

إقرار

أنا الموقع أدناه مقدم الرسالة التي تحمل العنوان:

إدارة علاقات الموظفين وتأثيرها على أداء الموظفين في قطاعي الاتصالات والبنوك

**Employee Relationship Management and its Effect on  
Employees Performance at Telecommunication and Banking  
Sectors**

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**الجامعة الإسلامية- غزة  
عمادة الدراسات العليا  
كلية التجارة  
قسم إدارة الأعمال**

## **Employee Relationship Management and its Effect on Employees Performance at Telecommunication and Banking Sectors**

**إدارة علاقات الموظفين وتأثيرها على أداء الموظفين في قطاعي البنوك والاتصالات**

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## نتيجة الحكم على أطروحة ماجستير

بناءً على موافقة شئون البحث العلمي والدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحثة/ نسرين أسامه بكر الخزندار لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

إدارة علاقات الموظفين وتأثيرها على أداء الموظفين في قطاعي البنوك والاتصالات

### Employees Relationship Management and its Effect on Employee Performance at Telecommunication and Banking Sectors

وبعد المناقشة التي تمت اليوم السبت 05 ذو الحجة 1436هـ، الموافق 2015/09/19م الساعة

العاشرة صباحاً، اجتمعت لجنة الحكم على الأطروحة والمكونة من:

.....  
.....  
.....

د. سامي علي أبو الروس مشرفاً و رئيساً

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وبعد المداولة أوصت اللجنة بمنح الباحثة درجة الماجستير في كلية التجارة/قسم إدارة الأعمال.

واللجنة إذ تمنحها هذه الدرجة فإنها توصيها بتقوى الله ونزوم طاعته وأن يسخر علمها في خدمة دينها ووطنها.

والله ولي التوفيق ،،،

نائب الرئيس لشئون البحث العلمي والدراسات العليا

.....

أ.د. عبدالرؤوف علي المناعمة

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

{ وَقُلْ رَبِّ زِدْنِيْ عِلْمًا }

سورة طه: (آية: 114)

{My Lord, increase me in knowledge}

Surah Ta-Ha: (114)

## **Dedication**

*To my parents Eman & Osama*

*To my Brother and Sisters*

*(Tareq, Mai, Kholoud and Heba)*

*To the soul of my grandfather*

*To my family and friends*

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## Abstract

This research investigates the effect of Employee Relationship Management (ERM) on the employees' performance in Telecommunication and Banking Sectors in Gaza Strip where Palestine Telecommunication Company (Paltel) company represents the telecommunication sector, and Bank of Palestine (BoP) and Palestine Islamic Bank represent the banking sector. ERM main components are (Human Resources Practices, Communication, Trust, Shared Goals and Values, and Leadership Styles). The study also aims to identify differences with statistical coefficients in the employees attitudes towards the effect of ERM on employees' performance resulted from the demographic characteristics of the study population.

The data of the research was collected using a questionnaire which was distributed to 200 employees (males, females) in the telecommunication and banking sectors. A number of 168 questionnaires were valid for analysis.

The following are the most important results:

1. It is concluded that ERM components have positive effect on the employees' performance at telecommunication and banking sectors.
2. ERM builds and enhances relationships, reinforces commitment and improves the employees' performance.
3. There is a positive strong relationship between employee relationship management components and the employee's performance.
4. ERM components are ordered according to their effect on the employees' performance. It is noticed that shared goals and values have the highest degree of approval from the view point of the employees then HR Practices, followed by communication and then leadership styles and finally the Trust.
5. Shared goals and values have the greatest effect on the employees' performance. Sharing goals and values with the employees are considered prerequisite and foundation to improve employees' performance.
6. Applying HR practices in both sectors helps the employees perform their jobs very well.

The most important recommendations were:

1. Organizations in telecommunication and banking sectors should pay special attention to ERM
2. Organizations in both sectors should focus on training as a very helpful strategy to develop the employees' skills and abilities to enable them carry the tasks on the right way.
3. Organizations should apply HR practices to achieve improved results in their employees' performance.
4. Organizations should provide inspiring and effective leadership, open and transparent communication which will lead to motivated employees and good performance.
5. Organizations should improve communication with the employees through exchanging ideas, feelings and opinions with management.
6. Organizations should involve their employees in decision making which will improve trust between them.

## ملخص الدراسة

تسعى هذه الدراسة إلى التعرف على إدارة علاقات الموظفين وأثرها على أداء الموظفين في قطاعي البنوك والاتصالات في قطاع غزة. تمثل شركة الاتصالات الفلسطينية قطاع الاتصالات بينما يمثل قطاع البنوك كلا من بنك فلسطين والبنك الإسلامي الفلسطيني. حيث كانت مكونات إدارة علاقات الموظفين هي (ممارسات الموارد البشرية، الاتصالات، الثقة، الأهداف والقيم المشتركة، الأساليب القيادية). وقد هدفت الدراسة إلى التعرف على مدى وجود فروق ذات دلالة احصائية في اتجاهات العاملين نحو تأثير إدارة علاقات الموظفين على الأداء الوظيفي. وقد تم جمع بيانات الدراسة باستخدام استبانة تم توزيعها عشوائياً على 200 موظفاً وموظفة في قطاعي الاتصالات والبنوك. وقد تم جمع 168 استبانة صالحة للتحليل.

وقد توصلت الدراسة إلى النتائج التالية:

1. أظهرت الدراسة موافقة على وجود تأثير إيجابي لمكونات إدارة علاقات الموظفين على أداء الموظفين في قطاعي البنوك والاتصالات.
2. تبني إدارة علاقات الموظفين العلاقات مع الموظفين وتعزيزها وتساهم في التزام الموظفين وتحسين أدائهم.
3. هناك علاقة ايجابية قوية بين مكونات إدارة علاقات الموظفين والأداء الوظيفي.
4. مشاركة الأهداف والقيم مع الموظفين أخذت أعلى ترتيب من حيث تأثيرها على أداء الموظفين ومن ثم ممارسات الموارد البشرية متنوعة بالاتصالات ويلبها الأساليب القيادية وبالنهاية الثقة.
5. مشاركة الأهداف والقيم لها تأثير كبير على أداء الموظفين حيث تعتبر ضرورية ومهمة لتحسين أداء الموظفين.
6. تطبيق ممارسة الموارد البشرية في القطاعين يساعد الموظفين على انجاز أعمالهم بشكل جيد.

وقدمت الدراسة عدة توصيات أهمها:

1. يجب أن تعطي المؤسسات في قطاعي البنوك والاتصالات اهتمام خاص لإدارة علاقات الموظفين.
2. ضرورة أن تهتم المؤسسات في كلا القطاعين في تدريب الموظفين كاستراتيجية مفيدة لتطوير مهارات وقدرات الموظفين وتمكينهم من انجاز مهامهم بالشكل الصحيح.
3. ضرورة أن تطبق المؤسسات ممارسات الموارد البشرية للوصول إلى نتائج محسنة لأداء الموظفين.
4. ضرورة أن تهتم المؤسسات بوجود أساليب قيادية فعالة لديها مهارات اتصالات مفتوحة وشفافة لكي يتم تحفيز الموظفين والوصول إلى الأداء الوظيفي الجيد.
5. ضرورة أن تحسن المؤسسات التواصل مع الموظفين من خلال تبادل الأفكار والآراء مع المدراء.
6. ضرورة مشاركة الموظفين في اتخاذ القرارات مما يؤدي إلى تحسين وزيادة الثقة لديهم.

# **Chapter 1**

## **The Research General Framework**

- **Introduction**
- **The Research Problem Statement**
- **The Research Hypotheses**
- **The Research Variables**
- **The Research Objectives**
- **The Research Importance**

## **Introduction**

Employees are the focal point in the success of every organization. If the employees work together and share a good relationship with employers they can achieve their tasks much faster. Managing employee relationship is important and valuable to the organizational success and achieving competitive advantage. It is necessary to have a strong relationship between employees and employers that leads to productivity, motivation, and better performance.

Human resource system is the unique central component in any organization and controls other components in an organization like finance, marketing, materials, technology, information and production. In today's scenario where all other resources flow freely across borders only knowledge is meaningful which forms the basis to be advantageous in any organization as the businesses today are undergoing fast changes due to changes in technology etc. Thus Human Resource Management (HRM) tries to establish good relationship among employees and maintain high morale and provide good working conditions in an organization. It helps and acts as a change agent while controlling various activities of the organization (Bajaj et al., 2013, p. 90).

Employee Relationship Management (ERM), in some organizations is labeled Employee Relations Management, meaning the same thing, is a tool and a strategic process to manage and increase motivation in the workforce by increased focus on continuous perfection of the individual relationships between the employer and each employee (Wargborn, 2008, p. 67).

Applying of ERM within an enterprise is now a critical success factor for strategic HR policy. ERM is not technology, or software product, but a concept that focuses on new forms of communication within a company (aedem.nl, 2008). Like any other new management concept, ERM is viewed as an advantageous approach that offers mutual values for employees and employers. Major values promised to employees are the greatest possible satisfaction of their individual needs, while the increased attraction, retention, motivation and performance of employees are values promised to employers (Strohmeier, 2013, p. 13).

Generally speaking ERM means that the administrative staff at all levels of enterprises and the administrative staff of human resource realizes the organizational goal through working out and implementing various human resource policies and administration behaviors, and regulating the connection and influence among enterprise and staff. Specially ERM refers to the communication management between enterprise and the staff, this kind of communication adopts flexibility, encouraging and non-compulsory means to improve staff's satisfaction, support enterprise to realize the goal. ERM runs through every aspect in human resource management, which begins from the first day employing the staff in (Yongcai, 2010, p. 940).

It includes all the matters between employers and managers that rose everyday between these associations and hence ERM includes relations which are collective including managers and workers. It promotes Commitment, facilitates employees in achievement of organizational objectives minimizes workplace conflict and increases trust (Bajaj et al., 2013, p. 90).

Seeking to create a positive employee relations environment must be a part of every manager's performance objectives. Supervisors and managers are the key link between employees and their company. If these relationships are strong, then employees are more likely to be satisfied with their jobs and more productive as a result (Daniel, 2003, p. 56).

Considering individual employee needs carefully, and thus creating genuine employee value, will contribute to the attraction and retention of qualified employees and particularly in increasingly strained labor markets. Moreover, this should also clearly strengthen employee motivation and performance. In this respect, employee value should also be conceptualized in a broad sense. In addition to the economic needs (e.g., salary, bonuses, benefits) of employees, their psychological (e.g., self actualization,

competence, achievement) and social needs (e.g., recognition, relatedness, trust) require thorough consideration (Strohmeier, 2013, p. 95).

However, since people are involved, ERM needs sensitive handling, especially during times of technological changes, market slump, cost-cutting and organizational restructuring. The ERM must address procedural and interactional equity, which means “people” involvement in all vital processes (Singh & Kumar, 2011, p. 126).

### **The Research Problem Statement**

In recent times, while most employees at telecommunication and banking sector are on job, they do not put up their best performance if there is unhealthy relationship between them and their employers. If employees are not happy, then it is unlikely that they will make the customers happy. The organization is therefore throwing its profits and its business away. For that reason management should care of managing strong relationship with their employees.

From one standpoint, human resources are the most important asset in the organization. From another point of view, management is responsible for organizing, coordinating, planning staff and other organizational resources in order to achieve the stated goals and objectives. This situation creates a necessity of employer-employee relationship, which is good for the growth of any organization (Bratton & Gold, 2003, p. 357). No organization can survive without giving importance to its employees. They are the first customers and their requirements should be identified and fulfilled. Like CRM, ERM is the mantra an organization should follow to retain their employees. Fulfilling the reasonable expectations of employees should be a continuous process (Kar et al., 2011, p. 7).

The problem with a relationship is that it is much like an iceberg. The visible part of the relationship is only the tip of the iceberg that is visible above the water level. Most of the factors that determine the quality of a relationship is beneath the water. All these are done with the aim of improving productivity rather than interacting with employees (Debaawy, 2011).

In Gaza, several private organizations apply ERM without labeling it ERM. In order to clarify that and the status of ERM in those organizations, - Mr. Wael Sorani- Assistant General Manager for Gaza Strip Branches in Bank of Palestine was interviewed. He obtained that ERM actually exist in Bank of Palestine but it is not documented or managed as ERM. It realize to a greater extent how much the organization can profit from improved interpersonal relationships between employees of the bank and it needs to be improved to gain the effects of improved relationships and bring more positive aspects to the bank.

The problem that this study intends to address whether employees performance may vary based on the level of interaction they have with their manager. This study intends to determine whether there is an effect for ERM on performance at the organizations in telecommunication and banking sectors. Hence the problem of this research can be summarized in the following statement:

**To What extent employee relationship management contributes to improve employee’s performance?**

### **The Research Hypotheses**

The study includes the following hypotheses:

1. There is a statistical significant relationship for employee relationship management components on the employee’s performance at 0.05 level.
  - a. There is a statistical significant relationship for applying HR practices on the employee’s performance at 0.05 level.
  - b. There is a statistical significant relationship for communication on the employee’s performance at 0.05 level.



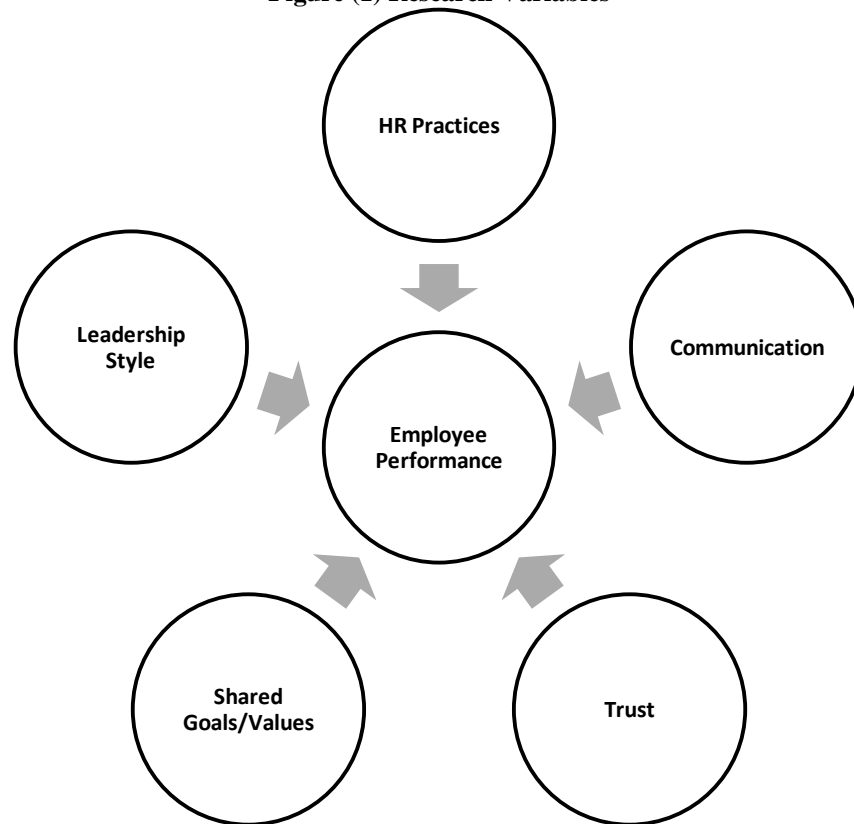
- c. There is a statistical significant relationship for Trust on the employee's performance at 0.05 level.
  - d. There is a statistical significant relationship for shared goals/values on the employee's performance at 0.05 level.
  - e. There is a statistical significant relationship for leadership style on the employee's performance at 0.05 level.
2. There is a statistical significant effect for employee relationship management components on the employee's performance at 0.05 level.
  3. There is a statistical significant differences among respondents toward employee relationship management due to personal traits.

### The Research Variables

The variables of the research are the following:

1. Dependent Variable: Employee Performance
2. Independent Variables (ERM Components):
  - a. HR Practices
  - b. Corporate Communication
  - c. Trust
  - d. Shared goals/values
  - e. Leadership Style

**Figure (1) Research Variables**



Source: Articulated by the Researcher, 2015, based on ERM Models

## **The Research Objectives**

This study aims to achieve the following objectives:

1. To investigate the importance of ERM at telecommunication and banking sectors.
2. To examine the effect of ERM on employees performance at telecommunication and banking sectors.
3. To identifying the obstacles and problems that impact negatively on implementation of ERM.
4. To provide recommendations and suggestions on how to apply ERM in the organizations.

## **The Research Importance**

The importance of the research comes from the following aspects:

1. It explore the ERM concept which is currently emerging trend and there is a little knowledge and agreement about it.
2. To offer some useful information about ERM to be used for scientific research. The research can contribute to build up researcher's knowledge and understanding of ERM concept.
3. Providing awareness to the examined organizations at the telecommunication and banking sectors about ERM and its effect on employee's performance.
4. This study help Telecommunication and Banking sectors organizations to achieve a high level of performance by applying ERM in their work.
5. This research is a way to develop the skills of the researcher at the research skills and give him the ability to learn more about ERM concept, process and implementation.

## **Chapter 2**

### **Literature Review**

- **Section 1: Employee Relationship Management**
- **Section 2: Employee Performance**

## **Section (1) - Employee Relationship Management**

### **Introduction**

Since the employees are the pillars for the companies building of relationship with the customers, a deliberate and well-thought-out initiative is required by the companies to build foundation for a strong relationship of employees with the organization (Rai, 2013, p. 327).

Employers should take care of the needs of the employees and this can be understood by HRM practices like Training, Job satisfaction, Job Rotation, Participative Management, Performance Appraisal and Career Planning for their employees. Satisfied employees can contribute more towards Employee Relations and hence ERM status can be understood by equating ERM to satisfaction of employees where satisfaction is taken as proxy variable (Sinha & Bajaj, 2013, p. 32).

Building a good relationship with an employee is the best way to close the employee's productivity gap. It also promotes the employee personal effectiveness and productivity because when the manager take the time to develop these relationships and guide employees in their work it will be able to produce more quality work. Only through good relationships combined with strong, sensitive leadership can a cohesive department be built (Chapman & Goodwin, 2001, p. 68).

On the pattern of customer relationship management (CRM), the concept of ERM has developed. While CRM is the external response to 'why' an organization does business, ERM is the internal response to 'how' an organization does business. ERM is a wider set of functions that encompasses learning performance and incentive guidance, workforce analysis, and a host of other operational issues related to managing human resources. (Swarnalatha & Prasanna, 2013, p. 8).

The need for an ERM within the enterprise is sine quo non for every enterprise operating in a competitive environment. ERM aims to produce successful, world class organization through relationship building with and among its employees (Singh & Kumar, 2011, p. 126).

Indeed, in large companies, "keeping in touch" with tens or hundreds of thousands of employees can be a daunting task. Of course, employees have personal contact with their immediate supervisors, but does that always give the employee a warm feeling that the company cares about them as an individual, and having a loyal workforce can be as important to a company as having a loyal customer base (Gillenson & Sanders, 2005, p. 46).

ERM strives to build long-term relationships with valued employees. ERMs two main internal user groups are employees and managers. Managers can use ERM to help them with a number of people management tasks: recruitment, training, performance management and remuneration. ERM enables managers to communicate with their teams, align employees with the overall goals of the business, share information and build a common understanding. ERM also offers support to employees through workflow modelling that depicts how tasks should be performed, provision of job-related information and collaboration with colleagues (Buttle, 2009, p. 358).

ERM provides employees with support, such as information about the organization's products, technologies and processes. ERM assist the employees in their daily work towards the customer (Thorzen, 2011, p. 38). It also increase employee satisfaction, commitment and retention due to better alignment of employees to individual career goals and aspirations (Prouse, 2004, p. 3).

The hard and soft cost of losing a key employee is expensive and in some cases devastating. Turnover is a non-budgeted item and that cost hits the bottom line dollar for dollar. So retention of employees is extremely important especially when there is a 'War For Talent'. ERM focuses on building relationship and trust that leads to happy employees. Happy employees work better together, have greater trust, and

are a great recruiting vehicle because they tell others they love where they work but most importantly they are willing to commit to extraordinary results. ERM touches every function within an organization (Krill, 2008, p. 3).

### **Definition of Employee Relationship Management:**

Employee relationship (ER) is a kind of special interpersonal relationships , which is a concept put forward by the western scholars in the 20th century in order to replace industrial relation, it refers to the relationship of right and obligation , management and obeying caused by the interests between enterprise and the staff, which is also shown as the total of cooperating , conflict , strength and power relations, and is influenced by economic, technology, policy, legal system and social culture background in certain society (Yongcai, 2010, p. 940). Employee employer and employee organization relationships are part of a business's internal relationship management. Much research regarding this internal relationship management has focused on organizational behavior/theory and human resource management (Liao et al., 2004, pp. 25-26). Thus, Employee Relationship is defined as a relationship between employer or the representative manager and employees, aimed towards maintaining commitment morale and trust so as to create productive and secure workplace environment (Bajaj et al., 2013, p. 90).

ERM is a relatively new concept, a general definition hence understands ERM as strategy, programs and technology to effectively manage how firms relate to prospective, current and former employees. There are many similarities to customer relationship management (CRM), which is understandable since the notion of ERM has been derived from that concept (Lagergren & Andersson, 2013, p. 21). Moreover there are comparable terms such as human capital management and talent management (Buttle, 2009, p. 357), although it is unclear whether these terms denote the same concept.

ERM can be defined as a specific field of human resource management (Yongcai, 2010, p. 940). It is the process of adopting various controlling methods and practices to regulate the relations between company vs. staff and employee vs. employee, and enables the company to achieve its goals (Jing, 2013, p. 2).

Oluchi defined ERM as a process that companies use to effectively manage all interactions with employees, ultimately to achieve the goals of the organization. The human resources department can play a critical role in this process, both in terms of training and coaching managers and executives on how to effectively establish and nurture relationships with employees and in measuring and monitoring those relationships to determine whether objectives are being met (Oluchi, 2013, p. 11).

ERM is a term that refers to relationship development and management between employers and their employees. There are a lot of different issues that can affect employee satisfaction, which has a direct result on employee productivity and overall corporate culture (employeesurveys.com, 2013).

ERM is a dynamic process of managing the relationship between knowledge worker and corporation such that knowledge workers elect to continue a mutually beneficial exchange of intellectual assets for compensation in a way that provides value to the corporation and are dissuaded from participating in activities that are unprofitable to the corporation (Bergeron, 2003, p. 196).

ERM is all about effective organizational communications, which can build employee confidence, trust and loyalty, enabling managements to realize the potential of the skills and knowledge within the organization. It is a powerful business tool that enables employees to do their job better. The emerging discipline of ERM allows organizations to identify, differentiate, interact and personalize the relationship with their employees. (Rai & Pareek, 2012, p. 35).

Specially ERM refers to the communication management between enterprise and the staff, this kind of communication adopts flexibility, encouraging and non-compulsory means to improve staff's satisfaction, support enterprise to realize the goal. ERM runs through every aspect in human resource management, which begins from the first day employing the staff in (Yongcai, 2010, p. 941). Looking from

the management function of Human Resource Department, the basic content of ERM is shown as in the table below.

**Table 1: Basic Content of Employee Relationship Management**

category	basic content
labor relationship management	As the key part, it includes the labor dispute solution, labor interview of admission or severance ,labor pleading , personnel dispute and emergency solution
communication management	Guarantee the smooth of communicative channel, adopt the effective way of communication to guide the two-way exchange between enterprise and the staff
employee participation management	Build good staff's participating environment, take the effective management style to give play to the staff's intelligence and wisdom, fully realize the self-value , bring about an advance in harmonious enterprise of the labor and capital
employee information management	Set up employee information management system, offer information support for the enterprise's strategy and human resource management, and promote the information sharing of every department , promote the communication inside enterprises
enterprise culture construction	Build and popularize the corporate culture, lead staff to keep unanimity with company's values, impel the common development of enterprises and staff

Source: Yongcai, “Employee Relationship Management of Small and Medium-sized Enterprises”, 2010, p. 941

Take into account all related definitions to ERM, the researcher summarizes that ERM manages the relationship between the employer and its employees through meaningful communication in order to improve employee satisfaction, employee commitment, employee performance and reduce employee turnover to achieve organization goals.

### **ERM Process**

Applying ERM requires specific processes that offer operational measures to achieve the objective of individualized, mutually valuable relationships. A first group exclusively focuses on recruiting which explains the term “candidate relationship management”. By contrast, a second group focuses on all customary HR domains, i.e., beyond recruiting also development, compensation, etc. The combination of domains and characteristics as categorization criteria hence offers an instructive possibility to categorize ERM processes as well.

The core of ERM process can be classified in three general areas according to their general roles or purposes as shown in figure 2 below (Strohmeier, 2013, p. 97)

1. Collaborative processes refer to the interaction between organization and employees in recruiting, development, compensation, etc. — things that are required for building and maintaining the intended relationships.

2. Operational processes refer to all administrative activities related to recruiting, development, compensation, etc., as required by the strategic aim of the concept. The main difference between this and current operational HR activities lies in the consistent orientation toward individual employees. In operative compensation, for example, payroll processing changes from calculating identical salary components to calculating different and even unique components for each employee.
3. Analytical processes refer to the collection, preparation and provision of the in-depth information required to support decisions in operational and collaborative ERM. Major information needs to refer to individual employee preferences, to the history of individual operations and collaborations and, in particular, to reasonable future operations and collaborations. In brief, ERM processes are comprised of collaborative, operational and analytical activities within the familiar, however consistently individualized HR.

**Figure (2) Categorization of ERM processes**

		Process Domain		
		Recruiting	Development	Compensation
Process Characteristic	Collaborative	e.g. Communication of personalized corporate news to alumni	e.g. Joint specification of individual career paths	e.g. Joint specification of individual benefit components
	Operational	e.g. Printout of invitation for interview	e.g. Compensation of training course catalog	e.g. Processing of employee payrolls
	Analytical	e.g. Prediction of application job preferences	e.g. Recommendation of individual training courses	e.g. Prediction of future compensation components requests

**Source:** Strohmeier, “Employee relationship management — Realizing competitive advantage through information technology”, *Human Resource Management Review*, 2013, p. 97

### Goals of ERM

ERM aim to produce successful world-class organizations through relationship-building with and amongst its employees. High-performing organizations have a few common employee relations practices, but this being an inexact science at best, a simple, do-it-yourself formula fitting all situations does not exist. There are also clearly identifiable organizational issues that are responsible for productivity gaps. Employee relations, therefore, tries to inculcate characteristics that render an organization a success, and at the same time, proactively sensitizes itself to the organizational issues that can retard productivity. It is a given that change is inevitable (and essential for survival and growth), and employee relations management is increasingly geared towards increasing productivity, returns and competitiveness. ERM aims towards building and maintaining commitment, morale and trust so as to create a productive and secure workplace environment (Singh & Kumar, 2011, p. 126).

ERM goals are summarized in the following points (Singh & Kumar, 2011, p. 127):

1. Establishing a link and a congruency between employee contract and the employment relationship through a psychological commitment.
2. Terms and conditions of employment to be based on the principle of fairness and ensuring the organizational objectives as well as individual needs and aspirations are fulfilled.
3. Developing policies, procedures, rules and regulations that are fair just and conform to the basic objectives as well as individual needs and aspirations are fulfilled.

4. Defining and clarifying performance management expectations and standards to enable employees to strategize and plan for the achievement of tasks and targets set for their job positions.
5. Developing effective communication channels and systems that ensure the information needs of employees are met.

### **Importance of ERM**

It is desirable for an organization to have proper and effective ERM since this enables the personalizing of Employee Relations. Good Employee Relationships contributes significantly to the success of the organization. The importance of ERM is summarized in the following point (Vineet et al., 2013, p. 23):

1. ERM promotes commitment, morale and trust in the organization. It establishes a link and congruency through psychological commitment between employees contract and employment relationship. It also aims at principle of fairness and ensures that organizational objectives as well as employee needs are fulfilled.
2. ERM facilitates employees in achievement of organizational objectives. It further tries to help employees in achieving tasks and targets set for their job positions and helps in developing effective communication channels and systems so that information needs of employees are met. It emphasizes on performance, growth and development of employees for creating competitive advantage.
3. It helps in improving working conditions, administrating effective Human Resource policies, establishing healthy relations among employees; it inculcates a sense of belongingness among employees. They develop mutual responsibility which enhances performance, productivity, morale and empowers them and also encourages them to improve organizations pride.
4. ERM minimizes workplace conflict, increases trust.
5. It is important as it promotes and develops employer-employee relationship, it minimizes workplace conflict, at individual level, inter group team and intra group team levels. In the current scenario where respect and trust are losing its level everywhere, ERM helps to secure the highest possible level of mutual understanding and respect.
6. ERM Motivates Employees, it provides motivational incentives and benefits to employees and establishes democratic systems.
7. It improves the quality of work life and minimizes stress.

### **Advantages of ERM**

ERM have many advantages to the organizations, it doesn't only foster high level of performance. Other documented positive effect in organizations include: (Wargborn, 2008, p. 69)

1. Strengthens corporate communication and culture.
2. Fosters learning - about company products, services and customers.
3. Provides real time access to company training.
4. Targets information to employees based on their interests and needs – user personalization.
5. Streamlines performance management.
6. Manages resources creatively.
7. Frees the HRM department to concentrate on more strategic tasks.
8. Raises productivity.
9. Encourages innovation levels.
10. Reduces turnover.
11. Reduces recruitment and training costs.
12. Affords effective and consistent rewarding.

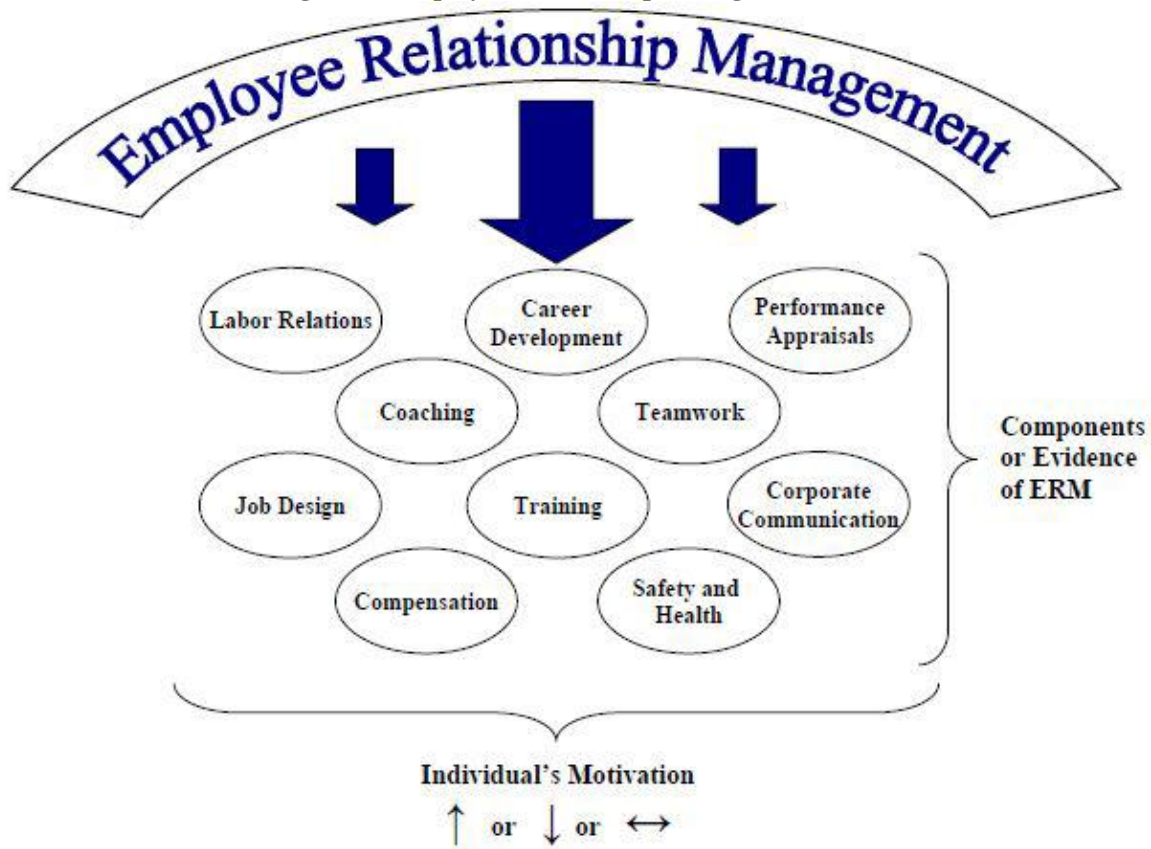


## ERM Models

There are many models that are related to ERM and its component.

1. Employee Relationship Management Model: Since the amount of research conducted on the concept of ERM has been fairly limited thus far. Below are the models which the researcher found in the literature which is related to ERM and firm-employee relationship. From those models the researcher took the research variables which related to the employee performance. The model below in figure (3) illustrates the ERM components which are related to the motivation of the employees. These components are Corporate Communication, Teamwork and HR Practices such as Training, Compensation, Performance appraisal, Career development, Safety and health, Job design, Coaching and Labor relations. In this case, ERM would actually exist within the organization as some kind of “invisible umbrella” on top of everyday processes and practices which are known to employees and managers (Wargborn, 2008, p. 101).

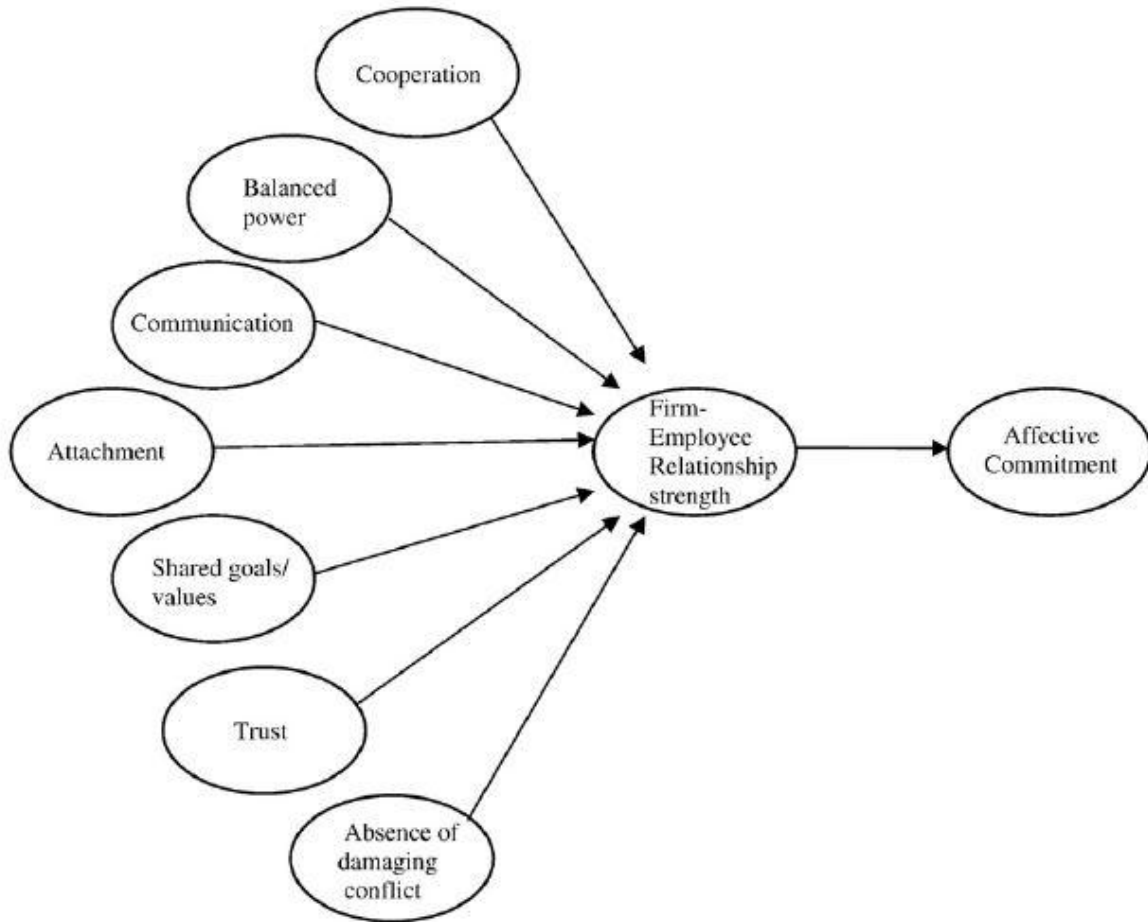
Figure (3) Employee Relationship Management Model



Source: Wargborn, “Managing Motivation In Organizations - Why Employee Relationship Management Matters”, Thesis, 2008, p. 102

2. Model of firm-employee relationship strength: The model of firm-employee relationship strength contains seven key elements indicate the depth and magnitude of a relationship; that is cooperation, balanced power, communication, attachment, shared goals and values, trust and absence of damaging as shown in figure (4). Affective commitment is the desired outcome of firm-employee relationship strength, representing the ultimate goal of relationship building between a firm and the employees (Herington et al., 2009, p. 1105).

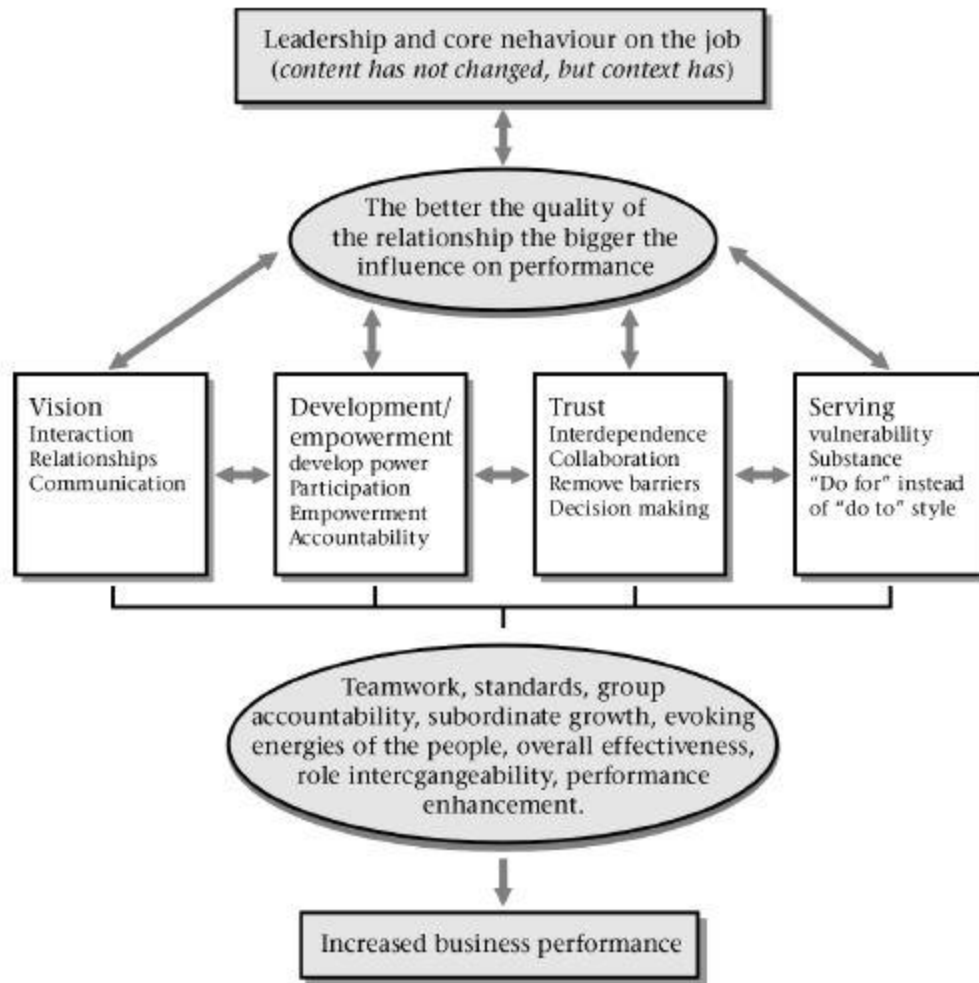
**Figure (4) Model of Firm-Employee Relationship Strength**



**Source: Herington et al., “Firm–employee relationship strength—A conceptual model”, *Journal of Business Research*, 2009, p. 1101**

3. Employee Relationship Model: The model in figure (5) below investigate certain elements that have an influence on the relationship between employers and their employees with the purpose of building up a model of the employee relationship. It takes concepts such as vision, trust, teamwork and leadership style and links them to the quality of the relationship between employer and employee that influence business performance.

**Figure (5) Employee Relationship Model**



Source: Carstens & Barnes, “The Quality Of Leader/Employee Relationship In Business Performance”, *Journal of Human Resource Management*, 2006, p. 12

### ERM Components

From the models above the researcher took the research variables (ERM components) which related to the employees performance.

1. HR Practices: HR Practices is crucial function of Human Resource Management which can bring change status of ERM in the organization as this function could be quantified and resulted in statistical data to prove its importance in enhancing ERM status in the organization. Hence improved quality and productivity linked to motivation can be achieved through Training, Job rotation, Job Satisfaction, Participative Management, Performance Appraisal, Career planning and development. Better training policies and assessment can improve Satisfaction of employees in the organization hence improving ERM status in the organization. For Job satisfaction the result concluded is that if the employees are satisfied through different determinants, it increases their level of satisfaction. This will definitely improve ERM status in the organization. The results on Participative Management suggest that organization do not take much interest in knowing their problems and suggestions hence their level of satisfaction is not very high hence ERM status gets affected in such case. The results on Performance Appraisal imply that for better satisfaction of employees need to have variable pay performance system as Government pay scales to judge the performance of employees hence needs to have proper performance appraisal system for better ERM status in the organization. This makes employees more satisfied and can improve employee’s performance in the organization (Sinha & Bajaj, 2013, p. 33).

2. Trust: Trust is a critical variable influencing the performance, effectiveness, and efficiency of the organization (Dirks & Ferrin, 2002). Trust is considered one of the most influential variables on organizational performance. Trust may grow, decline, or even reemerge over the course of a relationship. As the length of a relationship increases, people have more opportunities to observe and learn about each other and the judgment about a given actor can be concluded as either trustworthy or untrustworthy (Huang & Guo, 2009, p. 1). A majority of researchers posit trust as consisting of two elements; integrity and reliability. In employee employer relationship trust is the level of reliance one can place upon the information received from another person and confidence in the relationship partner. As such, trust is a key relationship element. (Herington et al., 2009, p. 1103). If employees do not trust their managers, the flow of upward communication will be compromised (or simply will not happen); likewise, if managers do not trust the employees who work for them, the downward flow of communication will be negatively affected (Daniel, 2003, p. 53).

3. Communication: Communication is important in organization. It serves as the coordination link between people and organizational functions. Ongoing, frequent two way communication is one of the most important components of a comprehensive employee relations strategy. Interactive communication both giving a message and actively listening to what is being said in response builds trust between employees and their managers (Daniel, 2003, pp. 51-52). Communication in the institution refers to the extent to which the institution informs employees about important issues in the organization. Such important issues include business policies, values, mission, strategies, competitive performance, events, and changes that affect the institution and employees. Institutional communication can be done either formally through formal structures or informally by means of unstructured procedures. However informal communication is more credible than the formal one as it allows team flexibility, open discussion, better flow of ideas and greater efficiency and productivity. Communication with employees strengthens their identification with the institution and creates institutional solidarity due to trust among employees or between different departments (Chinomona & Sandada, 2013, p. 138). Communication allows interaction among team members and this can happen in various ways that consist of face-to-face meetings, telephone, e-mails and others. Communication in the organization is important because employees well informed in order to perform well and share ideas with their colleagues (Noordin et al., 2010, p. 2).

4. Leadership Style: Leadership is considered a factor that has a major influence on the performance of organizations, managers and employees (Wang et al., 2005, p. 420). Leadership style, often called 'management style', describes the approach managers use to deal with people in their teams. There are many styles of leadership. Leaders can be classified in extremes as follows (Armstrong, 2009, p. 377):

- a. Charismatic/non-charismatic. Charismatic leaders rely on their personality, their inspirational qualities and their 'aura'. They are visionary leaders who are achievement-oriented, calculated risk takers and good communicators. Non-charismatic leaders rely mainly on their know-how (authority goes to the person who knows), their quiet confidence and their cool, analytical approach to dealing with problems.
- b. Autocratic/democratic. Autocratic leaders impose their decisions, using their position to force people to do as they are told. Democratic leaders encourage people to participate and involve themselves in decision taking.
- c. Enabler/controller. Enablers inspire people with their vision of the future and empower them to accomplish team goals. Controllers manipulate people to obtain their compliance.
- d. Transactional/transformational. Transactional leaders trade money, jobs and security for compliance. Transformational leaders motivate people to strive for higher-level goals.

5. Shared Goals and Values: In the business context, a goal is most commonly viewed as something that a firm "values" and the extent to which employee's value the same goal provides a sharing of something of value between employees and the firm. Shared values is defined as the extent to which partners have

beliefs in common about what behaviors, goals, and policies are important or unimportant, appropriate or inappropriate, and right or wrong (**Herington et al., 2009, p. 1103**).

The essence of a shared goal is that it is a reflection of connection among employees and management towards an important undertaking (**Kantabutra & Avery, 2009, p. 11**). The coherence help employees understand how work is related across all the departments, levels and units in the institution as well as aligning the work of employees with the institution's strategic direction and priorities (**Pulakos & O'leary, 2011, p. 155**). Sharing common goals enables employees to direct their efforts to the achievement of that particular goal, but for that to happen there should be interdependence and collaboration among employees. Sharing common goals can positively impact on employee performance and organizational outcomes (**Chinomona & Sandada, 2013, pp. 137-138**).

## Section (2) - Employees Performance

### Introduction

Effective people resourcing includes not only the acquisition of the appropriate quantity and quality of people, but also the management of employees to ensure that the performance is constantly reviewed and at a level which is consistent with the achievement of organizational objectives. Employees should know what is expected, not just in terms of duties and responsibilities but also in standards of performance (Pilbeam & Corbridge, 2002, p. 258).

The concept of performance covers both what has been achieved and how it has been achieved. Firm performance can be measured in a number of different ways. The most obvious way to measure what has been achieved, and the approach used in many studies, is by reference to key performance indicators (KPIs), which are usually to do with financial results (profitability) or productivity (Armstrong, 2009, p. 136).

Many organizations feel that their people can provide a competitive advantage, and therefore their people contribute to the organization's performance. Employees play a pivotal role in organizational success. Employee performance has been shown to have a significant positive effect on organizational performance (Hayward, 2005, p. 10).

Perceived employee performance represents the general belief of the employee about his behavior and contributions in the success of organization. Employee performance may be taken in the perspective of three factors which makes possible to perform better than others, determinants of performance may be such as declarative knowledge, procedural knowledge and motivation (Ahmad & Shahzad, 2011, p. 5250).

Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in, and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure (Sonnentag & Frese, 2005, p. 4).

Managing employee's performance is necessary for achieving goals that an organization has for itself. Assessing an employee's competency and measuring his productivity is essential in the overall plan of the organization. Pacing itself production-wise is important and that cannot be done if the employee's potential and his ability to perform are not measured. Employees' performance is directly related to organizational productivity and its success. Better performance of each employee creates immense outcomes which mainly include congruence among employees, quality production and commitment at work place (Sarmad et al. , 2011, p. 1226).

Individual objectives derived from team objectives and an agreed job description can be jointly devised by manager and employee. These objectives are outcome/results oriented rather than task oriented, are tightly defined and include measures to be assessed. The objectives are designed to stretch the individual, and offer potential development as well as meeting business needs. It is helpful to both the organization and the individual if objectives are prioritized (Torrington et al., p. 264).

Many organizations use the following SMART acronym to summarize the criteria for objectives (Armstrong, 2009, p. 623):

S = Specific – clear, unambiguous, straightforward, understandable and challenging.

M = Measurable – quantity, quality, time, money.

A = Achievable – challenging but within the reach of a competent and committed person.

R = Relevant – relevant to the objectives of the organization so that the goal of the individual is aligned to corporate goals.

T = Time framed – to be completed within an agreed timescale.

## **Performance Management**

Performance management is an integral part of effective human resource management and development strategy (Hayward, 2005, p. 12). Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Processes exist for establishing shared understanding about what is to be achieved, and for managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It is owned and driven by line management (Armstrong, 2009, p. 9).

Performance management is defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them by developing the capabilities of teams and individual contributors (Pilbeam & Corbridge, 2002, p. 259).

The purpose of managing performance is simply to help the organization fulfill its purpose and goals. Thus, everyone in the organization should be responsible for managing performance (Brumbach, 2011, p. 183). The overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly, it is also about ensuring that the support and guidance people need to develop and improve is readily available (Armstrong, 2009, p. 619).

Four key requirements are required for effective performance management, these requirements are validity, reliability, cost effectiveness and felt fairness. Without valid performance criteria, reliable measurement is impossible; without both of these, it is highly likely that employees will see the system as being inherently unfair. Further, even if the system is fully valid, reliable and felt-fair, the system will still be unsustainable if, over time, it does not deliver a positive return on associated costs and investments (Shields, 2007, pp. 27-30).

Performance management systems are one of the major focuses in business today. Although every HR function contributes to performance management, training and performance appraisal play a more significant role. Whereas performance appraisal occurs at a specific time, performance management is a dynamic, ongoing, continuous process. Every person in the organization is a part of the PM system. Each part of the system, such as training, appraisal, and rewards, is integrated and linked for the purpose of continuous organizational effectiveness. With PM, the effort of each and every worker should be directed toward achieving strategic goals. If a worker's skills need to be improved, training is needed. With PM systems, training has a direct tie-in to achieving organizational effectiveness. In addition, pay and performance are directly related to achieving organizational goals (Mondy, 2012, p. 236).

A successful performance management system is one that requires full participation between employees and managers through effective communication and goal agreement, resulting in complete common understanding and not unfounded expectations. A well-executed performance management system is a medium for managers and employees to develop an understanding of what work the mission of the organization requires, the manner in which this work should be accomplished, and to what extent it has been achieved. Employees should be empowered and receive support from their manager without removing any of the employee's responsibility (Hayward, 2005, p. 13).

## Performance Appraisal

Traditionally performance appraisal systems have provided a formalized process to review employee performance. They are centrally designed, usually by the HR function, requiring each line manager to appraise the performance of their staff, usually each year. This normally requires the manager and employee to take part in a performance review meeting. Elaborate forms are often completed as a record of the process, but these are not living documents, they are generally stored in the archives of the HR department, and the issue of performance is often neglected until the next round of performance review meetings (Torrington et al., 2005, p. 259).

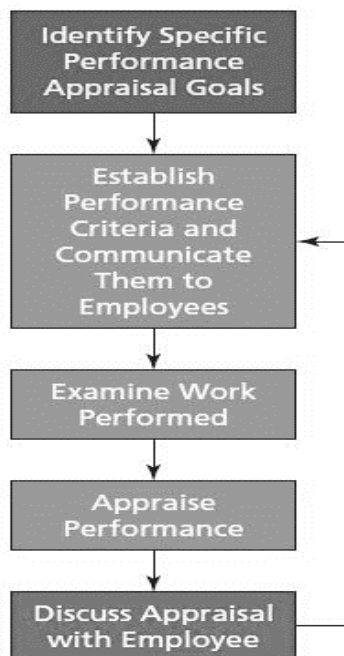
Performance appraisal is a critical element in the performance management system. Performance appraisal is a sub-set of performance management and relates to the formal process of assessing and measuring employee performance against agreed objectives. Formal appraisal takes place regularly, usually annually, although it can occur more often (Pilbeam & Corbridge, 2002, p. 264).

The primary aim of performance appraisal can be to assess or measure the achievement of the individual against agreed objectives. The performance measures should relate to strategic goals, focus on outputs, indicate the evidence that is available as the basis of measurement and provide a sound basis for feedback (Pilbeam & Corbridge, 2002, p. 264).

## Performance Appraisal Process

As shown in Figure 6, the starting point for the performance appraisal process is identifying specific performance goals. An appraisal system probably cannot effectively serve every desired purpose, so management should select the specific goals it believes to be most important and realistically achievable. For example, some firms may want to stress employee development, whereas other organizations may want to focus on pay adjustments. Too many performance appraisal systems fail because management expects too much from one method and does not determine specifically what it wants the system to accomplish.

Figure (6) Performance Appraisal Process



Source: Mondy, "Human Resource Management", Prentice Hall, , 2012, p. 240

The next step in this ongoing cycle continues with establishing performance criteria (standards) and communicating these performance expectations to those concerned. Then the work is performed and the supervisor appraises the performance. At the end of the appraisal period, the appraiser and the employee



together review work performance and evaluate it against established performance standards. This review helps determine how well employees have met these standards, determines reasons for deficiencies, and develops a plan to correct the problems. At this meeting, goals are set for the next evaluation period, and the cycle repeats (Mondy, 2012, p. 240).

Managers may choose from among a number of appraisal methods. The type of performance appraisal system used depends on its purpose. If the major emphasis is on selecting people for promotion, training, and merit pay increases, a traditional method, such as rating scales, may be appropriate. Collaborative methods, including input from the employees themselves, may prove to be more suitable for developing employees (Mondy, 2012, p. 244). These methods are described below.

### **Methods of Performance Appraisal**

Performance can be appraised by a number of methods as shown below:

1. **360-Degree Feedback Evaluation Method:** The 360-degree feedback evaluation method is a popular performance appraisal method that involves evaluation input from multiple levels within the firm as well as external sources. The 360-degree method is unlike traditional performance reviews, which provide employees with feedback only from supervisors. In this method, people all around the rated employee may provide ratings, including senior managers, the employee himself or herself, supervisors, subordinates, peers, team members, and internal or external customers (Mondy, 2012, p. 245).
2. **Graphic Rating Scales Method:** The graphic rating scale is the simplest and most popular method for appraising performance. A graphic rating scale lists traits such as quality and reliability and a range of performance values from unsatisfactory to outstanding for each trait. The supervisor rates each subordinate by circling or checking the score that best describes his or her performance for each trait. The assigned values for the traits are then totaled (Dessler, 2008, pp. 341).
3. **Critical Incident Method:** The critical incident method is a performance appraisal method that requires keeping written records of highly favorable and unfavorable employee work actions. When such an action, a “critical incident,” affects the department’s effectiveness significantly, either positively or negatively, the manager writes it down. At the end of the appraisal period, the rater uses these records along with other data to evaluate employee performance. With this method, the appraisal is more likely to cover the entire evaluation period and not focus on the past few weeks or months (Mondy, 2012, p. 247).
4. **Essay Method:** If the group to be assessed is small and the supervisor has had an opportunity to know each individual quite closely then it becomes quite easy for him to write freely about the employee. The essay appraisal requires writing of a paragraph on the subordinates strengths and weakness. Critical areas are included such as job knowledge, attitude, potential, interpersonal relations, quantity and quality of work, and also on training and development needs. This method has the advantage of offering detailed information about the employee (Goel, 2008, pp. 32).
5. **Work Standards Method:** The work standards method is a performance appraisal method that compares each employee’s performance to a predetermined standard or expected level of output. Standards reflect the normal output of an average worker operating at a normal pace. Firms may apply work standards to virtually all types of jobs, but production jobs generally receive the most attention. An obvious advantage of using standards as appraisal criteria is objectivity. However, in order for employees to perceive that the standards are objective, they should understand clearly how the standards were set. Management must also explain the rationale for any changes to the standards (Mondy, 2012, p. 247).

6. **Ranking Method:** One of the simplest method of performance appraisal is ranking method. The supervisor evaluates all the subordinates on an overall basis and then rank orders them from exceptional to poor. Each rank indicates the position of an employee in relation to others under the same supervisor. In case these employees have worked under several supervisors each one of the supervisors ranks them according to his own assessment. Finally, all the ranks are grouped to see which one of the employees is rated best (Saiyadain, 2003, pp. 210).
7. **Forced Distribution Method:** Under this method the employees are appraised according to the pattern of a normal curve (bell shaped) in order to check tendency of appraisers to rate most of employees around high points. This method forces the appraisers to spread their employee evaluation in a prescribed distribution. This method is based on questionable assumption that all groups of employees will have the same distribution of excellent, average and poor performance (Deb, 2006, pp. 209).
8. **Behaviorally Anchored Rating Scale Method:** An appraisal method that anchors a numerical rating scale with specific behavioral examples of good or poor performance. It thus combines the benefits of narrative, critical incidents and quantified graphic rating scales (Dessler, 2008, pp. 352).
9. **Results-Based System:** The manager and subordinate jointly agree on objectives for the next appraisal period in a results-based system, in the past a form of *management by objectives*. In such a system, one objective might be, for example, to cut waste by 10 percent. At the end of the appraisal period, an evaluation focuses on how well the employee achieved this objective (Mondy, 2012, p. 249).

### **Effect of ERM on Employees Performance**

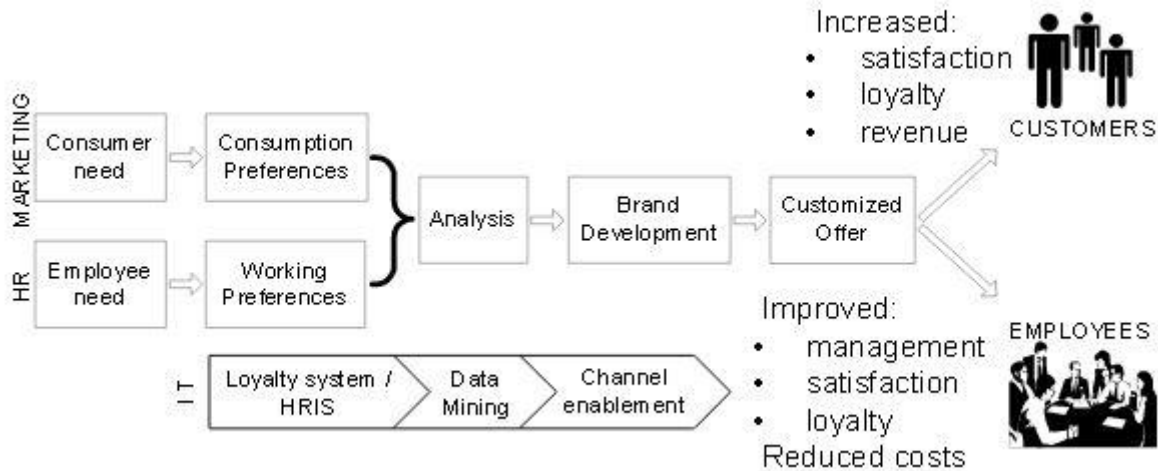
Success in a scientific endeavor depends significantly on imaginative and flexible systems of management and administration, which will help in realization of the full potential of the gifted, trained and highly valuable manpower resources, and ensure conditions for the highest level of performance. It is imperative to have a dynamic and sensitive management, and appropriate working conditions and incentives which will attract, retain and deploy in a patently efficient manner these precious human resources. It is now commonly accepted that employees constitute an important resource of complete advantage for firms. As a result, it is important for a firm to adopt ERM that make the best use of its employees (Chandra, 2009, p. 16).

Using CRM approach HR professionals are beginning to better understand employees in a whole new way (Batista et al., 2003, p. 5). ERM was developed based on similar principles to CRM (Krill, 2008, p. 3):

1. Protecting the employee base
2. Nurturing the employee base
3. Increasing the asset value of the employee base

More specifically, ERM allows HR professionals to more accurately identify employee's motivations, needs and preferences as well as better align employment practices to real needs, which minimizes staff turnover and at the same time maximizes staff retention by the definition of more appropriate recruitment profiles. The final results promoted by ERM adoption are better-equipped managers, employee loyalty, empowered employees, improved employee satisfaction, preferred employer status, and reduced costs, as shown in Figure (7) (Batista et al., 2003, p. 5).

**Figure (7) Customer and Employee Relationship Management**



**Source: Batista et al., “Potentialities of customer relationship management in the building of government reputation”, Proceedings of the Third European Conference on e-Government, 2003, p. 4**

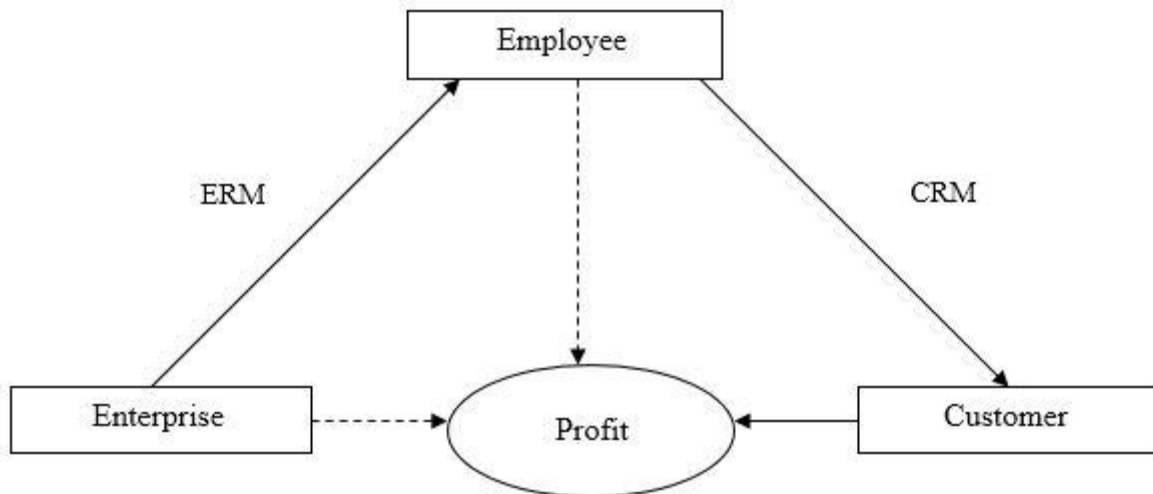
Employee relationship is the major factor determining the performance of employees through motivating employees, effective communication and good working conditions.

It is desirable for an organization to have proper and effective ERM since this enables the personalizing of Employee Relations. Good Employee Relationships contributes significantly to the success of the organization and create world class organization. In every organization there are some unidentifiable issues which lead to productivity gaps. These gaps can be filled through Employee Relations as it acts proactively on those issues which retard productivity (Vineet et al., 2013, p. 23).

Through building and nurturing relationships between employer and employees, HR can facilitate the creation of organizational capabilities such as the ability to locate and share knowledge rapidly and respond faster to market changes (Wargborn, 2008, p. 74). So it can be realized how much the organization can profit from improved interpersonal relationships between members of the firm. The effects of improved employee relationships in organizations bring more positive aspects to the firm than just increased employee performance (Gegax, 2006, p. 67).

ERM have a big effect on organizations and employees performance. According to enterprise's profit model in the figure below, the final purpose that enterprises implement ERM is the win-win of enterprise and the staff. Offering the customer service for the staff is particularly important for enterprises to keep the outstanding staff here, only satisfactory staff could bring the satisfactory customers. The relation among the enterprise, staff and customer is shown as figure (Yongcai, 2010, p. 941)

**Figure (8): The Profit Model of Enterprise**



**Source: Yongcai, “Employee Relationship Management of Small and Medium-sized Enterprises”, 2010, p. 941**

ERM provides employees with support, such as information about the organization’s products, technologies and processes. ERM assist the employees in their daily work towards the customer (Thorzen, 2011, p. 38).

Some of the core issues that can be controlled with effective ERM are (employeesurveys.com, 2013):

1. Communication: Open communication both amongst your employees and between the employees and the management team is imperative. When employees feel that they can’t be heard, they may become frustrated, leading to lowered employee morale. Lowered morale can result in lowered productivity and an uncomfortable, or even hostile, work environment.
2. Conflict management: When problems arise, it is important to understand how to handle them. This is a fundamental aspect of ERM. Sometimes those conflicts occur between employees and employers.
3. Employee growth: Employees that feel they are only required to put in their hours and go home will do just that. Employees that feel they can become a valuable asset based on their work, as well as their ability to provide important ideas, offer input, and perhaps pursue growth opportunities within the company, will create a positive atmosphere within the corporate culture.

It is clear that ERM is a process which would serve the company in tapping human potential in terms of increased employee performance and additional benefits suggested above, the challenge is that there is a lack of an academically defined strategy to aid the implementation of ERM in organizations.

## **Chapter 3**

### **Previous Studies**

- **Introduction**
- **Local and Arabic Studies**
- **Foreign Studies**
- **General Commentary on Previous Studies**

## **Introduction**

This chapter presents previous studies carried out by different authors on ERM and its components. Recently small number of local and Arabic studies discuss the concept of ERM and its effect on employees' performance which leads the researcher to depend on foreign studies related directly to the ERM and its components. The lack of these researches belongs to that ERM is a new concept and the researches tries to find a clear definition and build literature for it.

These studies are from traditional to online libraries. This research depends on twenty foreign studies, three local studies and one Arabic study, they are reviewed and ordered in a chronological basis from the newest to the oldest. Nine foreign studies have are directly related to the ERM concept where the others and the local and Arabic studies are related directly to the ERM components and its effect on employees' performance where there is no Arabic or local study discuss directly the ERM concept.

## **Local and Arabic Studies**

### **1. Abushawish (2013), Antecedents and Consequences of Organizational Trust Applied Study on UNRWA Employees in Gaza Field Office**

This research aimed to examine the determinants and effects of organizational trust on employees in UNRWA in the Gaza Strip. The research examined the trust between employers and employees. A researcher adopted a descriptive analytical method, using a random sample stratified on the population of the research of (442) employees who are working in (12) programs at the main office of UNRWA operations in Gaza. The researcher designed a questionnaire to measure the variables of the research and it distributed for 210 employees.

The most important results were:

- a. There are positive perceptions by employees toward organizational trust among employees.
- b. There is minimum level of desire for teamwork among the staff.
- c. There is a positive relationship between openness and frankness with employees and organizational trust.

The research key recommendations were:

- a. Enhancing the level of organizational trust among employees in order to achieve the desire to work together and support the level of innovative and enhance the level of organizational commitment and reduce job turnover.
- b. Future studies should address the question of organizational trust in other organizational contexts such as performance appraisal systems, systems of incentives and rewards, organizational silence and organizational trust between organizations, or from organization to its employees.

### **2. Abuwarda (2010), Communication and its impact on Work Performance at UNRWA – Gaza Field Office: Case Study**

The aim of this research is to identify the impact of organizational communication on the work performance at UNRWA. The study used descriptive and analytical methods to investigate the effect of the media of organizational communication, organizational communication climate and the personal communication skills on the work performance. The research population includes 1014 employees working at UNRWA.

The most important results were:

- a. There is a relationship between media of communication and work performance.
- b. Managers can't understand the problem facing their employees and employees couldn't communicate freely with their managers
- c. Employees have good personal communication skills but they can't communicate fluently with English.

The research key recommendations were:

- a. Improve the communication media at UNRWA by maximizing the email size and making the work meeting more organized.
- b. Promote communication between the managers and their employees which will lead to better understanding to the instructions and legislations.
- c. Enhance the employees English language skills by encouraging the employees to participate in English courses.

### **3. Mosleh (2008), The effect of the managerial communications system on performance according to the employees and academic supervisors**

The purpose of this research is to investigate the effect of the managerial communications system on performance according to the employees and academic supervisor's point of view of Al Quds Open University Northern Governorates. A questionnaire with a sample of 128 employees was used.

The most important results were:

- a. The research found that there is a strong effect of the adopted managerial communication on
- b. There is a great effect for communications in managerial decisions in the university.
- c. Communications in the university leads to better performance and achieving the university objectives.

The research key recommendations were:

- a. Activating the internet as a mean of communication, which will reduce the cost of communication, and the use of written correspondence particularly through Fax.
- b. Strengthening all kind of formal communications the thing which will reduce the informal one's in the university and increase the positive interaction among employees.

### **4. Al-Shareef (2003), Leadership styles and its relationship to employees performance as seen by employees in the Emirate of Makah**

The main purpose of this research is to examine the relationship between leadership styles and employees performance by identifying the old and new leadership styles and its methods which aims to raise the employees performance. The researcher used descriptive and quantitative method on the dominant leading companies in the emirate of Holly Mecca Region. A questionnaire is used as a technique to collect necessary information for the research.

The most important results were:

- a. The research finds that three leadership styles are applied in Mecca, democratic leadership style applied with high degree, free leadership style applied had an average degree and the autocratic style had a lesser degree.
- b. There is a significant positive relationship between the democratic leadership style and the employee's performance.
- c. There is a significant negative relationship between free and autocratic leadership style and employees performance.

The research key recommendation was:

- a. The researcher recommends that the management in Mecca should apply the democratic leadership style because it leads to high level of performance and productivity.

## **Foreign Studies**

### **1. Onyango (2014), Perception Of the Effectiveness of Employee Relationship Management Practices in Large Civil Society Organizations in Nairobi**

The objective of this research is to determine the perception of the effectiveness of employee relationship management practices of large civil society organizations (CSOs) involved in governance in Nairobi County. The research used descriptive and analytical methods which targeted all employees

in 18 large civil society organizations with more than 100 employees and whose core business is governance. The target population for the research was 1880 employees. The research used structured questionnaire as the primary data collection tool.

The most important results were:

- a. Results revealed a positive perception on employee relations management practices by the civil society organizations
- b. Employees are happy with the level of involvement in decision making and the amount of support they get from the management.
- c. Training received encourages qualitative advocacy and that employees apply what they have learned in workplace

The research key recommendations were:

- a. This research recommends that organizations should come up with several ways of improving their employees' perception; this should include continuous seeking for employee opinions in matters that concern them.
- b. Organizational leadership should ensure the presence of a host of employee relations management practices to all levels of employees in the civil society organizations.

## **2. Kuzua and Ozilhan (2014), The Effect of Employee Relationships and Knowledge Sharing on Employees' Performance: An Empirical Research on Service Industry**

The purpose of this research is to investigate the effect of employee relationship and knowledge sharing to employee performance in five star hotel in Antalya, Turkey by the view of employees. The questionnaires were implemented via interview and for being a pilot sample 80 responses were collected in this research. Descriptive statistical analysis was used to determine the statistical analysis included estimation of frequencies, percentages and means, reliability, correlation and regression analysis

The most important results were:

- a. Employee-employer and employee-organization relationships are part of a business's internal relationship management which focused on human resource activities to build trust and improve organizational effectiveness.
- b. Employee relationships and knowledge sharing have a mid-level positive association with employee performance.
- c. Employee performance can be effected by some conditions like job satisfaction, working environment, motivation and stresses

The research key recommendation is:

- a. Conduct future researches to explore measures for the effective points of employee performance and employee relationship management systems which can enhance and validate measures for the evaluation of employee performance.

## **3. Bajaj and others (2013), Crucial Factors of Human Resource Management for Good Employee Relations: A Case Study**

The research aims to understand the crucial factors of Human resource Management which can positively build good Employee Relations on Public Sectors in state of Madhya Pradesh (India). It is expected that Employee Relation is good if there is feeling of togetherness and employees have harmonious relationship between themselves and management of the organization. The researcher used a questionnaire for the collection of primary data required for the research.

The most important results were:



- a. There is very less training set up in the organization to enhance the skills and knowledge of employees in the organization.
- b. Employees need job satisfaction to improve performance and ERM status in the Organization.
- c. Employees feel that organization takes very less care of their and their family needs once their yearly objectives are achieved.
- d. Employees feel more motivated if a policy of variable pay performance is implemented in the organization.

The research key recommendations were:

- a. Organizations must pay attention to the employees' problems and give suggestions related to their job.
- b. Employees and employers should participate in knowing each other for better satisfaction of the employees

#### **4. Bajaj (2013), Suggestions to Implement Human Relations and Its Determinants in Public Sectors**

The purpose of this paper is to explore the status of Employee Relationship Management as it exists in various Public Sector Undertakings (PSUs) in India and to understand the relationship of ERM with its determinants in the organization. A questionnaire was designed for both employers and employees at 10 different PSUs to know their response and was analyzed in quantitative terms for employees and in qualitative terms for employers.

The most important results were:

- a. Good and healthy relationship between employers and employee is important for increasing productivity and efficiency for an organization.
- b. Compensation plays important role in building ERM of the organization and should be given autonomy and benefits to employees according to their performance.
- c. Top Management can play important role in enhancing satisfaction and motivation of employees through proper HR practices and dealing with the employees as HR professional which can improve ERM status in the organization.
- d. ERM depend on trust between employers and employees which leads for understanding and achieving positive employee relations in the workplace.

The research key recommendation is:

- a. Employers should take care of the needs of the employees and this can be understood by HRM practices like Training, Job satisfaction, Job Rotation, Participative Management, Performance Appraisal and Career Planning for their employees.

#### **5. Tansel and Gazioglu (2013), Management Employee Relations, Firm Size and Job Satisfaction**

This research investigates the job satisfaction in relation to managerial attitudes towards employees and firm size in Britain also it's investigate the management employee relationships and the firm size. The researcher uses the data from the Workplace Employee Relations Survey (WERS) of the Department of Trade and Industry in Britain. WERS is a nationally representative survey including 28,240 employees in over 3000 establishments of 15.8 million workers representing three-quarters of all employees in Britain. This unique data includes a matched Employer-Employee survey and a rich set of questions on work conditions and management-employee relations.

The most important results were:

- a. A good management-employee relationship is necessary for the satisfactory organization and performance of any firm and for the employees to feel engaged.

- b. Employees are less satisfied with their jobs in large firms in the absence of controls for the quality of management employee relationships.
- c. Management-employee relationships are weaker in large firms than in the small firms.

The research key recommendations were:

- a. The researcher recommend to apply this research in other countries in order to check the validity of results in different cultural settings.
- b. Improve the management employee relationship in large firms to increase the employees' productivity and turn over.

### **6. Chinomona and Sandada (2013), Shared Goal, Communication and Absence of Damaging Conflicts as Antecedents of Employee Relationship Strength at Institutions of Higher Learning in South Africa**

The purpose of this research is to propose a model that assist high learning institutions to create and sustain relationships among their employees. The research develops and tests this model which shows the influence of institutional shared goals, institutional communication and absence of damaging conflicts, on the employee relationships strength at institutions of higher learning from the perspective of staff members. The data for this research was collected from Gauteng Province – in particular, at Vaal University of Technology and North West University Campus in Vanderbijlpark, 180 questionnaires were distributed, 150 usable questionnaires were retrieved for the final data analysis, representing a response rate of 83.3 per cent.

The most important results were:

- a. Findings revealed that the absence of damaging conflicts has strongest effects on employee relationships strength, followed by the institutional shared goals and lastly by institutional communication
- b. Finding indicates that the absence of damaging conflicts among employees strengthens their relationships more than what institutional communication and institutional shared goals do.
- c. Any change in the relationships immediately affects the employees working relationships but institutional shared goals and communication are not likely to affect immediately the relationships among employees.

The research key recommendations were:

- a. The research recommended that in future studies to expand the data collection to include other institutions employees.
- b. Subsequent research should contemplate replicating this research in other provinces of South Africa or even other African countries for results comparisons.

### **7. Jing (2013), Research on Employee Relationship Management of SMEs in China**

The purpose of this research is to discuss employee relationship management and deal with its problems and try to summarize some methods on how to establish a system to improve the human recourse management of SMEs in China where it plays basic role in increasing the efficient and effective human resource management.

The most important results were:

- a. ERM is the critical component of modern human resource management which enables employees to work and achieve the organization strategy.
- b. It founds that SMEs should pay more attention to ERM to build a good environment, supply any kind of assist for their work and lives to ensure job security.
- c. Good ERM improve the understanding and trust among employees, managers and enterprises.

- d. Managers should communicate effectively with employees to improve job satisfaction and support the organization goals.
- e. Employees must be involved in the in the process of building corporate culture and agree the vision given by the top management to improve job performance.

The research key recommendation was:

- a. The Researcher recommends that this research must applied in large enterprises to make full understanding of ERM concept.

### **8. Strohmeier (2013), Employees Relationship Management: Realizing Competitive Advantage Through Information Technology**

The research attempts to clarify the concept of employee relationship management based on the Customer Relationship Management concept in Germany. This research offers a clarification of ERM by generating an outline of it. The objective of this research was obtained by conducting a diverse unconfirmed assumptions where the empirical evaluation of these assumptions is the base for ERM concept and these assumption called “proposition of ERM success”.

The most important results were:

- a. ERM could be portrayed as the strategy of building and long-term maintaining individualized, mutually valuable relationships with selected former, current and potential employees and it leads to satisfaction, motivation and performance for employees.
- b. Success of ERM depends on the systematic customization and integration of strategy, processes and information systems
- c. Success of ERM depends on the strategic reactions of relevant competitors.

The research key recommendation is:

- a. The researcher recommends that Future research has to solve the interrelated tasks of conceptual elaboration, theoretical foundation and empirical evaluation of ERM.

### **9. Ngari and Agusioma (2013), Influence of Employee Relations On Organization Performance of Private University In Kenya**

The purpose of this research is to find out the factors affecting organization performance that are related to the employee relationship. This research used a case study to find out the influence of employee relationships on organization performance. The researcher designed a questionnaires that was distributed to 160 employees of private universities in Nairobi Country at top, middle and lower level of management to research their performance since they were in a position to give reliable information on effects of employee relations on organization performance.

The most important results were:

- a. HR department is a key department of any high profile institution and it’s necessary for the institution to involve their staff in decision making.
- b. A healthy employee relationship ensures a positive environment at work at helps the employees to achieve their targets at a much faster rate.
- c. Employees who have open lines of communication with managers are more likely to build effective work relationships with managers and increase their performance.

The research key recommendations were:

- a. The universities should employ best human resource management practices to achieve consistently improving results in their organizational performance.
- b. The research also recommends that members of staff should be involved in issues related to remuneration and working conditions.

### **10. Holtzhausen and Fourie (2011), Employees' perceptions of institutional values and employer-employee relationships at the North-West University**

The research purpose is to determine the nature of the (North-West University) NWU's employer-employee relationships and employees' perceptions of the institution's newly established corporate identity in South Africa. Questionnaires were distributed via the NWU's internal e-mailing system, to all employees of the university and were divided between the different business units of the university.

The most important results were:

- a. Employees were satisfied with their relationship with their employees but the type of relationship doesn't clearly identified.
- b. Communicating effectively with employees help the organizations works effectively and it benefits employer employee relationship management.
- c. Trust has several core dimensions integrity, dependability and competence that together describe confidence and a willingness to participate in the relationship.

The research key recommendation is:

- a. The researcher recommends that it is necessary in future research to clarify the nature of the relationship and explore the quality of the relationship.

### **11. Pradeep and Prabhu (2011), The Relationship between Effective Leadership and Employee Performance**

This research focused on the transformational, transactional and laissez-faire leadership model and the relationship between these leadership styles and employee performance. The research is a comparison between selected public and private sector enterprises and the data comprises of 43 middle-level managers and 156 subordinates. The data is collected from Fenner (India) Ltd., Madurai, Hindustan Lever Ltd., Pondicherry, Solamalai Automobiles Pvt. Ltd., Madurai and TVS (India) Pvt. Ltd., Madurai. A self-structured questionnaire assessing the various leadership behaviors and employee performance measures were distributed to a random sample of 215 respondents

The most important results were:

- a. Leaders must have the ability to influence their subordinates for better achievement and also be able to set clear standards of performance to their peers.
- b. The subordinates expect that their achievements must be recognized and rewarded either with monetary or with non-monetary terms.
- c. Transformational leadership style can create work effectiveness, satisfaction, dependability and extra effort more than transactional leadership.
- d. There is a positive relationship between transformational leadership and employee performance.

The research key recommendation is:

- a. Further studies should include a large sample size that represents the leadership qualities.

### **12. Gillenson and others (2011), Satisfaction with employee relationship management systems: the impact of usefulness on systems quality perceptions**

This research represents an initial iteration of the ERM concept in a large and complex organizational perspective. This research conceptualizes and operationalizes ERM in a way that more closely matches the actual realities of constituency-based, inwardly focused, HR benefit enabled IT systems designed for employee self-service delivery and production. 415 questionnaires were distributed to the employees to know the impact of ERM.

The most important results were:

- a. ERM systems in the firm provide attractive opportunities for managers to increase organizational efficiencies effectiveness by way of improving employee job satisfaction.
- b. Large organizations evolves toward enterprise-level systems solutions and toward the ability to integrate important service delivery options within the firm along with other important efficiencies that such enterprise portals offer.

The research key recommendations were:

- a. Investigations of ERM systems must be extended to other contexts in the corporate and involve identifying and assessing these implementations in business contexts.
- b. Ongoing studies of ERM systems implementations should take care to either stratify samples or specify sample frames in which Internet usage is closer to the population.

### **13. Johnson and Others (2009), Firm–employee relationship strength—A conceptual model**

The purpose of this paper is to set a model of firm–employee relationship strength that permits the future measurement of an index of the strength of intra-firm relationships between the firm and the employees of that firm in Australia. In this model seven key elements indicate the depth and magnitude of a relationship; that is cooperation, balanced power, communication, attachment, shared goals and values, trust and absence of damaging conflict.

The most important results were:

- a. The research finds that there is absence of previous assessment of firm employee relationships within the relationship marketing framework.
- b. There is a link between strong relationships and the level of loyalty that a firm earns as being a crucial success metric.
- c. Sharing of goals and values with attainment of worker's to do it leads to higher level of satisfaction and better job performance.
- d. Trust is a key relationship management of firm employee strength model which lead to high level of job performance and higher motivation level.

The research key recommendations were:

- a. The researcher suggest to develop a form of representing the internal relationships of firm by focusing representation of the strength of the firm employee relationship.
- b. Qualitative research is required to explore the model and determine if the proposed indicator dimensions are indeed most representative of firm–employee relationship strength.

### **14. Wargborn (2008), Managing Motivation in Organizations – Why Employee Relationship Management Matters**

The goal of this research is to provide understand about motivation in work organizations, that in every organization establishing individually managed relationships between the employer and each employee is the action needed to be taken to create an organizational environment in which motivation can thrive. In this research qualitative techniques were used to collect, process, and analyze the necessary information, 12 managers (10 male and 2 female) of 12 different companies, small and multinational, with head offices in Portugal and Scandinavia (Norway, Sweden, Finland) were interviewed. These managers participated in brainstorming session of about one hour each, around a questionnaire developed specifically for the purpose of this research.

The most important results were:

- a. Establishing individually managed relationships between the employer and each employee is needed to create motivational organizational environment.

- b. ERM is an important factor to create job satisfaction, build and enhance relationship, reinforce commitment to the organization.
- c. Low level of motivation in the organization is considered a problem and it costs the organizations a lot of money in lost productivity.
- d. ERM is an ongoing strategic corporation process which has motivational effects on the long term.

The research key recommendations were:

- a. Development of the concept and limitations of ERM in the 21<sup>st</sup> century where ERM can be part of a global future solution.
- b. The researcher recommend to research the ERM from the perspective of the employee.

### **15. Daniela and others (2008), The Impact of Manager – Employee Relationship on Improving Performances in Tourist Industry**

The research aims to determine the impact of manager-employee relationship on improving performance by having customer satisfaction. A survey was carried out in two three-star hotels in Timisoara (German). A questionnaire has been distributed to the employees in order to collect the necessary data.

The most important results were:

- a. The employees of both hotels are not satisfied because of reduced opportunity of career advancement, there is no professional training and the company lacks of development opportunities.
- b. The performance appraisal in the hotels is honest and conducted by objective process.
- c. The research found that employees need more money to be paid according to their work.

The research key recommendations were:

- a. Elaborate and implement a system of drawing up and revise the job description.
- b. Design Training programs according to each professional group
- c. Granted individual rewards financial rewards periodically.
- d. Develop payment systems based on achieved performances.
- e. Design and implement systems of collecting employees' suggestions and recommendations so that all of them should be involved in the process of improving their work.

### **16. Foley and others (2008), Strategic Human Resource Management, Firm Performance and Employee Relations Climate in China**

The research aimed to assess the impact of human resource management practices on firm performance and the employee relations climate by developing and testing a conceptual model of the HR–performance relationship in the context of the People's Republic of China. The data for this research were collected through a survey of 600 Chinese enterprises. These firms were located in four different regions in China and represented various industries and ownership types. The survey was part of a larger research conducted in collaboration with the National Bureau of Statistics of China (NBS). The firms in the sample were randomly selected from those registered with the local government.

The most important results were:

- a. There is a direct effect of SHRM and HR practices on financial and operational performance and on the employee relations climate.
- b. Firms with higher levels of SHRM receive greater benefit in terms of organizational performance.
- c. Positive employee relations climate brought outcomes to the firms which is critical for firms that emphasize workers involvement and cooperation.

The research key recommendations were:

- a. Future research are needed on the intervening variables between SHRM and HR practices and firm performance.
- b. Future studies should identify the key characteristics and examine their impact instead of simply using ownership types as proxies.

### **17. Shahzad and others (2008), Impact of HR Practices on Perceived Performance of University Teachers in Pakistan**

The research attempt to test the relationship between HR practices and employee performance in a developing country. It examines the relationship between three HR practices (compensation, promotion and performance evaluation and perceived employee performance) among university teachers in Pakistan. The research used a questionnaire with a sample of 115 university teachers.

The most important results were:

- a. The results of the research indicate a positive relationship between compensation and, promotion practices and employee perceived.
- b. Performance evaluations practices are not significantly correlated with perceived employee performance.
- c. Pakistani universities need to revise compensation practices and define clear career paths to enhance the performance of teachers.

The research key recommendation was:

- a. The researcher recommends to devise career development programs for teachers which should allow them to grow in their careers and increase their opportunities to grow professionally.

### **18. Vigoda-Gadot (2007), Leadership style, organizational politics, and employees' performance An empirical examination of two competing models**

This research aims to examine perceptions of politics among public sector employees as a possible mediator between the supervisor's leadership style and formal and informal aspects of employees' performance. This research proposes and tests two competing models for the relationship among leadership, politics, and performance. The Questionnaire was distributed to employees of a public security division of law enforcement agency in Israel, asking them to evaluate their supervisor's style of leadership.

The most important results were:

- a. Leadership and organizational politics are important antecedents that affect employees' performance.
- b. Organizational politics was examined as a possible mediating factor between transactional and transformational leadership on one hand, and formal and informal performance on the other.
- c. Transformational leadership have a positive direct effect on employees' performance by structuring an environment that is perceived as less political in nature and is rooted in notions of fairness and equity.

The research key recommendation is:

- a. The researcher recommends to generalize the findings to other cultures and contexts to increase external validity.

### **19. Tzafrir (2005), The Relationship between Trust, HRM Practices and Firm Performance**

This research aims to develop a framework for examining the impact that managerial trust in employees has on Human Resource management practices as well as on firm performance .The organizations included in this research were selected from a sample of 275 organizations from both private and public sectors were included in the Duns Guide Israel, the Israeli Business Directory.

Questionnaires were completed by 104 of the 275 companies which measures HRM characteristics and practices, organizational infrastructure, organizational and employee performance indicators and HR managers trust in their employees.

The most important results were:

- a. The research showed that there is relationship between trust and HRM practices
- b. The researcher found that the construct of trust in employee relationship has three dimensional composed of harmony, reliability and concern.
- c. Managers trust in their employees could have great impact on managerial decision making process
- d. HRM practices are positively related to perceived organizational performance.

The research key recommendations were:

- a. It is important to participate employees in decision making process which leads to high level of managerial trust in organizations
- b. The researcher recommends that future research should examine whether the relationship between managerial trust and incentive pay are mediated by employee perceptions of target performance.

## **20. Carstens and Barnesthe (2004), Quality of Leader/ Employee Relationship in Business Performance**

The purpose of this research is to investigate what role the quality of the relationship between business leaders and their employees played in the performance of their business. The research compared the business performance of forty five area managers in one of the major listed banks in South Africa with their specific leader/employee relationship profiles. The research approach was quantitative and of a correlational nature.

The most important results were:

- a. Positive relationship between leader and employee led to build good employee and business performance.
- b. Trust plays a major part in the leadership-employee relationship and it may influence business performance.
- c. There is a strong relationship between decision making and the overall business performance.

The research key recommendations were:

- a. Further studies must be done in different industries to see whether similar relationships are prevalent.
- b. The elements of the relationship trust, vision, decision making and accountability become areas that leaders are measured to and developed in as that would be an obvious place to start if a business would want to influence business performance through the quality of the leadership employee relationship.

### **General Commentary on Previous Studies**

As recently most organizations considered employees the most important assets in an organization, it's important to ensure effective management of employees. Researchers tries to discuss the effect of ERM and its component on employees' performance. Through reviewing the previous studies in ERM the researcher noticed the lack of ERM particularly. Several local, Arabic, and foreign studies are reviewed and the followings are the general comments on it:

- a. ERM is a new emerging concept and there is no clear definition and strong literature review for it.
- b. Many studies focused on the ERM components and its effect on employees' performance.
- c. The previous studies agreed on that good relationship between the employee and employer leads to better performance.
- d. Most previous studies agreed on the effect of ERM components on employees' performance.
- e. The researchers used descriptive and analytical approach to develop their studies.



- f. The researcher benefited from the previous studies through developing the theoretical part of the research, formulating the research problem statement and variables.
- g. This research varies from other studies that the researcher compiled the research variables from different models which give a better and wide understanding for the concept.

With reviewing the methodology of the studies, it's very clear that most of the studies used the descriptive-analytic methodology. Questionnaire is used as a tool of study and was implemented on different samples according to the population of the research. However, this research used 168 questionnaire. The researcher used the random sample focusing in banking and telecommunications sector. In fact, most of the referred researchers studied in one way or another, ERM related to another variables or one of the human management practice; however, none of them had considered that as a specific subject and it has a relationship with employees' performance from deferent sides. Also, reached to results dealing with different variables of ERM from different point of views and they confirmed that there is importance of ERM the top management should concern with it in organizations.

Build on previous studies valuable results and recommendations, the researcher designed this research to examine the ERM which differentiates from others that it spots the light on a very specific sector which is the telecommunication and banking sectors. It is considered one of the most effective important and valuable organizations in the Gaza Strip. Thus, this is an attempt to study the effects of ERM on employees' performance from different sides. Due to the lack of Arab studies which deals with ERM, the researcher depends on foreign studies and only 4 local and Arabic studies.

Although, the previous studies in this field are few and the experiences are different, it's obvious that there is contrast in the improvement of this field due to many factors. These previous studies add information and ideas helped in clearing the picture of the research problem and the main question and determining the tools used in collecting the data .This research will add to the previous studies a Palestinian study which could be a very beneficial addition to the researcher, the library in Palestine, and the Arabic studies.

#### The Most Distinctive Properties of this research

1. It's one of the few studies which talk about ERM and its effect on employees' performance.
2. It was different in the variable used in the research (HR Practices, Communication, Trust, Shared Goals and values, Leadership Styles). As have seen by the researcher that these variables play a very strong role in building a very clear picture about the ERM and employees' performance in the telecommunication and banking sector .

# **Chapter 4**

## **Population Profile**

- **Introduction**
- **Bank of Palestine (BOP)**
- **Palestine Islamic Bank**
- **Paltel Company**

## **Introduction**

The research population consisted of two major private sectors which are telecommunication sector and banking sector. Two major companies are selected from each sector. Paltel and Jawwal were selected to represent the telecommunication sector that they have 100% market share in Gaza Strip. Both companies are interested in developing employees that one of their values is to enhance the internal capabilities through developing their employees to provide their services for customers with high quality (**Paltel Group, 2013**) but Jawwal Company refused to apply this research and distribute the questionnaire in its company. On behalf of banking sector Bank of Palestine (BoP) and Palestine Islamic Bank are selected, this sector is chosen because it is a leading sector in Palestine and had the largest number of employees (**Palestine Monetary Authority, 2015**).

## **Banking Sector**

With the establishment of the PNA in 1994, the Palestinian Monetary Authority (PMA) emerged, accompanied by the opportunity to open the Palestinian banking sector once again after a blockade that extended since 1967. Since then, the number of banks has been regularly increasing, reaching 17 banks with 252 branches and offices at the end of the fourth quarter of 2014, among them 7 local banks and 10 foreign banks.

Palestinian Banking System at the end of 2014 (**Palestine Monetary Authority, 2015**):

Local Commercial Banks:

1. Bank of Palestine
2. Palestine Investment Bank
3. Palestine Commercial Bank
4. Al Quds Bank
5. The National Bank

Local Islamic Banks:

1. Arab Islamic Bank
2. Palestine Islamic Bank

Foreign Commercial Banks:

1. Cairo Amman Bank
2. Arab Bank
3. Jordan Kuwait Bank
4. Jordan Ahli Bank
5. Bank of Jordan
6. HSBC Bank Middle East Limited
7. Egyptian Arab Land Bank
8. Union Bank
9. The Housing Bank for Trade & Finance
10. Jordan Commercial Bank

These banks provide a large variety of services such as deposit, lending, and other banking services. All banks operating in Palestinian market must meet the minimum capital requirement of USD 50 million. In 2011, the banking sector managed USD 7 billion in banking deposits, and provided USD 3.491 billion in credit facilities to the market, equaling 49% of total deposits, up 23.6% from 2010 and 232 percent since 2007. Of these credit facilities, 31.5% went to the public sector and 68.5% to the private sector. 87.4% went to the West Bank and 12.6% in the Gaza Strip, reflecting the economic and political difficulties facing Gaza. Banks operating in the Palestinian market are profitable, although these profits vary significantly between years. In 2011, banks achieved a total profit of USD 128.9 million, down 11.1% from 2010. This decline is attributable to a 27.5% decrease in net non-interest income, particularly in debt securities and investment (**International Chamber of Commerce, 2013**).

## **Telecommunication Sector**

The ICT sector in the West bank and Gaza started in the early 1980's mainly with IT hardware retailers and other basic services. Towards the late 1980's early 1990's, ICT firms were able to provide basic

software solutions such as basic accounting programs to local private sector firms, hospitals etc. However, in the early 1990's an increasing demand occurred with the emerging development of the social, private and public sectors in Palestine due to the signing of the Oslo Agreement and the inception of the PNA. Since its inception, the PNA has been one of the major contributors to the growth of the ICT sector in Palestine, demanding basic software solutions and hardware equipment's to its various departments and organizations. On the other hand, the ICT sector growth was affected by: the privatization of the telecommunication sector in 1997 that led to the creation of Palestine Telecommunication Company (Paltel), the emergence of the first mobile operator in 1999, and the most recent emergence of the second mobile operator. Currently, (4.9%) of the GDP in Palestine is attributed to the ICT sector compared to (3%) in 1999.<sup>2</sup> When compared to other countries, the given contribution could be a good indicator, yet it also shows that the sector has not reached its full potential. In Jordan, the ICT sector contribution to GDP reached about 14% in 2009 compared to 10% in 2005. Sector revenues have been growing continuously reaching a value of US\$ 882 million in 2007 in comparison to the value of US\$ 440 in 2004. Exports have also grown continuously since 2004 with an estimated US\$ 79 million reaching US\$ 196 million in 2007. The opening of the sector and the incentives provided by the government have attracted new Foreign Direct Investments (FDI) reaching a total of about US\$ 110 million in cumulative investment for the period 2003-2008 (**Paltel Group, 2014**).

Paltel Group which includes Paltel company and Jawwal keen to provide an encouraging and creative work environment to complement the Group's efforts to recruit the best Palestinian talents, especially the youth in a sector depending mainly on human talent in its development, growth and prosperity.

Paltel Group works hard to develop the internal skills of all our employees in order to contribute collectively in their efforts to build the future of technology in Palestine while servicing their subscribers, shareholders and the community at large. They do this by constantly investing in their youth.

### **Bank of Palestine (BOP)**

BOP is the first and largest bank with a well-diversified branch network of 54 branches in Palestine, and a paid up capital of USD 160 million and assets of over USD 2.5 billion. Established in 1960, BOP has successfully expanded its presence and operations throughout the country and now has around 1,280 employees serving 698,297 customers. BOP has around 23% market share of deposits and loans in Palestine. Operating as a universal bank, BOP is engaged in retail, corporate, SME and Micro, and Diaspora banking operations, with the largest card processing operations in Palestine. BOP is the sole agent for issuing and acquiring Visa and MasterCard in Palestine with around 5,500 Point of Sale merchant terminals nationwide.

In the past few years, and in cooperation with the International Finance Corporation (IFC), BOP was the first bank in Palestine to develop a risk management structure, systems, procedures, and processes, as well as promoted and strengthened its corporate governance practices.

Bank of Palestine's stock (PEX: BOP) has been listed on the Palestine Exchange (PEX) since 2005. It is among the market's blue chip stocks, and represents 14% of total PEX market capitalization.

In 2007 BOP established a brokerage subsidiary, Al Wasata Securities Co, providing customers with trading access to stocks listed on the Palestinian Stock Exchange and regional markets, with offices in Gaza and Ramallah. Al Wasata has rapidly grown and is now one of the leading brokerage companies in Palestine. In 2011, the bank established another subsidiary, PalPay® – Palestine. PalPay® offers bank and non-bank clients a unique service, enabling them to pay utility bills and top up mobile phone credit using the bank's 5,500 Point of Sales (POS) merchant terminals, spread throughout the country in shops, supermarkets, restaurants, and hotels.

Bank of Palestine has played a very proactive role in several fundamental initiatives in Palestine. The bank has mobilized the Palestinian private sector to launch the first private pension fund. It led the efforts to set up the fund and to advocate for the required legislative reforms. This fund will be the first private pension fund in the region. It will be based on a model similar to the Chilean model. This pension fund is expected to contribute greatly to strengthening the Palestinian economy and society, through enabling access to finance for medium and long term projects, developing the Palestinian financial markets, creating employment and reducing poverty, and providing stability and reassurance to citizens, especially the elderly, leading to further spending and investments.

Bank of Palestine has been committed throughout the years to economic development on a community level. Therefore the bank has adopted a holistic sustainability strategy and has been the leader in Corporate Social Responsibility (CSR) in Palestine dedicating 5% of its net profit to areas of Youth, Innovation & Education, Health & Environment, Sports, Arts & Culture, Women Empowerment, Economic & Diaspora Affairs, and Social & Humanitarian Efforts.

In the past few years, the bank's development, achievements, and contribution to the Palestinian society and economy have been recognized by several prestigious institutions including Euro money and Global Finance as the "Best Bank in Palestine" (**Bank of Palestine, 2015**).

### **Palestine Islamic Bank**

Palestine Islamic Bank was established as a public limited at 16/12/1995. The Bank has obtained a license from the Palestinian Monetary Authority (PMA) on 15/05/1997 where stated PMA for the Bank to engage in all banking business in accordance with the provisions of Islamic law. Palestine Islamic Bank signed an agreement at 13/5/2005 with Cairo Amman Bank to purchase the net assets of Cairo Amman Bank branch for Islamic transactions in the amount of three million dollars. At the beginning of 2010 an agreement was signed with Al-Aqsa Islamic Bank to purchase the portfolio of Al Aqsa Bank. Palestine Islamic Bank operates through its main branch in Gaza City and its seventeen branches which deployed in various provinces.

The vision of Palestine Islamic Bank is to achieve excellence in the quality of Islamic banking performance, and its mission is to provide modern and distinctive Islamic banking services with attractive return.

Palestine Islamic Bank is a Palestine-based bank that offers banking, financial and investment services in accordance to Islamic Sharia principles. The Bank offers its services through four main divisions, namely individual Services, which includes current and savings accounts, deposits, personal, housing and commercial loans, car financing, and direct debit and credit card issuing; Investment Services, which provides Islamic advisory and risk management services; Companies Services, which includes brokerage and financing projects, and Electronic Services, which includes ATM services.

For the nine months ended 30 September 2014, Palestine Islamic Bank interest income increased 19% to \$17.8M. Net interest income after loan loss provision increased 19% to \$15.8M. Net income increased 4% to \$5.2M. Net interest income after loan loss provision reflects increase in interest earning assets and decrease in interest bearing liabilities. Net income was partially offset by Staff Expenses increase of 26% to \$7.5M (**Palestine Islamic Bank, 2015**).

### **PALTEL Company**

Palestine Telecommunications Company (Paltel) is a leading telecommunications and information technology company in Palestine. Paltel was launched as a public shareholding company in 1997 to provide various telecommunication services and keep pace with technological developments in order to provide state of the art communication technology to end users. Being the leader of the Palestinian telecommunications sector, PALTEL proceeded to recruit and employ state of the art technologies in

order to provide the best and latest services and keep up with global developments in the telecommunications sector (**Paltel Group, 2014**).

The company provides high quality, distinct services at reasonable prices, in line with customers' aspirations leading them to new heights in the world of communication technology. Paltel is the first and only operator in Palestine for fixed-line and ADSL Access services offered in accordance with the best international standards and at best prices to meet its subscribers' aspirations.

Paltel is seeking to enrich the lives of its customers by providing creative and entertaining solutions thereby enhancing loyalty to its subscribers, and committing to make their lives "the way they want it." Paltel provides high quality, innovative and distinct services for both fixed-line, internet, data transmission and other value-added services, in addition to superior technical support and subscriber services. It also provides wholesale services to major telecommunication companies operating in the Middle East.

Paltel vision is "To enrich the life of our subscriber with innovative communications and entertainment solutions that allow the subscriber to live his life" (the way he wants it) and its mission is "We are keen on providing high quality services, with competitive prices; that meet our customers' expectations and lead them to new horizons in the world of telecommunications"

Paltel believes in its Responsibility towards the Palestinian society. The company's community initiatives are directed towards a number of programs related to the company's products and services, using technology and services to support and develop the technological environment and social development in Palestine, in line with the overall social responsibility strategy in Paltel Group.

### **ERM in Telecommunication and Banking Sectors**

Organizations at Telecommunication and Banking Sectors practice ERM without labeling these practices. In this case, ERM would actually exist within the organizations on top of everyday processes and practices which are known to employees and managers. BoP believes that investment in human resources will positively affect on the overall performance of the bank and enable it to achieve the set annual goals. This investment done by applying HR practices and give the employees training opportunities, also they focused on building good relationship with employees to improve their performance (**Bank of Palestine, 2015**). Also Palestine Islamic Bank exerts efforts to improve the employees' performance by giving them training courses and applying HR practices (**Palestine Islamic Bank, 2015**).

Paltel applied on a range of projects during 2014, including applying a unified performance evaluation system for all Paltel companies, based on the best international standards, re-updated job descriptions, job evaluations and reward system. Paltel also pays great attention to training, qualifying and developing its human resources, as one of the Group's top valued assets. This is done through providing staff with training programs that aim at developing their technical and administrative skills necessary to accomplish their tasks, and keep up with the latest knowledge in their respective fields. In order to ensure the continuous provision and development of quality services, the company provided training opportunities for 901 employees in various departments (**Paltel Group, 2014**).

## **Chapter 5**

# **Research Design and Methodology**

- **Introduction**
- **Research Methodology**
- **Research Procedure**
- **Sources of Data**
- **Research Population**
- **Research Sample**
- **Questionnaire Design**
- **Data Measurement**
- **Statistical Analysis Tools**
- **Questionnaire Procedures**
- **Validity of the Questionnaire**
- **Reliability of the Questionnaire**

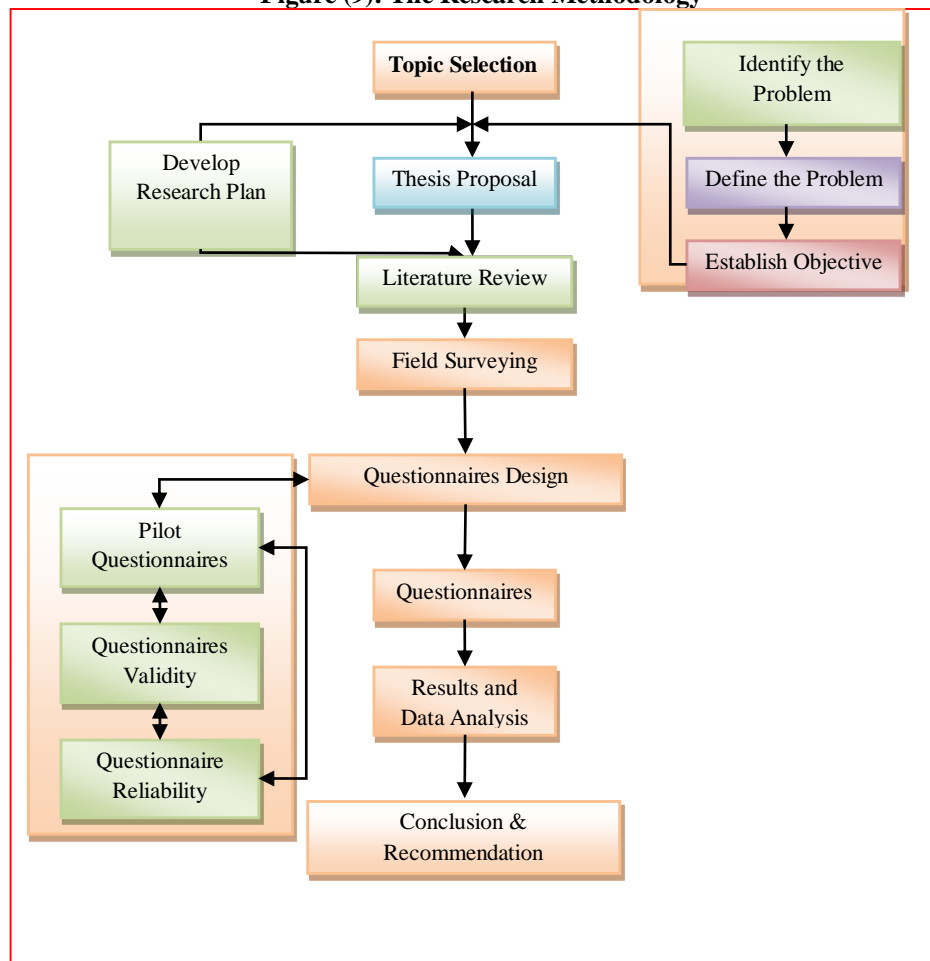
## Introduction

This chapter is considered important since it focuses on the practical aspects of the research. It describes the adopted methodology to achieve the research objectives. This includes the information about the research design, research population and sample, questionnaire design, validity and reliability of the questionnaire.

## Research Methodology

The research follows the descriptive analytical approach that the developed hypotheses are tested after conducting the planned data collection process. The researcher depends on using the (SPSS) to analyze the data collected by a questionnaire, which is the primary source. Secondary sources are books, journals, articles, periodicals, reports, and websites.

**Figure (9): The Research Methodology**



Source: Saunders et al., "Research Methods for Business Students", Pearson Education, 2011, P. 11

## Research Procedure

The followings are the steps followed by the researcher to conduct and implement the research:

1. The first phase: It includes developing the research proposal that contains identifying and defining the problems and establishment objective of the research and development research plan.
2. The second phase: After receiving the approval on the research proposal, a comprehensive literature review was conducted about ERM and employees' performance.
3. The third phase: The researcher started developing a questionnaire including the determined variables to be measured. The questionnaire was evaluated and reviewed.



4. The fourth phase: It is focused on the modification of the questionnaire design, through distributing the questionnaire to pilot study. The purpose of the pilot study was to test and prove that the questionnaire questions are clear to be answered in a way that help to achieve the target of the research.
5. The fifth phase: It is for distributing the questionnaire. This questionnaire was used to collect the required data on two major private sectors which are banking sector and telecommunication sector. Bank of Palestine and Palestine Islamic Bank represent the banking sector, and Paltel represent the telecommunication sector while Jawwal refused to distribute them. 200 questionnaires were distributed to the research population and 168 questionnaires were received.
- Sciences, (SPSS) was used to perform the required analysis.
7. The seventh phase: The final phase includes the conclusions and recommendations.

### Sources of Data

The researcher used two sources of data that was collected carefully in order to achieve the research objectives:

1. Secondary Data: It is obtained from several journals that discussed ERM and its components. Also, many books related to it was used, in addition to thesis from universities and electronic libraries. Data about the selected companies at banking and telecommunication sectors were collected from its websites and annual reports.
2. Primary Data: A questionnaire is the used tool to collect data about the effectiveness of ERM. The respondents were asked regarding the research variables.

### Data Collection Methodology

Collecting the needed data for the research depends on the two sources mentioned previously which are the secondary and the primary sources in order to study the effect of ERM on the employees' performance at telecommunication and banking sectors. Research methodology depends on the analysis of data on the use of descriptive analysis, which done using the SPSS program.

### Research Population

The research population included the employees of two major private sectors, telecommunication sector and banking sector. Two companies from each sector were selected. Paltel and Jawwal were selected from telecommunication sector. Yet, Jawwal rejected to distribute the questionnaire. BOP and Palestine Islamic Bank were selected from banking sector because they have the largest number of employees in Gaza Strip (Palestine Monetary Authority, 2015). The following table includes the population of each organization:

**Table (2): Population of the Research**

The Organization	Number of Employees
BoP	126
Palestine Islamic Bank	80
Paltel	80
<b>Total</b>	<b>286</b>

Source: Articulated by the Researcher (Data from HR departments – January, 2015)

### Research Sample

The researcher based on stratified random sampling during the research implementation according to the selected companies. The stratified random sample is dividing the population into groups that share similar characteristics or attributes. The targeted respondents are all employees in the two sectors.

**Table (3): Sample of the Research**

<b>The Organization</b>	<b>Number of the research sample</b>	<b>Response Rate (%)</b>
BoP	78	100
Palestine Islamic Bank	50	100
Paltel	40	86
<b>Total</b>	<b>168</b>	<b>95</b>

Source: Articulated by the Researcher (2015)

### **Questionnaire Design**

The questionnaire was carefully design in order to facilitate the collection process, in addition to maximize the reliability and validity of data gathered from respondents. The questionnaire is composed of the following sections:

1. Section (1): It focused on the personal and organizational characteristics of the respondents including (age, gender, Marital Status, Functional Level, educational degree, years of experience in the organization, and the organization's working sector).
2. Section (2): 14 questions focused on HR practices and its effect on employees' performance.
3. Section (3): 10 questions focused on communication and its effect on employees' performance.
4. Section (4): 9 questions focused on Trust and its effect on employees' performance.
5. Section (5): 9 questions focused on Shared Goals and Values and its effect on employees' performance.
6. Section (6): 8 questions focused on Leadership Styles and its effect on employees' performance.
7. Section (7): 15 questions focused on employees' performance.

### **Data Measurement**

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there is/are an appropriate method/s that can be applied and not others. In this research, ordinal scales were used. Ordinal scale is a ranking or a rating data that normally uses integers in ascending or descending order. The numbers assigned to the important (1, 2, 3, 4, 5) do not indicate that the interval between scales are equal, nor do they indicate absolute quantities. They are merely numerical labels. Based on Likert scale the have the following:

<b>Item</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Do not Know</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>Scale</b>	5	4	3	2	1

### **Statistical Analysis Tools**

The researcher used data analysis both qualitative and quantitative data analysis methods. The Data analysis made utilizing (SPSS 22). The researcher utilized the following statistical tools:

1. Kolmogorov-Smirnov test of normality.
2. Pearson correlation coefficient for Validity.
3. Cronbach's Alpha for Reliability Statistics.
4. Frequency and Descriptive analysis.
5. Stepwise regression.
6. Parametric Tests (One-sample T test, Independent Samples T-test and Analysis of Variance).
  - a. T-test is used to determine if the mean of a paragraph is significantly different from a hypothesized value 3 (Middle value of Likert scale). If the P-value (Sig.) is smaller than or equal to the level of significance  $\alpha = 0.05$ , then the mean of a paragraph is significantly different from a hypothesized value 3. The sign of the Test value indicates whether the mean is significantly greater or smaller than hypothesized value 3. On the other hand, if the P-value (Sig.) is greater than the level of significance  $\alpha = 0.05$ , then the mean a paragraph is insignificantly different from a hypothesized value 3.

- b. The Independent Samples *T-test* is used to examine if there is a statistical significant difference between two means among the respondents toward the Employee Relationship Management and its Effect on Employees Performance at Telecommunication and Banking Sectors due to (Gender, Marital status and Working Sector of the Organization).
- c. The One- Way Analysis of Variance (ANOVA) is used to examine if there is a statistical significant difference between several means among the respondents toward the Employee Relationship Management and its Effect on Employees Performance at Telecommunication and Banking Sectors due to (Age, Functional Level, Educational Degree and Years of Experience).

### **Questionnaire Procedures**

The researcher utilizes the following questionnaire procedures:

1. The researcher designed the questionnaire and then it was reviewed and modified by the supervisor.
2. The modified copy was given to a number of 8 academic and professional referees who have excellent knowledge and expertise in the area of the research topic.
3. The questionnaire was modified based on the referee's comments and a pilot sample of 30 questionnaires was distributed to help test the validity and reliability of the questionnaire.
4. Based on the pilot phase findings, it was concluded that the questionnaire is ready to be distributed as a final copy.

### **Validity of the Questionnaire**

Validity refers to the degree to which an instrument measures what it is supposed to be measuring. Validity has a number of different aspects and assessment approaches. To insure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (Pearson test) which measures the correlation coefficient between each paragraph in one field and the whole field. The second test is structure validity test (Pearson test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of similar scale (Kimberlin & Winterstein, 2008, p. 2277).

1. External (Pre-Pilot) Validity of the Questionnaire: It is essential to pre-pilot the questionnaire to identify any ambiguities in the questions and to identify the potential problems for each question. In order to assure high level of reliability and validity for the developed tool, the researcher had taken the approval of the supervisor to review the tool on Academic levels to ensure its relevance and stability.

2. Criterion Related Validity: Internal consistency of the questionnaire is measured by a pilot sample, which consisted of 30 questionnaires through measuring the correlation coefficients between each paragraph in one field and the whole field.

Internal Validity of the Questionnaire: Internal validity of the questionnaire is the first statistical test that used to test the validity of the questionnaire. It is correlation coefficients between each paragraph in one field and the whole field.

a. Measuring the Correlation between " Human Resources Practices" and the total of the field Table (4) clarifies the correlation coefficient of each paragraph of the "Human Resources Practices" and the total of the field.

**Table (4): Correlation coefficient of each Paragraph of the "Human Resources Practices" and the total of this field.**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Selection and recruitment processes in the organization considered fair	0.817	0.000*
2.	The organization provides employee with training opportunities that increase his abilities and skills	0.767	0.000*
3.	Employee's Training needs are discussed with the manager.	0.714	0.000*
4.	Organization depends of attracting distinguished qualified and expertise trainers to train employees	0.843	0.000*
5.	There is a proportionality between training the employee had and the requirements of his work	0.738	0.000*
6.	Training contributes in having new information and skills that help to improve employee's performance.	0.565	0.001*
7.	Rewards and incentives system in the organization characterized by its objectivity and transparency.	0.799	0.000*
8.	Performance appraisal system contains standards to measure the employees skills and performance	0.884	0.000*
9.	Performance appraisal system identifies the strengths and weaknesses of the employees	0.721	0.000*
10.	Reviewing the performance appraisal results contributes in employees development	0.643	0.000*
11.	Managers seeks to strengthen and expand relations with employees	0.754	0.000*
12.	Each employee is aware of his career path in the organization	0.853	0.000*
13.	The organization is interested in developing the career paths for employees.	0.892	0.000*
14.	The employee put specific targets for his career path which he want to reach in the future	0.803	0.000*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of all paragraphs are significant at  $\alpha = 0.05$ , so it can be said that all paragraphs of each field are consistent and valid to be measure what it was set for.

b. Measuring the Correlation between "Communication" and the total of the field.

Table (5) clarifies the correlation coefficient of each paragraph of the "Communication" and the total of the field.

**Table (5): Correlation Coefficient of Each Paragraph of "Communication" and the Total of this Field**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The manager talks continuously with employees about work problems and obstacles	0.768	0.000*
2.	The manager can deliver clear messages to employees about matters relating to work	0.585	0.000*
3.	The manager use various communication methods to clarify his ideas	0.839	0.000*
4.	The manager conduct regular meetings to discuss the employees achievements	0.659	0.000*
5.	Written information are provided to employees in an easy manner to understand	0.624	0.000*
6.	Delivery information process to employees is considered quick and clear	0.652	0.000*
7.	The organization asks for feedback from the employees about the quality of information they receive	0.813	0.000*
8.	The manger takes the employee's Opinion before making decisions.	0.803	0.000*
9.	The manager devote part of his time to understand and know the employee's needs.	0.798	0.000*
10.	The manager accepts criticism from the employee	0.818	0.000*

\*Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at  $\alpha = 0.05$ , so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

c. Measuring the Correlation between the “Trust” and the total of the field.

Table (6) clarifies the correlation coefficient of each paragraph of the "Trust" and the total of the field

**Table (6): Correlation Coefficient of Each Paragraph of "Trust" and the Total of this Field**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	The organization treats employees fairly and without discrimination	0.792	0.000*
2.	The Employees trust the promises provided by managers	0.926	0.000*
3.	Whenever the manager makes decision, he consider the decision’s impact on employees	0.891	0.000*
4.	Managers takes the opinions of employees into account when making decisions	0.844	0.000*
5.	Managers are successful in the work they attempt to accomplish	0.817	0.000*
6.	The employees feel very confident about their manager skills and abilities	0.839	0.000*
7.	The employees trust the decisions taken by managers	0.872	0.000*
8.	The organization is considered successful in things it attempts to do	0.799	0.000*
9.	Managers appreciate employees who perform their tasks properly	0.650	0.000*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at  $\alpha = 0.05$ , so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

d. Measuring the Correlation between the “Shared Goals and Values” and the total of the field

Table (7) clarifies the correlation coefficient for each paragraph of the "Shared Goals and Values" and the total of the field.

**Table (7): Correlation Coefficient of Each Paragraph of "Shared Goals and Values" and the Total of this Field**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Employees participate in setting the organization goals and values and works to achieve it	0.649	0.000*
2.	Employees find that their goals and values are similar to the organization goals and values	0.800	0.000*
3.	Employees understand and know the organization goals and values	0.845	0.000*
4.	Employees participating in setting organization goals and values helps them to understanding the nature and the flow of work process	0.786	0.000*

5.	Employees achieve goals easily because they know it well	0.806	0.000*
6.	Employees participation in setting goals affect their performance in a positive way	0.801	0.000*
7.	Participation in identifying goals strengthen the relation between the employee and manager	0.644	0.000*
8.	Shared goals and values leads the employees to become active participants in the organization	0.590	0.000*
9.	Questioning and punishment are executed in case any violation of the organization terms and regulations	0.754	0.000*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at  $\alpha = 0.05$ , so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

e. Measuring the Correlation between the “Leadership Styles” and the total of the field

Table (8) clarifies the correlation coefficient for each paragraph of the "Leadership Styles" and the total of the field

**Table (8): Correlation Coefficient of Each Paragraph of "Leadership Styles Total of this Field**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Manager encourages employees to express their opinions in planning and implementing the work	0.881	0.000*
2.	Manager used varied methods of reward and punishment as required by situation and conditions	0.830	0.000*
3.	Manager encourages employees to be creative in their work and bring new ideas	0.873	0.000*
4.	Manager follow up employees when they late believing that strict supervision make them feel the importance of their work.	0.799	0.000*
5.	Manager concerns the working procedures and gives employees freedom to choose tasks because he trusts their opinions and decisions	0.864	0.000*
6.	Manager delegates some of his power to all employees working with him	0.716	0.000*
7.	Managers gives opportunity to employees initiative in facing difficult situations	0.860	0.000*
8.	Manager participate his employees in decision making process	0.884	0.000*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at  $\alpha = 0.05$ , so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

f. Measuring the Correlation between the “Employee Performance” and the total of the field Table (9) clarifies the correlation coefficient of each paragraph of the "Employee' Performance" and the total of the field

**Table (9): Correlation Coefficient of Each Paragraph of "Employees' Performance" and the Total of this Field**

No.	Paragraph	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Employees perform their tasks efficiently and effectively	0.493	0.003*
2.	Employees make their effort to achieve their tasks in the required time	0.847	0.000*
3.	Employees have well known and understand to the nature of the assigned tasks	0.574	0.000*
4.	Employees participate in decisions that improve their performance	0.650	0.000*
5.	Employees take into account the required time to achieve their tasks	0.687	0.000*
6.	There is ability for employees to take responsibility for the daily burden of work	0.782	0.000*
7.	Direct supervision and constant follow-up of the managers leads to improve the employees performance	0.691	0.000*
8.	Employees have the ability to creativity, innovation and job development	0.670	0.000*
9.	There is ability for employees to adapt in the event of emergency situations at work	0.659	0.000*
10.	Employees carried out orders and instructions issued by the manager related to the work	0.837	0.000*
11.	Employees are keen to achieve the organization goals	0.716	0.000*
12.	Employees have the ability to communicate and collaborate with their colleagues	0.872	0.000*
13.	Good relationship between the manager and employee affect job performance	0.707	0.000*
14.	Performance appraisal system identifies the strengthen and weaknesses of employees	0.753	0.000*
15.	Performance appraisal System is considered as a motivation for employees to develop and improve their performance	0.430	0.009*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of this field are significant at  $\alpha = 0.05$ , so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

3. Structure Validity of the Questionnaire: Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of liker scale.



The researcher assessed the fields' structure validity by calculating the correlation coefficients of each field of the questionnaire and the whole of the questionnaire.

Table (10) clarifies the correlation coefficient of each field and the whole questionnaire.

**Table (10): Correlation Coefficient of Each Field and the Whole of Questionnaire**

No.	Field	Pearson Correlation Coefficient	P-Value (Sig.)
1.	Human Resources Practices	0.944	0.000*
2.	Communication	0.896	0.000*
3.	Trust	0.928	0.000*
4.	Shared Goals and Values	0.815	0.000*
5.	Leadership Styles	0.935	0.000*
	<b>Employee Relationship Management Components</b>	0.980	0.000*
	<b>Employee Performance</b>	0.603	0.000*

\* Correlation is significant at the 0.05 level

The p-values (Sig.) are less than 0.05, so the correlation coefficients of all the fields are significant at  $\alpha = 0.05$ , so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

### **Reliability of the Questionnaire (Cronbach's Coefficient Alpha)**

The reliability of an instrument is the degree of consistency which measures the attribute; it is supposed to be measuring (George & Mallery, 2006). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient (George & Mallery, 2006). To insure the reliability of the questionnaire, Cronbach's Coefficient Alpha should be applied.

Cronbach's Coefficient Alpha method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

**Table (11): Cronbach's Alpha for Each Field of the Questionnaire**

No.	Field	Cronbach's Alpha
1.	Human Resources Practices	0.943
2.	Communication	0.902
3.	Trust	0.941
4.	Shared Goals and Values	0.892
5.	Leadership Styles	0.945
	<b>Employee Relationship Management Components</b>	0.981
	<b>Employee Performance</b>	0.915
	<b>All paragraphs of the questionnaire</b>	<b>0.980</b>

Table (11) shows the values of Cronbach's Alpha for each field of the questionnaire and the entire questionnaire. For the fields, values of Cronbach's Alpha were in the range from 0.892 and 0.981. This range is considered high; the result ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.980 for the entire questionnaire which indicates an excellent reliability of the entire questionnaire.

Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the research sample.

# **Chapter 6**

## **Data Analysis and Hypothesis Testing**

- **Introduction**
- **Test of Normality**
- **Descriptive Analysis of the sample characteristics**
- **Data Analysis**
- **Hypothesis testing**

## Introduction

The aim of this chapter is to analyze the empirical data which was collected through the questionnaire in order to provide a real picture about ERM and its effect on employee's performance at telecommunication and banking sectors. This chapter includes 4 main sections. The first is test of normality. The second is about descriptive analysis (the organizational and personal characteristics) which will be presented and discussed. The third is about Data analysis (Means and Test values for each field). The fourth section is hypotheses testing. The findings that respond to these questions and objectives will be discussed and compared to previous findings in other studies.

## Test of Normality

The One-Sample Kolmogorov-Smirnov Test procedure compares the observed cumulative distribution function for a variable with a specified theoretical distribution, which may be normal, uniform, Poisson, or exponential. The Kolmogorov-Smirnov Z is computed from the largest difference (in absolute value) between the observed and theoretical cumulative distribution functions. This goodness-of-fit test tests whether the observations could reasonably have come from the specified distribution. Many parametric tests require normally distributed variables. The one-sample Kolmogorov-Smirnov test can be used to test that a variable of interest is normally distributed (Thode, 2002).

Table (4) shows the results for Kolmogorov-Smirnov test of normality.

**Table (12): Kolmogorov-Smirnov test**

Field	Kolmogorov-Smirnov	
	Statistic	P-value
Human Resources Practices	0.413	0.996
Communication	0.510	0.957
Trust	0.715	0.685
Shared Goals and Values	0.746	0.633
Leadership Styles	0.845	0.474
<b>Employee Relationship Management Components</b>	0.573	0.897
<b>Employee Performance</b>	0.849	0.467
<b>All paragraphs of the questionnaire</b>	0.481	0.975

From Table (12), the p-value for each variable is greater than 0.05 level of significance, then the distributions for these variables are normally distributed. Consequently, parametric tests should be used to perform the statistical data analysis.

## Descriptive Analysis of the Sample Characteristics

### 1. Age

**Table (13): Age**

Age	Frequency	Percent
Less than 25	29	15.6
25 to less than 30	45	24.2
30 to less than 35	49	26.3
35 to less than 40	31	16.7
40 and more	32	17.2
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (13) Shows that the majority of the respondents have ages less than 40, and this represents 82.8%, while 17.2% of the respondent's ages are "40 and more". This indicates to how much these organizations are interested in employing young employees because it is growing continuously and need employees who are active and have the energy to perform effectively to improve themselves. While companies prefer to acquire older employees for top level positions that require more experience in order to enhance the skills of the younger employees and manage their work effectively.

## 2. Gender

**Table (14): Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	124	66.7
Female	62	33.3
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (14) Shows that the majority of the respondents are males, and they represents 66.5% of the study sample compared to females. According to the annual report of Paltel Group, 78.67% of the employees were males by the end of 2014. Also, at BoP females represented 26% of the total number of employees by the end of 2014, and at Palestine Islamic Bank just 19.73% of employees are females according to the annual report published at the end of 2014. These indicators obtain how much employers prefer employing males rather than females.

## 3. Marital Status

**Table (15): Marital Status**

<b>Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Married	128	68.8%
Single	53	28.5%
Divorced	4	2.2%
widower	1	0.5%
<b>Total</b>	<b>186</b>	<b>100.0</b>

From Table (15) above its indicated 68% were married, while 32% were single and others. This implies there more married than single employees in the organizations.

## 4. Functional Level

**Table (16): Functional Level**

<b>Functional Level</b>	<b>Frequency</b>	<b>Percent</b>
Top Management	21	11.3%
Middle Management	36	19.4%
Operational Management	129	69.4%
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (16) Shows that 11.3% of the respondents are from the top management, 19.4% from the middle management and 69.4% are from the operational management. This indicates that the results reflects the opinion of middle and operational management more than the top management.

## 5. Educational Degree

**Table (17): Educational Degree**

<b>Educational Degree</b>	<b>Frequency</b>	<b>Percent</b>
Diploma and less	21	11.3%
Bachelor	147	79.0%
Master	18	9.7%
PhD	-	-
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (17) Shows that 11.3% of the respondents hold "Diploma and less", while 88.7% of the respondents hold Bachelor's degree and master degree. This indicates to the organizations' interest in employing educated employees in order to be able to perform their work with the set standards and the requirements of the job. It is also noted that none of the respondents holds a PhD degree, while 9.7% of the respondents holds a master degree; this means that some employees are interested to invest in their educational improvement to match their career development. The educational degree for the selected sample for reviewed studies varied according to the work field.

## 6. Years of Experience

**Table (18): Years of Experience**

<b>Years of Experience</b>	<b>Frequency</b>	<b>Percent</b>
less than two years	27	14.5%
2 to less than 5 years	44	23.7%
5 to less than 10 years	69	37.1%
10 years and more	46	24.7%
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (18) Shows that 75.3% of the respondents has "less than 10 years" of services in the Organization, and 24.7% of the respondents has "more than 10 years" of service in the Organization. This indicates that the organizations interest in improving employees who have limited experience compared to those who have 10 years and more.

## 7. Working Sector of the Organization

**Table (19): Working Sector of the Organization**

<b>Working Sector</b>	<b>Frequency</b>	<b>Percent</b>
Banking Sector	148	79.6
Telecommunications Sector	38	20.4
<b>Total</b>	<b>186</b>	<b>100.0</b>

Table No. (19) Shows that 79.6% of the respondents work in the banking sector, and 20.4% of the respondents work in the telecommunication sector. This number doesn't reflect the real number in the two sectors because of rejecting Jawwal Company to distribute questionnaires.

## Data Analysis

One sample t-test was used to determine the opinion of respondents toward the effectiveness of ERM at the companies they work in. The analysis of the respondents' opinion will be presented in order to obtain their direction regarding the questionnaires sentences if it is positive (proportional mean greater than "60%" and the p-value less than 0.05), or if it is neutral regarding the content of the sentences neutral (p-value is greater than 0.05), or if it is negative (proportional mean less than "60%" and the p-value less than 0.05).

The following tables show the analysis of the opinions of employees.

### 1. ERM components: There are five components as follows

#### a. Human Resources Practices

**Table (20): Means and Test values for "Human Resources Practices"**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Selection and recruitment processes in the organization considered fair	3.78	0.97	75.70	11.06	0.000*	8
2.	The organization provides employee with training opportunities that increase his abilities and skills	4.02	0.75	80.43	18.59	0.000*	2
3.	Employee's Training needs are discussed with the manager.	3.73	0.99	74.62	10.09	0.000*	11
4.	Organization depends of attracting distinguished qualified and expertise trainers to train employees	3.95	0.81	79.02	15.89	0.000*	3
5.	There is a proportionality between training the employee had and the requirements of his work	3.92	0.91	78.39	13.84	0.000*	4
6.	Training contributes in having new information and skills that help to improve employee's performance.	4.03	0.78	80.54	18.00	0.000*	1
7.	Rewards and incentives system in the organization characterized by its objectivity and transparency.	3.66	1.00	73.12	8.97	0.000*	14
8.	Performance appraisal system contains standards to measure the employees skills and performance	3.88	0.94	77.63	12.80	0.000*	6
9.	Performance appraisal system identifies the strengths and weaknesses of the employees	3.78	0.87	75.59	12.22	0.000*	9
10.	Reviewing the performance appraisal results contributes in employees development	3.89	0.82	77.84	14.79	0.000*	5

11.	Managers seeks to strengthen and expand relations with employees	3.73	1.01	74.62	9.88	0.000*	11
12.	Each employee is aware of his career path in the organization	3.83	0.83	76.56	13.66	0.000*	7
13.	The organization is interested in developing the career paths for employees.	3.70	1.00	73.95	9.46	0.000*	13
14.	The employee put specific targets for his career path which he want to reach in the future	3.74	0.88	74.84	11.48	0.000*	10
	<b>All paragraphs of the field</b>	3.83	0.66	76.62	17.17	0.000*	

\* The mean is significantly different from 3

The mean of item no. 6 “Training contributes in having new information and skills that help to improve employee’s performance” equals 4.03 (80.54%), Test-value = 18.00, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this paragraph.

The mean of item no. 7 “Rewards and incentives system in the organization characterized by its objectivity and transparency” equals 3.66 (73.12%), Test-value = 8.97, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this paragraph.

The mean of the field “Human Resources Practice” equals 3.83 (76.62%), Test-value = 17.17, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher concludes that the respondents agree to field of “Human Resources Practice”.

The results regarding the training showed how much training contributes in gaining new information and skills that helped in improving employee’s performance. This result enhance the role of training in improving performance of the employees especially if they are given the opportunity to apply what they learned and utilize the new acquired skills. This finally affects positively on the organizational results and increases the level of employees' performance especially if the training matches their working field. This finding is consistent with (Onyango, 2014) which finds that training offered by the organizations, equipped the employees with necessary information and skills on how to go about their daily work activities, the reason of this consistency that the organizations in this study and Onyango study give training have training programs for employees.

The respondents agreed with the statement “Rewards and incentives system in the organization characterized by its objectivity and transparency” where transparent reward and incentive system leads to higher productivity and enhance employees performance which is consistent with (Alnaqbi, 2011) where both organizations have effective and reward system.

In general, respondents agreed regarding the field of “Human Resources Practices”. This agreement can be attributed to organizations awareness on the importance of the HR practices in banking and telecommunication sector and their important role in improving employees' performance. Moreover, the advantages delivered to employees makes this sector a high demanding sector among managers which allow organization wider choices to select staff with high skills, knowledge and potential. This result is consistent with (Chandra, 2009) whom said that the primary goal of HR practices in any organization is to facilitate organizational performance.



The respondents agreed with the organizations is interested in developing the career paths for employees where it is consistent with (Chandra, 2009) where it is not only important to attract talent but also fostering an environment in which the talented people are inspired to achieve their fullest potential.

b. Communication

**Table (21): Means and Test Values for “Communication”**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The manager talks continuously with employees about work problems and obstacles	3.92	0.88	78.39	14.22	0.000*	3
2.	The manager can deliver clear messages to employees about matters relating to work	3.95	0.74	79.03	17.60	0.000*	1
3.	The manager use various communication methods to clarify his ideas	3.83	0.82	76.56	13.76	0.000*	6
4.	The manager conduct regular meetings to discuss the employees achievements	3.89	0.82	77.73	14.65	0.000*	5
5.	Written information are provided to employees in an easy manner to understand	3.93	0.78	78.60	16.30	0.000*	2
6.	Delivery information process to employees is considered quick and clear	3.91	0.86	78.17	14.48	0.000*	4
7.	The organization asks for feedback from the employees about the quality of information they receive	3.70	0.96	74.09	10.00	0.000*	7
8.	The manger takes the employee’s Opinion before making decisions.	3.47	1.10	69.41	5.80	0.000*	9
9.	The manager devote part of his time to understand and know the employee’s needs.	3.54	1.13	70.86	6.58	0.000*	8
10.	The manager accepts criticism from the employee	3.42	1.19	68.49	4.85	0.000*	10
	<b>All paragraphs of the field</b>	3.76	0.71	75.14	14.62	0.000*	

\* The mean is significantly different from 3

The mean of item #2 “The manager can deliver clear messages to employees about matters relating to work” equals 3.95 (79.03%), Test-value = 17.60 and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of item #10 “The manager accepts criticism from the employee” equals 3.42 (68.49%), Test-value = 4.85, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of the field “Communication” equals 3.76 (75.14%), Test-value = 14.62, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to field of “Communication ”.

The results regarding delivering clear messages to employees about matters related to works is consistent with (Mosleh, 2008). This means that all the employees in the organizations get the relevant and correct information to understand matters related to work and implement it in an effective manner.

The results reflects that there is an acceptable criticism mechanism from employees to employers. Accordingly, when employee communication is open and transparent, employees can build high trust in their organization and perceive the organization as being transparent.

The respondents seems to be positive regarding the field of communication, where communication plays crucial role at organizations and it is one of the most important factors which improve the relationship among employees. Effective communication in organizations helps in achieving maximum productivity. The results of item#1 is inconsistent with (Abuwarda, 2010), According this item the respondents agreed that managers talks continuously with employees about work problems and obstacles while according to (Abuwarda, 2010) managers don’t have sufficient knowledge of the problems that face the employees. This inconsistency related to the differences of the nature of work between both studies where in banking and telecommunication sector the managers communicate with their employees.

The respondents agreed with (Chinomona and Sandada, 2013) which found that open and clear lines of communication within the organization allows interaction among employees. This can be explained that organizations in both sectors interact with their employees by various ways like face-to-face, meetings, telephone, e-mails and others.

The results of item # 5 are also consistent with (Ngari and Agusioma, 2013) that managers must depend on written modes of communication where employees might back out if the information is passed verbally. This means that organizations in both sectors depends on the written modes of communication by sending emails, brochures and letters.

c. Trust

**Table (22): Means and Test values for “Trust”**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	The organization treats employees fairly and without discrimination	3.60	1.05	71.94	7.77	0.000*	7
2.	The Employees trust the promises provided by managers	3.62	1.01	72.47	8.40	0.000*	5

3.	Whenever the manager makes decision, he consider the decision's impact on employees	3.51	1.10	70.11	6.28	0.000*	9
4.	Managers takes the opinions of employees into account when making decisions	3.51	1.08	70.27	6.44	0.000*	8
5.	Managers are successful in the work they attempt to accomplish	3.62	1.06	72.32	7.89	0.000*	6
6.	The employees feel very confident about their manager skills and abilities	3.78	0.95	75.59	11.16	0.000*	3
7.	The employees trust the decisions taken by managers	3.72	0.96	74.41	10.27	0.000*	4
8.	The organization is considered successful in things it attempts to do	3.95	0.87	78.92	14.76	0.000*	1
9.	Managers appreciate employees who perform their tasks properly	3.80	0.93	75.91	11.66	0.000*	2
	<b>All paragraphs of the field</b>	3.68	0.84	73.55	10.96	0.000*	

\* The mean is significantly different from 3

The mean of item #8 “The organization is considered successful in things it attempts to do” equals 3.95 (78.92%), Test-value = 14.76, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this paragraph.

The mean of item #3 “Whenever the manager makes decision, he consider the decision's impact on employees” equals 3.51 (70.11%), Test-value = 6.28, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of the field “Trust” equals 3.68 (73.55%), Test-value = 10.96, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to field of “Trust ”.

The result regarding “The organization is considered successful in things it attempts to do” shows that the employees have a high level of trust among their organizations ability to perform its prescribed tasks. The respondents agreed with (Holtzhausen and Fourie, 2011) that when the manager makes an important decision this institution makes an important decision he will be concerned about his employees and consider its impact. This can be explained that employees in both studies have high level of trust for their organizations.

Regarding item #4 the result is consistent with (Tzafir, 2005) that managers trust their employees by making them participate in decision making and take their opinions into account which reflects the acceptance of the possibility that employees have the ability to make good decisions. This can be explained that managers in both organizations engage the employees in the decision making process and take it into consideration, which build more trust between them.

The responses of the population of the research agree that trust is the key element of success of any organization which is consistent with (Bajaj, 2013) that ERM mainly depend on trust between employers

and employees. This can be explained that managers in the organizations seeks to build trust with their employees to build strong relationship between them and improve their performance.

d. Shared Goals and Values

**Table (23): Means and Test Values for “Shared Goals and Values”**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Employees participate in setting the organization goals and values and works to achieve it	3.56	0.97	71.18	7.87	0.000*	9
2.	Employees find that their goals and values are similar to the organization goals and values	3.72	0.87	74.41	11.32	0.000*	8
3.	Employees understand and know the organization goals and values	3.96	0.76	79.14	17.01	0.000*	6
4.	Employees participating in setting organization goals and values helps them to understanding the nature and the flow of work process	4.01	0.76	80.22	18.12	0.000*	2
5.	Employees achieve goals easily because they know it well	3.94	0.79	78.82	16.32	0.000*	7
6.	Employees participation in setting goals affect their performance in a positive way	3.97	0.75	79.46	17.63	0.000*	3
7.	Participation in identifying goals strengthen the relation between the employee and manager	4.08	0.75	81.51	19.47	0.000*	1
8.	Shared goals and values leads the employees to become active participants in the organization	3.96	0.72	79.14	18.15	0.000*	4
9.	Questioning and punishment are executed in case any violation of the organization terms and regulations	3.96	0.89	79.14	14.61	0.000*	4
	<b>All paragraphs of the field</b>	3.91	0.59	78.10	20.84	0.000*	

\* The mean is significantly different from 3

The mean of item #7 “Participation in identifying goals strengthen the relation between the employee and manager” equals 4.08 (81.51%), Test-value = 19.47, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this paragraph.

The mean of item #1 “Employees participate in setting the organization goals and values and works to achieve it” equals 3.56 (71.18%), Test-value = 7.87, and P-value = 0.000 which is smaller than the level

of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this paragraph.

The mean of the field “Shared Goals and Values” equals 3.91 (78.10%), Test-value = 20.84, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to field of “Shared Goals and Values ”.

The respondents agreed with (Herington et al., 2009) which found that employee participation in identifying goals strengthen the relationship between the employee and manager and works to achieve it and also consistent with (Chinomona and Sandada, 2013) that shared goals help to strengthen employees’ relationships due to the open-minded discussions and cooperative relationships among employees. The consistency between those studies related to that the organizations participate their employees in their goals and values.

The respondents believe that sharing goals and values with employees is important because managers make sure all employees are aware of these goals and values in order to direct their efforts towards the attainment of them which can positively impact on employees’ performance and organizational outcomes which is consistent with (Chinomona and Sandada, 2013).

The respondents seems to be positive regarding the field shared goals and values, that sharing goals and values with employees is considered prerequisite and foundation to improve employee relationship management. This can be explained that organizations share the goals and values to be clear with employees and help them improve their performance.

e. Leadership Styles

**Table (24): Means and Test Values for “Leadership Styles”**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Manager encourages employees to express their opinions in planning and implementing the work	3.70	0.93	73.98	10.21	0.000*	6
2.	Manager used varied methods of reward and punishment as required by situation and conditions	3.82	0.94	76.45	11.87	0.000*	3
3.	Manager encourages employees to be creative in their work and bring new ideas	3.78	0.98	75.57	10.83	0.000*	4
4.	Manager follow up employees when they late believing that strict supervision make them feel the importance of their work.	4.01	0.84	80.11	16.21	0.000*	1
5.	Manager minds the working procedures and gives employees freedom to choose tasks because he trusts their opinions and decisions	3.83	0.97	76.65	11.65	0.000*	2

6.	Manager delegates some of his power to all employees working with him	3.58	1.05	71.57	7.52	0.000*	8
7.	Managers gives opportunity to employees initiative in facing difficult situations	3.74	0.91	74.73	11.08	0.000*	5
8.	Manager participate his employees in decision making process	3.67	0.99	73.33	9.18	0.000*	7
<b>All paragraphs of the field</b>		3.76	0.76	75.29	13.69	0.000*	

\* The mean is significantly different from 3

The mean of item #4 “Manager follow up employees when they late believing that strict supervision make them feel the importance of their work” equals 4.01 (80.11%), Test-value = 16.21, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of item #6 “Manager delegates some of his power to all employees working with him” equals 3.58 (71.57%), Test-value = 7.52, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of the field “Leadership Styles” equals 3.76 (75.29%), Test-value = 13.69, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to field of “Leadership Styles”.

The respondent agreed with **(Pradeep and Prabhu, 2011)** that manager follow up employees when they late believing that strict supervision make them feel the importance of their work which has significant relationships with performance outcomes. This can be explained that there is good follow up mechanism in the organizations which lead to better performance.

The results are consistent with **(Gadot, 2006)** that managers minds the working procedures and gives employees freedom to choose tasks because he trusts their opinions and decisions.

Also the respondents agree that manager used varied methods of reward and punishment as required by situation and conditions which made the employees performs their tasks very well. This means that there is effective methods for rewards and punishments in the organizations.

The results show that the leadership style that manager adopts is very important element where in this research does not concentrate on specific style but it concentrate on the leadership style in general and discuss the issues related to it such as follow up employees, delegation and encouraging them.

f. "Employee Relationship Management Components"

**Table (25): Means and Test values for "Employee Relationship Management Components"**

Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
Human Resources Practices	3.83	0.66	76.62	17.17	0.000*	2
Communication	3.76	0.71	75.14	14.62	0.000*	3
Trust	3.68	0.84	73.55	10.96	0.000*	5
Shared Goals and Values	3.91	0.59	78.10	20.84	0.000*	1
Leadership Styles	3.76	0.76	75.29	13.69	0.000*	4
<b>All Paragraphs</b>	<b>3.79</b>	<b>0.62</b>	<b>75.83</b>	<b>17.28</b>	<b>0.000*</b>	

\*The mean is significantly different from 3

Table (25) shows the mean of all paragraphs equals 3.79 (75.83%), Test-value = 17.28 and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The mean of all paragraphs is significantly different from the hypothesized value 3. The researcher conclude that the respondents agree to all paragraphs "Employee Relationship Management Components".

Finally, the majority of respondents indicated that ERM components are applied in the organizations, especially shared goals and values and HR practices which means that there is applying for HR Practices and sharing for goal and values with employees. So this leads to good relationship between employees and employers and made positive effect on their performance. The proportional means hasn't high scores as follows:

1. Shared goals and values: which has proportional mean equal 78.10 (First)
2. HR practices: which has proportional mean equal 76.62 (Second)
3. Communication: which has proportional mean equal 75.14 (Third)
4. Leadership Style: which has proportional mean equal 75.29 (Fourth)
5. Trust: which has proportional mean equal 73.55 (Fifth)



## 2. Employee Performance

**Table (26): Means and Test values for “Employee Performance”**

No.	Item	Mean	S.D	Proportional mean (%)	Test value	P-value (Sig.)	Rank
1.	Employees perform their tasks efficiently and effectively	4.12	0.66	82.47	23.28	0.000*	6
2.	Employees make their effort to achieve their tasks in the required time	4.10	0.76	81.94	19.55	0.000*	7
3.	Employees have well known and understand to the nature of the assigned tasks	4.19	0.73	83.80	22.25	0.000*	2
4.	Employees participate in decisions making to improve their performance	3.81	0.98	76.24	11.34	0.000*	15
5.	Employees take into account the required time to achieve their tasks	4.15	0.73	82.90	21.34	0.000*	5
6.	There is ability for employees to take responsibility for the daily burden of work	4.09	0.80	81.72	18.50	0.000*	9
7.	Direct supervision and constant follow-up of the managers leads to improve the employees performance	4.09	0.83	81.73	17.81	0.000*	8
8.	Employees have the ability to creativity, innovation and job development	3.98	0.83	79.68	16.07	0.000*	12
9.	There is ability for employees to adapt in the event of emergency situations at work	4.17	0.72	83.48	22.17	0.000*	4
10.	Employees carried out orders and instructions issued by the manager related to the work	4.23	0.71	84.54	23.54	0.000*	1
11.	Employees are keen to achieve the organization goals	4.04	0.78	80.86	18.31	0.000*	11
12.	Employees have the ability to communicate and collaborate with their colleagues	4.05	0.83	80.97	17.15	0.000*	10
13.	Good relationship between the manager and employee affect job performance	4.18	0.84	83.55	19.22	0.000*	3
14.	Performance appraisal system identifies the strengthen and weaknesses of employees	3.95	0.78	78.92	16.48	0.000*	14
15.	Performance appraisal System is considered as a motivation for employees to develop and improve their performance	3.97	0.85	79.35	15.52	0.000*	13
	<b>All paragraphs of the field</b>	4.07	0.55	81.47	26.60	0.000*	

\* The mean is significantly different from 3

The mean of item #10 “Employees carried out orders and instructions issued by the manager related to the work” equals 4.23 (84.54%), Test-value = 23.54, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.



The mean of item #4 “Employees participate in decisions that improve their performance” equals 3.81 (76.24%), Test-value = 11.34, and P-value = 0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this paragraph is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to this item.

The mean of the field “Employee Performance” equals 4.07 (81.47%), Test-value = 26.60, and P-value=0.000 which is smaller than the level of significance  $\alpha = 0.05$ . The sign of the test is positive, so the mean of this field is significantly greater than the hypothesized value 3. The researcher conclude that the respondents agree to field of “Employee Performance ”.

The result regarding the item employees carried out orders and instructions issued by the manager related to the wok seems positive which is consistent with (Alquraan, 2011). The researcher attributes this result to the keenness of staff to carry out the instructions of direct manager due to his long experience in the work and he knows the conditions of jobs and work procedures.

The result showed that the Good relationship between the manager and employee affect employees performance where good relationship can earn the loyalty and commitment of the employees when the manager provide steady leadership, clearly communication, treat the employees fairly and consistently which is consistent with (Kuzua and Ozilhan,2014).

The respondents agreed that Employees participation in decision making improve their performance because this participation made the employee fully aware for the dimensions of this decision and how it will be implemented and what it is expected from it which is consistent with (Ansong et al., 2012). This consistency can be explained because employees in boths studies participate in decision making.

The respondents seems to be positive regarding the field employee performance that means Job Performance for employees are good. This confirms that there is an ability for employees to take responsibility for the daily burden of work and management provides appropriate training for staff to enable them to do their jobs. And also employees are keen to achieve the objectives of the organizations, have the ability to work with emergency situations, and complete the required job in time which is consistent with (Alquraan, 2011).

## Hypothesis Testing

1. Hypothesis #1: There is a statistical significant relationship between employee relationship management components and the employee’s performance at 0.05 level

**Table (27): Correlation coefficient between ERM components and the employee’s performance**

No.	Field	Pearson Correlation Coefficient	P-Value (Sig.)
a.	Relationship between HR Practices and the employee’s performance	0.434	0.000*
b.	Relationship between Communication and the employee’s performance	0.465	0.000*
c.	Relationship between Trust and the employee’s performance	0.467	0.000*
d.	Relationship between Shared Goals and Values and the employee’s performance	0.550	0.000*
e.	Relationship between Leadership Styles and the employee’s performance	0.516	0.000*
	<b>Relationship between ERM components and the employees’ performance</b>	<b>0.542</b>	<b>0.000*</b>

\* Correlation is statistically significant at 0.05 level

Table (27) shows that the correlation coefficient between ERM components and the employee's performance equals 0.542 and the p-value (Sig.) equals 0.000. The p-value (Sig.) is less than 0.05, so the correlation coefficient is statistically significant at  $\alpha = 0.05$ . The researcher conclude there exists a significant relationship between employee relationship management components and the employee's performance.

In general, all the independent variables are very much correlated to the dependent variable. Hence, the independent variables that had been used in the questionnaire are statistically representing the components of ERM. The more the relation is positive and active, the more there is applying for ERM there. So, it can be said that "there is a significant relationship between employee relationship management components and the employee's performance ". Therefore the hypothesis is accepted.

It can be concluded that ERM is important in any organization to improve the employees' performance. Finding is supported by many researches (Onyango, 2014), (Chinomona and Sandada, 2013), (Bajaj,2013), (Alnaqbi, 2011), (Abuwarda, 2010), (Chandra, 2009), (Herington et al., 2009), (Kuzua and Ozilhan,2014) which revealed that ERM has an effect on employees' performance.

2. Hypothesis #2: There is a statistical significant effect for employee relationship management components on the employee's performance at 0.05 level.

The hypothesis stated that there is a significant effect between employee relationship management components and employees' performance (at level of significance  $\alpha= 0.05$ )

In order to explore the relationship between dependent variable and independent variables, multiple regression analysis was conducted to see the impacts. One of the objectives of this research is to find out the relationships and the effect between employee relationship components (HR Practices, Trust, Communication, Leadership styles and shared goals and values) and employees' performance, so regression analysis is the best suitable tool for that purpose. The researcher use Stepwise regression and obtain the following results:

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**Table (28): Result of Stepwise regression**

Variable	B	T	Sig.	R	R-Square	F	Sig.
(Constant)	1.981	8.961	0.000*	0.588	0.345	48.288	0.000**
Shared Goals and Values	0.346	4.715	0.000*				
Leadership Styles	0.197	3.444	0.001*				

\* The variable is statistically significant at 0.05 level

\*\* The relationship is statistically significant at 0.05 level

Table (28) shows the Multiple correlation coefficient  $R = 0.588$  and  $R\text{-Square} = 0.345$ . This means 34.5% of the variation in employee's performance is explained by "Shared Goals and Values and Leadership Styles ".

Table (28) shows the Analysis of Variance for the regression model.  $F=48.288$ ,  $Sig. = 0.000$ , so there is a significant relationship between the dependent variable employee's performance and the independent variables "Shared Goals and Values and Leadership Styles ".

Based on Stepwise regression method, the variables "Human Resources Practices, Communication and Trust" have insignificant effect on employee's performance.

The estimated regression equation is:

$$\text{Employee's performance} = 1.981 + 0.346* (\text{Shared Goals and Values}) \\ + 0.197* (\text{Leadership Styles})$$

The estimated regression equation is used to predict the value of employee's performance for any give values (responses) to the independent variables "Shared Goals and Values and Leadership Styles".

So, it can be concluded that managers should give more attention to shared goals and values and leadership styles which has a great effect on employees' performance. They should focus on sharing goals and values with employees which leads to better understanding for those goals and values, implementing them in right manner and improve employees' performance. Also leadership style with employees is very important because it has great effect on employees' performance. Managers should focus on the way they deal with employees, follow up and encouragement and improve it to strength the relationship and improve the employees performance.

3. Hypothesis #2: There is a statistical significant differences among respondents toward employee relationship management due to personal traits.

This hypothesis can be divided into the following sub-hypotheses:

- a. There is a statistical significant differences among respondents toward employee relationship management due to age.

**Table (29): ANOVA Test of the Fields and Their P-Values for Age**

No.	Field	Means					Test Value	Sig.
		Less than 25	25 to less than 30	30 to less than 35	35 to less than 45	40and more		
1.	Human Resources Practices	3.62	3.88	3.83	3.90	3.88	0.973	0.424
2.	Communication	3.38	3.87	3.83	3.84	3.75	2.711	0.032*
3.	Trust	3.52	3.74	3.58	3.79	3.77	0.712	0.585
4.	Shared Goals and Values	3.79	3.93	3.85	4.01	3.97	0.742	0.565
5.	Leadership Styles	3.49	3.96	3.80	3.74	3.71	1.801	0.131
	<b>Employee Relationship Management Components</b>	3.56	3.88	3.78	3.86	3.82	1.311	0.267
	<b>Employee Performance</b>	3.91	4.15	4.03	4.21	4.04	1.463	0.215
	<b>All fields together</b>	3.64	3.94	3.84	3.94	3.87	1.530	0.195

\* The mean difference is significant a 0.05 level

Table (29) shows that the p-value (Sig.) is smaller than the level of significance  $\alpha = 0.05$  for the field "Communication", then there is significant difference among the respondents toward this field due to age. The researcher conclude that the personal characteristics' age has an effect on this field.

The mean for the category "25 to less than 30" respondents have the highest among the other age categories, then the researcher conclude that the category "25 to less than 30" respondents is agreed for the field "Communication" much more than the other age categories.

For the other fields, the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$ , then there is insignificant difference among the respondents toward these fields due to age. The researcher conclude that the personal characteristics' age has no effect on the other fields.

The age of the respondents affects on answering the field 'communication' where employees from age 25 to less than 30 answered accurately and logically to the mentioned statements in the questionnaire.

While according to the other fields (HR practices, Trust, Shared Goals and Values, Leadership Styles) the employees can reply to all mentioned statements accurately regarding to their ages.

- b. There is a statistical significant differences among respondents toward employee relationship management due to gender.

**Table (30): Independent Samples T-Test of the Fields and Their P-Values for Gender**

No.	Field	Means		Sig.	Test Value
		Male	Female		
1.	Human Resources Practices	3.90	3.74	1.593	0.113
2.	Communication	3.84	3.65	1.789	0.075
3.	Trust	3.73	3.61	1.033	0.303
4.	Shared Goals and Values	3.94	3.86	0.929	0.354
5.	Leadership Styles	3.81	3.70	1.011	0.314
	<b>ERM Components</b>	3.85	3.72	1.482	0.140
	<b>Employee Performance</b>	4.14	3.99	1.871	0.063
	<b>All fields together</b>	3.92	3.78	1.704	0.090

Table (30) shows that the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$  for each field, then there is insignificant difference among the respondents toward each field due to gender. The researcher conclude that the characteristics of the respondents' gender has no effect on each field.

The respondents' gender does not affect any field of the research, it is concluded that opinions were the same from both male and female employees towards the effect of ERM on employee performance, although the number of male respondents is a little bigger than the number of female respondents but still no big difference in percentage is considered.

- c. There is a statistical significant differences among respondents toward employee relationship management due to marital status.

**Table (31): Independent Samples T-Test of the Fields and their P-Values for Marital Status**

No.	Field	Means		Sig.	Test Value
		Married	Other		
1.	Human Resources Practices	3.85	3.79	0.550	0.583
2.	Communication	3.78	3.70	0.717	0.474
3.	Trust	3.71	3.61	0.752	0.453
4.	Shared Goals and Values	3.93	3.85	0.835	0.405
5.	Leadership Styles	3.76	3.78	-0.228	0.820
	<b>ERM Components</b>	3.81	3.75	0.608	0.544
	<b>Employee Performance</b>	4.12	3.98	1.595	0.112
	<b>All fields together</b>	3.88	3.80	0.884	0.378

Table (31) shows that the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$  for each field, then there is insignificant difference among the respondents toward each field due to marital status. The researcher conclude that the personal characteristics' marital status has no effect on each field.

The respondents' marital status does not affect any field of the research, it is concluded that opinions were the same from all respondents towards the effect of ERM on employee performance.

- d. There is a statistical significant differences among respondents toward employee relationship management due to Functional Level.

**Table (32): ANOVA Test of the Fields and their P-Values for Functional Level**

No.	Field	Means			Test Value	Sig.
		Top Management	Middle Management	Operational Management		
1.	HR Practices	4.09	3.94	3.76	2.961	0.054
2.	Communication	4.09	3.72	3.71	2.611	0.076
3.	Trust	4.11	3.64	3.62	3.131	0.046*
4.	Shared Goals and Values	4.22	4.00	3.83	4.714	0.010*
5.	Leadership Styles	4.21	3.64	3.73	4.495	0.012*
	<b>ERM Components</b>	4.14	3.80	3.73	3.917	0.022*
	<b>Employee Performance</b>	4.33	4.23	3.99	5.682	0.004*
	<b>All fields together</b>	4.18	3.90	3.79	4.757	0.010*

\* The mean difference is significant a 0.05 level

Table (32) shows that the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$  for the fields "Human Resources Practices and Communication", then there is insignificant difference among the respondents toward these fields due to Functional Level. The researcher conclude that the personal characteristics' Functional Level has no effect on these fields.

For the other fields, the p-value (Sig.) is smaller than the level of significance  $\alpha = 0.05$ , then there is significant difference among the respondents toward these fields due to Functional Level. The researcher conclude that the personal characteristics' Functional Level has an effect on the other fields.

The mean for the category " Top Management " respondents have the highest among the other Functional Level categories, then the researcher conclude that the category "Top Management" respondents is agree much more than the other Functional Level categories.

The respondents' Functional level doesn't effect of the fields HR Practices and Communication, but it is effect in other fields where the top management agrees more than the others which return to that employees from top management have a lot of experience in organizations and they are responsible for sharing goals and values, they build the trust with employees and they apply the suitable leadership style with employees.

- e. There is a statistical significant differences among respondents toward employee relationship management due to Educational Degree.

**Table (33): ANOVA test of the fields and their p-values for Educational Degree**

No.	Field	Means			Test Value	Sig.
		Diploma and less	Bachelor	Master		
1.	HR Practices	4.03	3.80	3.84	1.139	0.322
2.	Communication	4.09	3.72	3.71	2.611	0.076
3.	Trust	3.95	3.63	3.77	1.500	0.226
4.	Shared Goals and Values	3.99	3.90	3.81	0.419	0.658
5.	Leadership Styles	4.07	3.73	3.71	1.951	0.145
	<b>ERM Components</b>	4.04	3.76	3.77	1.873	0.157
	<b>Employee Performance</b>	4.09	3.94	3.76	2.961	0.054
	<b>All fields together</b>	4.11	3.82	3.85	2.442	0.090

\* The mean difference is significant a 0.05 level

Table (33) shows that the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$ , then there is insignificant difference among the respondents for each field due to Educational Degree. The researcher conclude that the personal characteristics' Educational Degree has no effect on the other fields.

The educational degree of the respondents doesn't affect any of the research fields. It is concluded that opinions for the respondents from different educational levels were the same.

- f. There is a statistical significant differences among respondents toward employee relationship management due to Years of Experience.

**Table (34): ANOVA Test of the Fields and their P-Values for Years of Experience**

No.	Field	Means				Test Value	Sig.
		less than two years	2 to less than 5 years	5 to less than 10 years	less than two years		
1.	HR Practices	3.85	3.72	3.90	3.82	0.733	0.534
2.	Communication	3.62	3.62	3.93	3.70	2.426	0.067
3.	Trust	3.62	3.59	3.76	3.67	0.453	0.716
4.	Shared Goals and Values	3.81	3.81	4.00	3.90	1.272	0.286
5.	Leadership Styles	3.74	3.65	3.92	3.66	1.573	0.198
	<b>ERM Components</b>	3.74	3.68	3.91	3.76	1.340	0.263
	<b>Employee Performance</b>	4.07	3.95	4.16	4.06	1.378	0.251
	<b>All fields together</b>	3.81	3.74	3.96	3.83	1.575	0.197

Table (34) shows that the p-value (Sig.) is greater than the level of significance  $\alpha = 0.05$  for each field, then there is insignificant difference among the respondents toward each field due to years of experience. The researcher conclude that the personal characteristics' years of experience has no effect on each field.

The number of services years in the Organization has no effect on the opinions of the respondents for each field. This means that employees can accurately reply to the questions regardless to the number of their services years in the Organization.

# **Chapter 7**

## **Conclusions and Recommendations**

- **Introduction**
- **Conclusions**
- **Recommendations**
- **Proposed Future Studies**



## **Introduction**

In this chapter the conclusion will be illustrated according the previous obtained results, recommendations will be listed in the light of the conclusion, and topics for future researches will be suggested at the end of this chapter.

## **Conclusions**

The major purpose of this research is to investigate the effect of ERM on employees' performance at telecommunication and banking sectors, the main conclusions were:

1. It is agreed that ERM components has positive effect on the employees' performance in telecommunication and banking sectors. Organizations are realizing that ERM helps them to build stronger relationship with employees. As such ERM can build and enhance relationships and reinforce commitment to the company and improve the employees' performance.
2. From this research it becomes evident that ERM can bring benefits for organizations. ERM can work by strengthening and increasing the relationship between organizations and their employees. To reap the required objectives from ERM there is a need to implement them according to strategy. Many companies built strategy by keeping an eye on their employees.
3. The results of the research reveals that if ERM components (HR practices, communication, trust, shared goals and values and leadership styles) are implemented in organizations and managers give it high attention it can enhance ERM status in organizations through help employees in achieving tasks and targets set for their job positions and helps in developing effective communication channels and systems so that information needs of employees are met. It emphasizes on performance, growth and development of employees for creating competitive advantage. It helps in improving working conditions, establishing healthy relations among employees; it inculcates a sense of belongingness among employees
4. ERM components are ordered according to their effect on the employees' performance where noticed that shared goals and values has the most approval from the viewpoint of the members of the sample, and then HR Practices, followed by communication and then leadership styles and finally the Trust.
5. Organizations in both sectors practicing ERM, without necessarily labeling these practices ERM. In this case, ERM would actually exist within the organization on top of everyday processes and practices which are known to employees and managers. In other words, just because organizational practices which aid ERM are not actively managed or documented within companies, does not mean they are not actually there.
6. Organizations in both sectors focuses in sharing goals and values with employees which is considered prerequisite and foundation to improve employees' performance. Shared goals and values has the biggest effect on the employees' performance where employees perform their tasks because they have clear understanding of goals and values.
7. Organizations in the both sectors apply HR practices which would make the employees perform their jobs very well. This can be attributed to organizations awareness on the importance of the HR practices in banking and telecommunication sector and their important role in improving employees' performance.
8. Training offered by the organizations equipped the employees with necessary information and skills on how to go about their daily work activities and help in improving their performance.
9. Rewards and incentives system in the organizations characterized by its objectivity and transparency where transparent reward and incentive system leads to higher productivity and enhance employees performance.
10. Communication plays crucial role at organizations and it is one of the most important factors which improve the relationship among employees. When communication is open and transparent, employees can build high trust in their organization and perceive the organization as being transparent. The research revealed that there exists open and transparent communication in the



organizations, effective communication systems and that there is regular feedback from managers that helps to improve work.

11. Open and clear lines of communication is adopted by managers in both sectors which allows interaction among employees and this happens in various ways that consist of face-to-face, meetings, telephone, e-mails and others. Open and clear communication helps employees stay positive, productive and strength relationships and trust.
12. Managers take the opinion of employees into account and let them participate in decision making which made employees trust their managers and to be proud of the organization they work for. So they feel comfortable and do their best in their jobs.
13. Sharing goals and values with employees is important because managers make sure all employees are aware of these goals and values in order to direct their efforts towards the attainment of them which can positively impact on employees' performance and organizational outcomes.
14. Managers in both organizations follow up employees when they late believing that strict supervision make them feel the importance of their work which has significant relationships with performance outcomes and commitment to work.
15. Manager used varied methods of reward and punishment as required by situation and conditions. Rewards and punishment methods where it motivate the employees to perform their tasks very well.
16. Employees in both sectors has the ability to take responsibility for the daily burden of work and management provides appropriate training for staff to enable them to do their jobs. Employees are keen to achieve the objectives of the organizations, have the ability to work with emergency situations, and complete the required job in time which leads to lifting the morale of workers and improve their performance.
17. Good relationship between the manager and employee affect employees performance where good relationship can earn the loyalty and commitment of the employees when the manager provide steady leadership, clearly communication, treat the employees fairly and consistently.

## **Recommendations**

Based on the findings in the research, the researcher recommends the following:

1. It is important for the telecommunication and banking sectors organizations to pay special attention to all components of ERM involving HR practices, communication, trust, leader ship styles and shared goals and values as important variables because of its great effect on employee performance on long term.
2. Organizations should have clear model for ERM. This model should contains every aspects for the employee relationships where ERM must be a new concept the organizations adopt and implement where the employees are the key success of any organization,
3. Organizations in both sectors should focus on training as a very helpful strategy for the employees to develop their skills and abilities to enable them carry the tasks on the right way.
4. Organizations should employ best HR practices to achieve consistently improving results in their employees' performance.
5. Organizations should provide inspiring and effective leadership, open, transparent communication which will lead to motivated employees and good performance.
6. Organizations should improve communication within the employees through interchange ideas, feelings and opinions with management to strength the relationship with employees.
7. Organizations should open lines of communication which can improve employee's relationships, and it should provide feedback, actively listening to employees.
8. Employees should be involved by organizations in decision making that will improve trust between them and improve their performance.
9. Managers in the both sectors should clarify goals and values, provide formal and informal feedback, and engage employees in open and honest dialogue, so they can improve the relationships they share with employees.

10. Managers also should clearly share their goals and values with the employees and make their efforts to actively clearly explain them are more likely to be successful and maintain good relationships with the employees.
11. Managers in organizations should earn employee trust and respect to strength the relationship with the employees and improve their performance.
12. Organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work.

### **Proposed Future Studies**

The followings are suggested related topics for future studies:

1. The effect of employee relationship Management on employees' motivation.
2. The effect of employee relationship Management on employees' performance in public sectors.
3. Employee Relationship Management and Quality of Work.

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- **The Holy Quran**
- **Text Books**
- **Article and Thesis**
- **Reports**
- **Websites**

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## **6. Interviews:**

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## **Annexes**

- **Annex (1): List of Referees**
- **Annex (2): Questionnaire**
- **Annex (3): Questionnaire in Arabic Language**

**Annex (1): List of Referees**

<b>No.</b>	<b>Referee Name</b>	<b>Place of Work</b>
1.	Dr. Akram Samour	Islamic University of Gaza
2.	Dr. Wasim Al-Habil	Islamic University of Gaza
3.	Dr. Yossef Bahar	Islamic University of Gaza
4.	Dr. Samir Safi	Islamic University of Gaza
5.	Dr. Jalal Shabat	Al Quds University
6.	Dr. Mohamed Fares	Al Azhar University
7.	Dr. Wafeq Al Agha	Al Azhar University
8.	Dr. Nehaya El Telbnay	Al Azhar University

Annex (2): Questionnaire

**Islamic University of Gaza**  
**Postgraduate Deanship**  
**Faculty of Commerce**  
**Business Administration Department**



Dear Employees,

This questionnaire is a research tool designed specifically to complete the requirements of a master degree in business administration which its title is: **“Employee Relationship management and its effect on employees’ performance”**. Its goal is to know the importance of employee relationship management and its effect on employee’s performance.

I hope to get required data through filling out the questionnaire by placing (X) in the answer box that goes with your choice. Knowing that all the collected data will be used for research purposes only.

Thanking you for your cooperation

**The Researcher**  
**Nisren O. El Khozondar**

## First: Personal Information

### 1. Age :

- Less than 25     25 to less than 30     30 to less than 35     35 to 40     40 and more

### 2. Sex:

- Male                       Female

### 3. Marital status:

- Married             Single             Divorced             widower

### 4. Functional Level

- Top Management (Branch Manager - Monitor - Assistant Branch Manager) Other\_\_\_\_\_

- Middle Management (Director - Deputy Director - Director of Department) Other\_\_\_\_\_

- Operational Management (Employee) Other \_\_\_\_\_

### 5. Educational Degree:

- Diploma and less             Bachelor             Master             PhD

### 6. Years of Experience:

- less than two years     2 to less than 5 years     5 to less than 10 years     10 years and more

### 7. Working Sector of the Organization:

- Telecommunications Sector             Banking Sector

## Secondly: Employee Relationship Management Components

### 1. Human Resources Practices

#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	Selection and recruitment processes in the organization considered fair					
2.	The organization provides employee with training opportunities that increase his abilities and skills					
3.	Employee's Training needs are discussed with the manager.					
4.	Organization depends of attracting distinguished qualified and expertise trainers to train employees					
5.	There is a proportionality between training the employee had and the requirements of his work					
6.	Training contributes in having new information and skills that help to improve employee's performance.					
7.	Rewards and incentives system in the organization characterized by its objectivity and transparency.					
8.	Performance appraisal system contains standards to measure the employees skills and performance					
9.	Performance appraisal system identifies the strengths and weaknesses of the employees					
10.	Reviewing the performance appraisal results contributes in employees development					
11.	Managers seeks to strengthen and expand relations with employees					
12.	Each employee is aware of his career path in the organization					
13.	The organization is interested in developing the career paths for employees.					
14.	The employee put specific targets for his career path which he want to reach in the future					

### 2. Communication

#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	The manager talks continuously with employees about work problems and obstacles					
2.	The manager can deliver clear messages to employees about matters relating to work					
3.	The manager use various communication methods to clarify his ideas					
4.	The manager conduct regular meetings to discuss the employees achievements					
5.	Written information are provided to employees in an easy manner to understand					

6.	Delivery information process to employees is considered quick and clear					
7.	The organization asks for feedback from the employees about the quality of information they receive					
8.	The manger takes the employee's Opinion before making decisions.					
9.	The manager devote part of his time to understand and know the employee's needs.					
10.	The manager accepts criticism from the employee					
<b>3. Trust</b>						
#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	The organization treats employees fairly and without discrimination					
2.	The Employees trust the promises provided by managers					
3.	Whenever the manager makes decision, he consider the decision's impact on employees					
4.	Managers takes the opinions of employees into account when making decisions					
5.	Managers are successful in the work they attempt to accomplish					
6.	The employees feel very confident about their manager skills and abilities					
7.	The employees trust the decisions taken by managers					
8.	The organization is considered successful in things it attempts to do					
9.	Managers appreciate employees who perform their tasks properly					
<b>4. Shared Goals and Values</b>						
#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	Employees participate in setting the organization goals and values and works to achieve it					
2.	Employees find that their goals and values are similar to the organization goals and values					
3.	Employees understand and know the organization goals and values					
4.	Employees participating in setting organization goals and values helps them to understanding the nature and the flow of work process					
5.	Employees achieve goals easily because they know it well					
6.	Employees participation in setting goals affect their performance in a positive way					
7.	Participation in identifying goals strengthen the relation between the employee and manager					

8.	Shared goals and values leads the employees to become active participants in the organization					
9.	Questioning and punishment are executed in case any violation of the organization terms and regulations					
<b>5. Leadership Styles</b>						
#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	Manager encourages employees to express their opinions in planning and implementing the work					
2.	Manager used varied methods of reward and punishment as required by situation and conditions					
3.	Manager encourages employees to be creative in their work and bring new ideas					
4.	Manager follow up employees when they late believing that strict supervision make them feel the importance of their work.					
5.	Manager concerns the working procedures and gives employees freedom to choose tasks because he trusts their opinions and decisions					
6.	Manager delegates some of his power to all employees working with him					
7.	Managers gives opportunity to employees initiative in facing difficult situations					
8.	Manager participate his employees in decision making process					
<b>Third: Employee Performance</b>						
#	Sentence	Strongly Agree	Agree	Neutral	Disagree	Totally Disagree
1.	Employees perform their tasks efficiently and effectively					
2.	Employees make their effort to achieve their tasks in the required time					
3.	Employees have well known and understand to the nature of the assigned tasks					
4.	Employees participate in decisions that improve their performance					
5.	Employees take into account the required time to achieve their tasks					
6.	There is ability for employees to take responsibility for the daily burden of work					
7.	Direct supervision and constant follow-up of the managers leads to improve the employees performance					
8.	Employees have the ability to creativity, innovation and job development					



9.	There is ability for employees to adapt in the event of emergency situations at work					
10.	Employees carried out orders and instructions issued by the manager related to the work					
11.	Employees are keen to achieve the organization goals					
12.	Employees have the ability to communicate and collaborate with their colleagues					
13.	Good relationship between the manager and employee affect job performance					
14.	Performance appraisal system identifies the strengthen and weaknesses of employees					
15.	Performance appraisal System is considered as a motivation for employees to develop and improve their performance					

### Annex (3): Questionnaire in Arabic Language



الجامعة الإسلامية- غزة  
عمادة الدراسات العليا  
كلية التجارة  
قسم إدارة الأعمال

السادة الموظفين الكرام

تحية طيبة وبعد،

الاستبانة التي بين أيديكم هي أداة الدراسة لاستكمال متطلبات درجة الماجستير في إدارة الأعمال، وعنوانها "إدارة علاقات الموظفين وتأثيرها على أداء الموظفين في قطاعي الاتصالات والبنوك" والتي تهدف الى معرفة اهمية ادارة علاقات الموظفين وتأثيرها على الاداء الوظيفي.

لذا أرجو من سيادتكم بالمساعدة في الحصول على المعلومات والبيانات المطلوبة من خلال وضع إشارة (X) في المربع الذي يوافق خياركم. مع العلم بأن كافة المعلومات التي سيتم الحصول عليها ستستخدم لأغراض البحث العلمي فقط.

شاكرا لكم حسن تعاونكم

الباحثة:

نسرین أسامة الخزندار

أولاً: البيانات الشخصية

8. العمر:

أقل من 25    25 – أقل من 30    30 – أقل من 35    35 – أقل من 40    40 فأكثر

9. الجنس:

ذكر    أنثى

10. الحالة الاجتماعية:

متزوج    أعزب    مطلق    أرمل

11. المستوى الوظيفي:

إدارة عليا (مدير فرع – مراقب – مساعد مدير فرع) أخرى \_\_\_\_\_  
 إدارة وسطى (مدير قسم – نائب مدير – مدير دائرة) أخرى \_\_\_\_\_  
 إدارة تشغيلية (موظف) أخرى \_\_\_\_\_

12. المؤهل العلمي:

دبلوم فما دون    بكالوريوس    ماجستير    دكتوراة

13. سنوات الخبرة:

أقل من سنتين    2 – أقل من 5 سنوات    5 – أقل من 10 سنوات    10 فأكثر

14. قطاع عمل المؤسسة:

قطاع البنوك    قطاع الاتصالات

ثانيا: مكونات ادارة علاقات الموظفين

6. ممارسات الموارد البشرية

#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	تعتبر عمليات الاختيار والتوظيف في المؤسسة عادلة					
2.	توفر المؤسسة للموظف الفرص التدريبية التي تعمل على زيادة قدراته ومهاراته					
3.	يناقش الموظف الاحتياجات التدريبية مع المدير					
4.	تعتمد المؤسسة على جذب الكفاءات والخبرات المتميزة لتدريب الموظفين					
5.	هناك تناسب بين التدريب الذي يحصل عليه الموظف ومتطلبات العمل الذي يقوم به					
6.	يساهم التدريب في اكساب معلومات ومهارات جديدة تساعد في تحسين الأداء					
7.	يتسم نظام الحوافز والمكافآت في المؤسسة بالموضوعية والشفافية					
8.	يحتوي نظام تقييم الأداء على معايير عملية لقياس أداء الموظفين ومهاراتهم					
9.	يحدد نظام تقييم الأداء نقاط القوة ونقاط الضعف لدى الموظفين					
10.	يساهم اطلاع الموظف على نتائج تقييم الأداء في تطويره					
11.	يسعى المدراء الى تقوية وتوسيع العلاقات مع الموظفين					
12.	يدرك الموظف في المؤسسة المسار الوظيفي المتعلق به					
13.	تهتم المؤسسة بتطوير المسارات الوظيفية للموظفين					
14.	يضع الموظف أهداف محددة للمسار الوظيفي الذي يريد أن يصل اليه في المستقبل					

7. الاتصالات

#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	يتحدث المدير مع الموظفين باستمرار عن مشاكل ومعوقات العمل					
2.	يستطيع المدير إيصال رسائل واضحة للموظفين بخصوص الأمور المتعلقة بالعمل					
3.	يستخدم المدير وسائل اتصال متعددة لتوضيح أفكاره					
4.	يعقد المدير اجتماعات دورية لمناقشة انجازات الموظفين					
5.	يتم تزويد الموظفين بمعلومات مكتوبة بطريقة يسهل فهمها					
6.	تعتبر عملية إيصال المعلومات للموظفين سريعة وواضحة					
7.	تطلب المؤسسة تغذية عكسية من الموظف حول جودة المعلومات التي يتلقونها					

						8. يقوم المدير بأخذ آراء الموظفين قبل اتخاذ القرارات
						9. يخصص المدير جزءا من وقته لفهم ومعرفة احتياجات الموظفين
						10. يتقبل المدير النقد من الموظف
<b>8. الثقة</b>						
#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	يتم معاملة الموظفين في المؤسسة بعدالة وبدون تمييز					
2.	يثق الموظفون بالوعد التي يقدمها المدراء					
3.	يأخذ المدراء مصلحة الموظفين بعين الاعتبار عند اتخاذ القرارات					
4.	يأخذ المدراء آراء الموظفين حين اتخاذهم قرارات					
5.	ينجز المدراء ما يقولون انهم سيقومون بتنفيذه					
6.	يشعر الموظف بالثقة تجاه مهارات وقدرات المدير					
7.	يثق الموظفون بالقرارات التي يتخذها المدراء					
8.	تعتبر الشركة ناجحة في الامور التي تحاول ان تقوم بها					
9.	يقدر المدراء الموظفين الذين يؤدون مهامهم بشكل سليم					
<b>9. الأهداف والقيم المشتركة</b>						
#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	يشارك الموظفون في وضع قيم وأهداف المؤسسة ويعملون على تحقيقها					
2.	يجد الموظفون أن قيمهم وأهدافهم مشابهة لقيم وأهداف المؤسسة					
3.	هناك فهم ودراية لدى الموظفين بأهداف وقيم المؤسسة					
4.	تساعد المشاركة في وضع الأهداف والقيم الموظفين على فهم طبيعة وسير العمل في المؤسسة					
5.	يحقق الموظفون الأهداف بسهولة بسبب معرفتهم بها					
6.	تؤثر المشاركة بتحديد الأهداف على أداء الموظفين بشكل ايجابي					
7.	المشاركة بوضع الأهداف والقيم تقوي العلاقة بين الموظف والمدير					
8.	تؤدي مشاركة القيم والأهداف الى جعل الموظفين مشاركين نشطاء في المؤسسة					

					9. يتم المسائلة والمحاسبة في حال عدم الالتزام بأهداف وقيم المؤسسة	
<b>10. الأساليب القيادية</b>						
#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	يشجع المدير الموظفين على إبداء آرائهم في تخطيط العمل وتنفيذه					
2.	يستخدم المدير أساليب متنوعة للثواب والعقاب حسبما يقضيه الوضع والظروف					
3.	يشجع المدير الموظفين على الإبداع في عملهم وطرح أفكار جديدة					
4.	يتابع المدير الموظفين عند تأخرهم عن العمل أو غيابهم إيماناً منه أن المتابعة الدقيقة تشعرهم بأهمية عملهم					
5.	يهتم المدير بسير العمل ويمنح الموظفين الحرية في أداء العمل ثقةً منه بآرائهم وقرارتهم					
6.	يفوض المدير بعض سلطاته الإدارية لجميع الموظفين العاملين معه					
7.	يعطي المدير فرصة لموظفيه للمبادرة لمواجهة المواقف المختلفة					
8.	يقوم المدير بمشاركة الموظفين في عملية صنع القرارات					
<b>ثالثاً: الأداء الوظيفي</b>						
#	العبارة	موافق بدرجة كبيرة جدا	موافق بدرجة كبيرة	موافق بدرجة متوسطة	موافق بدرجة قليلة	موافق بدرجة قليلة جدا
1.	يقوم الموظفون بتأدية مهامهم بكفاءة وفاعلية					
2.	يبذل الموظفون الجهد الكافي لإنجاز الأداء الوظيفي في الوقت المحدد					
3.	يتوفر لدى الموظفين معرفة والمأم بطبيعة المهام الموكلة إليهم					
4.	يشارك الموظف في عملية اتخاذ القرار لتحسين الأداء الوظيفي					
5.	يراعي الموظف الوقت المطلوب لإنجاز الأعمال المطلوبة منه					
6.	توجد قدرة للعاملين لتحمل مسؤولية الأعباء اليومية للعمل					
7.	يؤدي الاشراف المباشر والمتابعة المستمرة من قبل المدراء إلى تحسين أداء الموظفين					
8.	يتوفر لدى الموظفين القدرة على الإبداع والتجديد وتطوير العمل					
9.	توجد قدرة لدى الموظفين على التكيف عند حدوث حالات طارئة في العمل					
10.	ينفذ الموظفون الأوامر والتعليمات الصادرة من المدير فيما يخص العمل					
11.	يحرص الموظفون على تحقيق أهداف المؤسسة					

					يمتلك الموظفون القدرة على التواصل والتعاون مع زملائهم	12.
					تؤثر العلاقة الجيدة بين المدير والموظف على الأداء الوظيفي	13.
					يحدد نظام تقييم الأداء نقاط القوة ونقاط الضعف لدى الموظفين	14.
					يعد نظام تقييم الأداء حافزاً للموظفين لتطوير وتحسين الأداء الوظيفي	15.