employer relations and employee performance among Small and Medium Enterprises in the Central Region.

The study was centered on the Herzberg's two-factor theory and Locke's theory of goal setting. The study employed the explanatory research design since the study tested the relationship between the various variables. The data collection instruments were questionnaire. The study employed the quantitative research approach. The simple random sampling technique was used in selecting a respondent of 326. Descriptive statistics and structural equation model were employed to analyse the objectives of the study.

The study aimed to explore the perceived level of employee-employer relations, the level of employee performance, and the relationship between these two factors among small and medium enterprises (SMEs) in the Central

Region. The findings offer important insights into the dynamics that shape employee performance within these organizations.

Regarding employee-employer relations, the study found that employees in the region generally perceived their organizations as fostering positive relations with their employers. Key aspects such as open communication, support from colleagues and supervisors, and the opportunity for professional growth were highly rated by the respondents. The organization's ability to resolve conflicts effectively and promote a harmonious work environment was also positively perceived. However, employees rated the opportunity for participation in decision-making and the level of autonomy in their roles slightly lower. The mean scores for these items indicated a strong perception of positive employee-employer relations, suggesting that SMEs in the Central Region have cultivated work environments that support effective collaboration and communication, essential for a productive workforce.

In terms of employee performance, the study found that employees in the SMEs studied generally rated their performance highly. Key indicators such as seeking feedback, taking initiative to solve problems, collaborating effectively with colleagues, adaptability to change, and the continuous striving for skill enhancement received strong ratings. Employees also demonstrated a high level of accuracy, attention to detail, and a strong work ethic, contributing to their overall performance. However, items such as consistently meeting expectations and managing time effectively scored slightly lower, indicating that while employees are generally high performers, some aspects of performance, such as time management and meeting specific goals, may

still require attention. The overall positive ratings suggest that the employees in the region are highly engaged and committed to their roles.

The third objective, which explored the relationship between employee-employer relations and employee performance, revealed a strong and significant positive correlation. The results from the structural equation model indicated that improvements in employee-employer relations are associated with higher levels of employee performance. This relationship was found to be statistically significant, with a coefficient of 0.849, a t-value of 22.47, and a p-value less than 0.05. The findings suggest that when employees perceive their relationships with their employers as supportive, communicative, and empowering, their performance levels tend to be higher. This supports the idea that fostering positive employee-employer relations can directly contribute to enhanced employee performance.

The key findings indicate that SMEs in the Central Region are largely successful in establishing a work environment where employee-employer relations are conducive to high performance. The study highlights the importance of communication, support, and development opportunities in shaping these relations. Moreover, the strong relationship between employee-employer relations and employee performance underscores the significance of cultivating a positive work culture to boost productivity and engagement. These findings suggest that SMEs in the region can further improve their performance by continuing to prioritize these relational aspects and addressing areas where there is room for improvement, such as autonomy, decision-making involvement, and time management.

Conclusions

The conclusions drawn from this study provide valuable insights into the dynamics of employee-employer relations and employee performance among small and medium enterprises (SMEs) in the Central Region. Based on the analysis of employee-employer relations, employee performance, and the relationship between these two factors, several key conclusions can be made.

First, the study concluded that employees in SMEs within the Central Region generally perceive their organizations as fostering positive employee-employer relations. Key aspects such as open communication, support from colleagues and supervisors, and opportunities for professional growth are highly valued by employees. These positive perceptions are crucial as they create a conducive work environment that encourages employee engagement, satisfaction, and loyalty. However, the study also indicated that there is room for improvement in areas such as employee participation in decision-making and the level of autonomy in job roles, which are perceived somewhat lower than other factors. This suggests that while organizations excel in fostering support and collaboration, they could benefit from further empowering employees by involving them more in decision-making processes.

Regarding employee performance, the study concluded that employees in the SMEs studied exhibit a high level of performance across several dimensions. These include taking initiative, collaborating effectively, adapting to change, and continually striving for skill enhancement. The high ratings in these areas reflect a workforce that is motivated, proactive, and committed to achieving results. However, the study also revealed that there are areas where performance could be further optimized, such as in consistently meeting set

expectations and managing time effectively. The slightly lower ratings in these areas suggest that while employees demonstrate strong commitment to their work, there may be challenges in maintaining consistency in performance, particularly when it comes to managing workloads and adhering to deadlines.

The most significant conclusion from this study is the positive and statistically significant relationship between employee-employer relations and employee performance. The structural equation model revealed a strong link between the two variables, indicating that when employees perceive their relationships with their employers as positive, their performance is likely to improve. This conclusion emphasizes the importance of fostering supportive and communicative relationships between employers and employees. Organizations that prioritize open communication, support, and opportunities for professional growth are likely to see an increase in employee motivation and overall performance. This finding reinforces the notion that employee-employer relations play a critical role in driving employee performance, particularly in SMEs where resources may be limited, and the workplace environment often has a more direct impact on individual performance.

This study highlights the significant role that employee-employer relations play in shaping employee performance in SMEs. It underscores the importance of fostering positive relationships in the workplace, as these are strongly linked to higher levels of performance. SMEs in the Central Region can enhance employee performance by focusing on improving areas such as autonomy, decision-making participation, and time management, while continuing to strengthen the supportive, communicative, and growth-oriented aspects of employee-employer relations. These efforts will not only improve

individual performance but also contribute to the overall success and sustainability of SMEs in the region.

Recommendations

This study put forward some essential recommendations.

1. Employees of small and medium enterprises must foster a culture of open communication. Encourage open and transparent communication between employees and employers. Establish channels for feedback, suggestions, and concerns. Actively listen to employees and address their needs and concerns promptly. This will help build trust and improve overall communication within the organisation.
2. Employers must also provide opportunities for growth and development. Invest in the professional development of your employees. Offer training programs, mentorship opportunities, and career advancement prospects. Supporting employees in their growth demonstrates your commitment to their success and encourages higher performance.
3. Implement a system of recognition and rewards to acknowledge and appreciate employees' efforts and achievements. Recognize employees for their hard work and celebrate milestones. This fosters a positive work environment and motivates employees to continue performing at their best.
4. Create opportunities for collaboration and teamwork among employees. Encourage cross-functional projects, team-building activities, and knowledge sharing. This promotes a sense of camaraderie and enhances collective performance.

Suggestions for Further Research

The study's objective was achieved by using the quantitative approach. Further studies can employ the qualitative or the mixed approach to analyse the objectives of the study.

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APPENDIX
UNIVERSITY OF CAPE COAST
SCHOOL OF BUSINESS
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT
QUESTIONNAIRE

The researcher is conducting a study on the topic “EMPLOYEE-EMPLOYER
RELATIONS AND EMPLOYEE PERFORMANCE AMONG SMALL AND
MEDIUM ENTERPRISES IN CENTRAL REGION”

“Please your response provided for this academic purpose will be treated with
high confidentiality.”

THANK YOU.

“Please write or tick [√] where applicable”

SECTION A: DEMOGRAPHIC CHARACTERISTICS

1. Gender Male [] Female []
2. Age 18-24 [] 25-34 [] 35 – 44 [] 45-55 [] Above
55 []
3. Education Level Non formal [] Primary Education []
Secondary Education [] Tertiary []
4. Nature of Enterprises
Manufacturing [] Hairstyling [] Trading/Retailing []
Tailoring/Dressmaking [] Others (Please specify) []
5. Number of years in business 1-5 [] 6-10 [] 11-15 []
Over 15 []
6. Current number of employees 1-5 [] 6-10 [] 11-15 []
over 15 []

SECTION B: EMPLOYEE-EMPLOYER RELATIONS

To what extent do you agree with the following statements?

Where: 1=Strongly Disagree; 2=Disagree; 3= Moderately agree; 4=agree;

5=Strongly agree

No		1	2	3	4	5
1	My organisation encourages open and constructive communication among employees.					
2	I feel comfortable seeking assistance or guidance from my supervisor/team leader.					
3	My organisation provides opportunities for employees to participate in decision-making processes.					
4	My organisation effectively resolves conflicts and promotes a harmonious work environment.					
5	I am satisfied with the level of autonomy and decision-making authority I have in my role.					
6	I feel supported by my colleagues in achieving my work goals.					
7	My organisation provides opportunities for professional growth and development.					
8	I believe that my organisation invests in creating a positive and supportive work culture.					
9	I feel motivated to give my best effort in my work.					
10	I have a good working relationship with my immediate supervisor.					

SECTION B: EMPLOYEE PERFORMANCE

To what extent do you agree with the following statements? Where:

1=Strongly Disagree; 2=Disagree; 3= Moderately agree; 4=agree; 5=Strongly agree

No		1	2	3	4	5
1	I consistently meet the expectations and goals set for my role.					
2	I effectively prioritize my tasks and manage my time to meet deadlines.					
3	I demonstrate a high level of accuracy and attention to detail in my work.					
4	I actively seek feedback to enhance my performance and skills.					
5	I effectively collaborate with my colleagues to achieve common goals.					
6	I take initiative to solve problems and make improvements in my work area.					
7	I am adaptable and flexible in handling changes and challenges.					
8	I continuously strive to enhance my knowledge and skills relevant to my role.					
9	I effectively utilize the resources and tools provided to perform my job.					
10	I demonstrate a strong work ethic and commitment to achieving results.					

THANK YOU