



A Pestle Analysis on Employee Relations And Their Impact On Employee Satisfaction, Employee Performance And Social Assistance On Their Development

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ABSTRACT:

Workers or employees are the most important assets of an organization and they are chased as the most precious means. The nature and quantum of work performed by them have a direct impact on the productivity of an association. So maintaining healthy hand relations between employer and employee within an association is a pre-requisite for the sustainable development and success of an organization.

This paper aims to analyze how the PESTLE Factors (Political, Economic, Socio-cultural, Technological, Legal and Environmental factors) influence the employer – employee relations and their impact on employee satisfaction, employee performance and social assistance. Only secondary data has been collected and used for the purpose of this qualitative research study. This research aims to establish an analysis of how these PESTLE Factors influences the employer-employee relation and their impact on employee satisfaction, employee performance and social assistance which our research gap based on which this research study is conducted. So the main purpose of this research study is to fill up the said research gap. Data was collected from the secondary sources and this research study is qualitative study. Hence, the objectives of this research study are explained and proved through a series of literature review and other references. The major findings of this study emphasizes that there exists a direct and significant influence of the PESTLE Factors on the employer-employee relations which eventually has an impact on the employee satisfaction, employee performance and social assistance.

Keywords : Employer- Employee relation, PESTLE Factors, employee satisfaction, employee performance and social assistance.

INTRODUCTION:

Employee relations refers to the persistent efforts of an organization which insists it to establish a sustainable and supportive working atmosphere to promote a fair and better relationship with its employee by its employer. Every organization must consider their employees as their own stakeholders as well as a partner to provide a positive rapport among them. Their major concern is to maintain employee – employer relationship which increases their productivity as well as increases their employees' morale and their motivation towards the management of an organization.

Employers still view and consider employee relation skills and competencies as an essential requisite to achieve and improve the performance of their organization which makes the employers to focus more on the involvement, commitment and performance of employees to increase the overall performance of their organization. Therefore employer-employee relation is a strategic tool of the management while managing organizational risks.

In 1977, Dunlop stated that an industrial relation system which contains factors such as employees, employers and under certain circumstances such as political, economical, etc determines the workplace conditions, rules and their operation functions. And also the workplace environment of the organization in which the employees perform their activities also has a profound effect on the employer and employee relation of an organization. Therefore it is important for the management of the organization to consider the various forces, variables and factors caused within and outside the organization to determine its performance and consistency in its development level in this competitive world.

The significance of this research study is to investigate the various PESTLE Factors and their influence on the employer – employee relations and its effect on employee satisfaction, employee performance and social assistance. This study benefits both the employer and workers. It will make them to analyse and figure out the various benefits they derive from having a good relationship between them and it will also improve the performance of the organization. The management will get enlightened by the various fair and good relationship practices among the employer and employee of an organization.

The various factors to be considered under this research study were Political factors, Economic factors, Socio-cultural factors; Technological factors, Legal factors and Environment factors and they were combined together and commonly known as the PESTLE Factors. Many of the organizations has conducted this PESTLE Analysis in order to analyze the various factors affecting their organization and it has been found to be a very effective and prominent analysis done to understand the influences of these factors on their organization and very much useful while making important decisions regarding significant matters related to the organization.

Political factors of an organization refer to the extent to which the government by imposing new laws, policies or schemes, etc may influence the organization or the economy of a certain Industry. The political factors outside the organization are the system of government , attitude of the ruling government, political parties pressure, political institutions, fiscal policies, tax policies, trade tariffs, etc. the political factors within the organization includes the pressure from the higher authorities, the policies and schemes of the organization, the partiality attitude of the superiors over their employees, etc.

Economic factors are those factors which determines the performance of the economy of the organization which has a direct impact on their long term effects as well as the productivity of the employees of an organization. Most of the economic factors includes type of ownership that exists in the organization, composition and nature of their labour force, status of the labour market, economic cycle, unemployment levels, distribution of wages among the employee groups, etc. Therefore if the employees are paid well, they feel contented and satisfied about their jobs which will in turn manifest effective behavioural activities and establishes better rapport with their employers.

Socio-cultural factors examines the social environment of the market and they are determined various forces such as population analytics, cultural trends, demographics, social values and norms, their status at workplace and society, caste, etc. if both the parties have the same positive thought process, values and beliefs then it will create and establish a effective and positive relation between the employer and employee of the organization.

Technological factors relates to those factors which are created by the innovations made in the field of technology which in turn influences the operations of the business as well as the market conditions both favorably as well as unfavorably for the organization. It includes type of technology used, emerging trends in technology, rate of technological changes, etc. therefore if there is an increase in the technology advancement and the employees are able to cope up with it, then there would reduction in cost and increase in productivity which will enhance the performance of the organization as well as it makes the employee feel happy and contented with the management which helps them to have a good relationship among the employer and employee.

Legal factor refers to the various rules, regulations and laws followed by the management of an organization which are enforced by the government as well as by the organization itself. Therefore they have both internal and external sides and so while analyzing the legal factors both the sides will be considered to decide the strategic measures regarding certain matters of the organization. They include consumer laws, labor laws, Safety, Welfare standards, etc.

Environmental factors refer to the working conditions of the organization where the employee performs their activities in the organization. It includes working hours of the employee, clean and hygiene working area, stress levels, degree of safety provided to the employees, welfare facilities, ventilation, good lighting and temperature, sufficient space must be provided, etc.

LITERATURE REVIEW:

Employer- employee relation:

Employee relation is an agreement where the employers manage the employees both as individuals and as a group of employees; they also provide priority to the individual employee which will vary from company to company based upon their management values. It is concerned with ways of gaining employee engagement which helps the employee to be well-committed to achieve their organization goals and objectives. Therefore by adopting the suitable employer-employee relation practices in an organization, the business can provide better solutions to the rising conflicts, growth of the organization, increase in performance of the employee, job satisfaction, increase in productivity which finally leads to the community welfare.(Pradhan& Jena, 2017; Xesha et al., 2014; Vickers-Willis, 2008).¹

Employee relation engages in better working environment for employee effectiveness, job satisfaction, support, employee performance, stability, obligation, upkeep, etc., for avoiding any further employer-employee related issues. It lays down solid foundation to various levels of improvements and assessments of the various factors affecting the business. Schien stated that a genuine relationship among the employer – employee in an organization shows that employees are seen to be very much committed to their works with a great amounts of sincerity and increased their performance and felt satisfied about their jobs which in turn improves the employee productivity and turnover (Cullinane and Dundon, 2006).²

Employers must focus on their employees, is they want their organization to be a successful one and so they must establish a better employer- employee relationship in the business organization(Bhattacharya et al., 2008)³. In order to make the organization to produce more; better results and improve their performance, the organization

¹ Pradhan, R. K., & Jena, L. K. (2017). Employee performance at workplace: Conceptual model and empirical validation. Business Perspectives and Research, 5(1), 69-85.

² Cullinane, N., & Dundon, T. (2006). The psychological contract: A critical review. International Journal of Management Reviews, 8(2), 113- 129. <https://doi.org/10.1111/j.1468- 2370.2006.00123.x>

³ Bhattacharya, C. B., Sen, S., &Korschun, D. (2008). Using corporate social responsibility to win the war for talent. MIT Sloan management review, 49(2)

must have employees who are motivated or inspired to increase their productivity and satisfied about their job in the organization (Burns, 2012).⁴

An effective employer- employee relation along with the client support and efficient degree of skill increment and lesser level of labor turnover are more important for a very happy workspace among the employees of all the genders(Wok & Hashim, 2015;Bulinska- Stangrecka & Bagienska, 2021). ⁵

Political Factors:

In a case study conducted by an author in Singapore, Malaysia, the Philippines, and India, has contended that the industrialization strategy or policy undertaken by a country's government for the development of a better economy has a profound influence in its employer-employee relations as well as human resources policy goals (Sarosh Kuruvilla and others, 1996)⁶. During the period of the first 3 five year plans(1951-56, 1956-61, 1961-66) the state established the ISI policy which created an great impact in the formation of large and employment intensive public enterprises and has also led to a huge growth and development in the employment levels in the private, corporate, service, transport and educational sectors and even huge private businesses such as TATA group has been pressured to maximize employment which in turn increased labour cost which will be passed on to the consumers and it also disturbed the employer- employee relation in an organization(Venkataratnam, 1996)⁷.

During the globalization era employer-employee relation frameworks of the private sector started getting structured to show the increasing emergence of unitarism which is being promoted by employers in an express way or covert way and these were built on the basis of the case study of Honda Motorcycle and Scooters India Ltd, Gurgaon where the situation led to the breakdown of Employer-employee relation as the adoption of a HRM strategy was not deployed effectively (Debi S.Sanini, 2007).⁸

There are certain important developments were happening during the process of economic liberalizations which began since the mid-1980s continued till 1991 and those changes were made in the employer- employee relations also. Even the employers, trade unions and the state took actions regarding the issues in various ways. It was also stated that the political decisions and the organization changes based on those decisions has affected the employer-employee relation to a great extent(K.R.Shyam Sundar, 2010).⁹

Economic Factors:

A study elaborated that the employees' perception regarding their organizations which do not fulfill their obligations known as Psychological contract breach(PCB) has been a strong driver of the employee performance and therefore the inflation rate and the unemployment rate of a particular country has a drastic influence among employer-employee relations, employee PCB, job performance and turnover of the business organization in that country(Thushel Jayaweera, Katharina Chudzikowski and Simon de Jong, 2023)¹⁰.

The economic factors are considered the most significant factor which influences on the firms as well as the employer-employee relations and even the collective bargaining system can be influenced by the various economic constraints, pressures and economic incentives because an economic growth which is low affects the

⁴ Burns, A. (2012). Managing Employee Relations. The Encyclopedia of Human Resource Management, 186.

⁵ Wok, S., & Hashim, J. (2015). The moderating effect of employee relations on networking towards workplace happiness among married women in Malaysia. *Procedia-Social and Behavioural Sciences*, 211, 306-312.

⁶ Kuruvilla, S. (1996). Linkages between industrialization strategies and industrial relations/human resource policies: Singapore, Malaysia, the Philippines, and India. *ILR Review*, 49(4), 635-657.

⁷ Venkataratnam, C. S. (1996), 'Industrial Relations in India', Paper presented at a seminar on Labour Market and Industrial Relations in South Asia, New Delhi, 18-20 September.

⁸ Saini, D. S. (2007). Declining labour power and challenges before trade unions: some lessons from a case study on private sector unionism. *Indian Journal of Industrial Relations*, 652-677.

⁹ Sundar, K. S. (2010). Emerging trends in employment relations in India. *Indian Journal of Industrial Relations*, 585-595.

¹⁰ Jayaweera, T., Bal, M., Chudzikowski, K., & De Jong, S. (2021). The impact of economic factors on the relationships between psychological contract breach and work outcomes: a meta-analysis. *Employee Relations: The International Journal*, 43(3), 667-686.

employer-employee relations in a negative manner which will lead to insolvency of the organization to maintain their personnel and in turn leads to high unemployment rate and vice-versa(Bendix 1989)¹¹.

In a study it was stated that a variety of policies were being undertaken by the Federal Reserve to make them achieve their statutory objectives of maximum employment and price stability and one among their tools is the federal fund interest rate which has the ability to influence their general level of short term interest rates and their key asset prices with regard to changes in the economic conditions of the economy of the organization as well as the economy of their country(Faith Emelogu, 2013) ¹²

Socio-cultural Factors:

If an organization has a system which consists of a appropriate and fair mixture of norms, rewards, intrinsic satisfaction and emotional sentiments and they promote a better employer- employee relationship as well as the system and the performance of that organization will be the ¹³best one among the others and in such cases the employees will have positive image about their organization which make them to contribute more to the organization (Katz, 1964). ¹⁴

The business organization which follows citizenship behaviours of obedience, participation and loyalty then they will have better employer-employee relationship among them which will enhances the organizations' performance as well as the productivity of the employees in the organization(Graham, 1991).¹⁵

A study shows that the management which provides a sense of trust and better cooperation with their employees has a great influence in improving the employer-employee relationship and it makes the employees to continue themselves to having higher levels of engagement and involvement in the work they are doing. Without this trust, there will not be any reason for them to feel that their needs will be fulfilled as well as there will not be a proper relationship among the employer and employee (Griesinger, 1990). ¹⁶

The self- reports of satisfaction and perceptions of altruistic and conscientious behavior of the employees can be influenced by the moral- ethical ideals which are to be focused by the business organization to increase the employee performance, job satisfaction and their productivity which also improves the employer-employee relationship in the organization (Organ, 1977)¹⁷.

The trust factor as a social value is the most significant one to have and maintain better employer-employee relationship in the organization as the trust factor is the one which is being derived from cooperation, participation and a sense of loyalty among the employer and employee in the organization. The more the company involves themselves in trust building activities , the trust level of the employees will increase significantly which will make them feel to be treated in a humanely manner as well as their opportunities for growth and their participation in need of further development of the organization(Tser- Yieth, Hwang, & Liv, 2012)¹⁸

Technological Factors:

There is deep impact caused on the employer- employee relations by the emerging trends of technological advancements in the telecommunication field. The change in technological advancements has both positive and negative impact on certain aspects of the organization in which the positive impact increases employee performance and employee satisfaction and increases the performance of the organization as well as improves

¹¹ Bendix, Sonia (1989) *Industrial Relations in South Africa* Cape Town/Wetton/Johannesburg : Juta.

¹² https://www.academia.edu/9323911/economic_factors_and_its_impact_on_the_industrial_relation_system_in_nigeria

¹⁴ Moch, M. K. (1980). Job involvement, internal motivation, and employees' integration into networks of work relationships. *Organizational Behavior and Human Performance*, 25(1), 15-31.

¹⁵ . Graham, J. W. (1991). An essay on organizational citizenship behavior. *Employee Responsibilities and Rights Journal*, 4, 249-270.

¹⁶ Griesinger, D. (1990). The human side of economic organization. *Academy of Management Review*, 15, 478-499.

¹⁷ Organ, D. (1977). *Organizational citizenship behavior: The good soldier syndrome*. Lexington, MA: Lexington Books

¹⁸ Tser-Yieth, C. Hwang, S. & Liv, Y. (2012). Antecedents of the voluntary performance of employees: clarifying the roles of employee satisfaction and trust. *Public Personnel Management*, 41 (3)

their employee relation whereas the negative impact can be prevented using certain sustainable methods from making us suffer from any kind of loss (Anant Deogaonkar, 2013).¹⁹

A study revealed that the emerging trends and changes in the technological advancements can be both constructive and destructive in the role it is playing during this technology era of business environment which can positively as well as negatively affect the employer- employee relationship in the business organization. The positive role is that it can make the employees to work more and in an effective way and the negative aspect is that the employees will have the fear of being replaced by the advancements made in technology as well as it may also increase the levels of unemployment (Dr.S.Yuvaraj and R.Nadheya, 2018).²⁰

Due to the change in the technological advancements in India, they have opened up a lot of opportunities in the new emerging fields and areas. It makes the employees to undergo a change in their required skills to balance with the technological updates. Even the unions had accepted the technological changes and it was also contended that technological changes influence employer- employee relations as well as the behavioral intentions of the employees in an organization (Krishnan T.N., 2010).²¹

Legal Factors:

In a study it has been proved that law is a key determinant of the nature of employer-employee relations in an organization. The relationship between an employer and employee starts only when the employee undertakes the job for wages or salary and this establishes certain rights and obligations on both the employer and employee in an organization which can prevent them from unnecessary conflicts and exploitation as they can be well-regulated by the jurisdictions of the law which provides the minimum rights for their workers. Therefore law also influences employee relations (Martin Wandera, 2018). The three main legislations such as the Employment act 1955, the trade union act 1959 and the industrial relations act 1967 are used to be the main regulators of the employment relations in Malaysia. They influence and govern the employer- employee relations in a business organization (Wad, 2013).²²

The welfare services were classified into two: Intra-mural and extra-mural activities as the classification made by the international labour organization and it also states that they can be further divided into statutory and voluntary welfare services contained in the legal provisions and labour legislations will be carried out by the employees and these labour legislations and legal provisions influence the employer- employee relation in an organization (Ankita, 2010).²³

In a research conducted it was found out that there is a strong evidence based case for labour regulation as they can have great impact which is caused by the labour and employment laws, in the modern social legislations as well as any organization. They can shape a better nature of regulation and in turn it can enhance the economic performance of the business organization. It can also prevent the employees from exploitation and can help to maintain a healthy and fair employer- employee relationship in the organization (Simon Deakin, 2008).²⁴

The organization and its employer- employee relationship can be influenced by the legal framework of the business organization as they lead to the framing of rules, powers, authority, as well as responsibilities to each and every parties in an organization irrespective of being an employer or employee (Dr. Deepali S. Patil,)²⁵

¹⁹ Industry, T. Emerging Technologies and Impact on Employee Relations.

²⁰ : Dr. S. Yuvaraj and R. Nadheya, A Study on the Role of Technology on Employee Behaviour and their Performance, International Journal of Mechanical Engineering and Technology, 9(7), 2018, pp. 244–251
<http://iaeme.com/Home/issue/IJMET?Volume=9&Issue=7>

²¹ Krishnan, T. N. (2010). Technological change & employment relations in India. *Indian Journal of Industrial Relations*, 367-380.

²² Wad, P., 2013. Getting international labour rights right at a foreign controlled company in Malaysia: A Global Labour Network perspective. *Geoforum*, 44: 52-61.

²³ Ankita, K. (2010). Human Resource Management. Retrieved From <http://www.ankitakulkarni.com/humanresourcemanagement/employeewelfare>.

²⁴ Deakin, S., & Njoya, W. (2008). The legal framework of employment relations. *The sage handbook of industrial relations*, 284-304.

²⁵ <https://www.dimr.edu.in/wp-content/uploads/2022/07/HRM-206-Notes.pdf>

Environmental Factors:

The people who are having a better working environment where one can live through compensation, make friends without fear, job security, has an identity for himself, feels content about his own job can enjoy better employer-employee relations as well it can enhance the performance and productivity of the employees in an organization(Maslow, 1943)²⁶. The organization which sets up structures which are formal as well as informal to reward their employee which can be motivation driven force to enhance the employee's productivity, then such organization have a better employer-employee relation as the employees feel more dedicated to their management as well as it can lead to economic growth and development of the Business enterprise(Chandrasekar, 2011)²⁷.

The technical and social structures of a business organization are the significant determinants as well as dependents to achieve a greater organizational performance which can also internally influence the employer-employee relation of the enterprise(Emery& Trist, 1960)²⁸. By maintaining a positive social working environment in an business organization can cause mutual interaction between the employer and employee which can enhance their level of trust and friendliness among them as well as it improves their employer-employee relations to further extent and this can lead to enhancement in the employee productivity, employee satisfaction and increase employee performance(Likert, 1961)²⁹.

In an empirical study conducted in tanzania it was found out that if the working conditions of an enterprise is well- structure and positioned and also promotes a friendly social environment then the employees will feel very comfortable about satisfying their needs and expectations and it will make them stay in the organization as well as it is his mental attitude and perception regarding the working environment which makes him to engage himself with the enterprise to increase the growth and performance of their enterprise(Hussain, 2011)³⁰.

Employee satisfaction:

The employer- employee relations drives the entire industry or organization to create their own workforce to be self- motivated as well as their organizational structures and decisions has made the employee to be satisfied with their jobs(Brajesh Kumar Parashar, Dr.Satendra Thakur, 2017)³¹.

The organization must take proactive steps by anticipating the needs and expectatiuons of the employee and must try their best to provide them the required ones in order to make the employees feel satisfied with their jobs(Pearce and Robinson, 2009)³². In one research study it had been observed that effective employer-employee relation must be an essential one for an enterprise to provide job- satisfaction to the employees(Akintoye Emily Obaide, 2022)³³

²⁶ Maslow, A. (1943). A Theory of Motivation. Psychological Review, 54

²⁷ Chandrasekar K. (2011). Workplace Environment and its Impact on Organizational Performance in Public Sector Organizations, International Journal Of Enterprise Computing and Business Systems, Vol:1,Issue:1.

²⁸ Emery, R. E., & Trist, E. L. (1960).Socio-technical Management science models and techniques (Vol. 2, pp. 83-97). Elmsford, NY: Pergamon Press.

²⁹ Likert, R. L. (1961). The human organization. New York: McGraw-Hill.

³⁰ Hussin, A. (2011). The Relationship between Job satisfaction and Job Performance among Employees in Trade winds Group of Companies. Malaysia: Open University Malaysia

³¹ <https://ijert.org/papers/IJPUB1704014.pdf>

³² Pearce, J., & Robinson, R. (2009).Strategic management (10th Ed.).Mcgraw-Hill International Edition
<https://www.brightthr.com/articles/culture-and-performance/what-is-employee-relations/>

Employee performance:

In tanzania it was found that the small organizations were well aware of the employer-employee relation advantages and therefore they had undertaken the required measures to maintain better employee relation which resulted in an increase in employee performance as well as organization's performance(Dr.Janes O.Samwel, 2018)³⁴

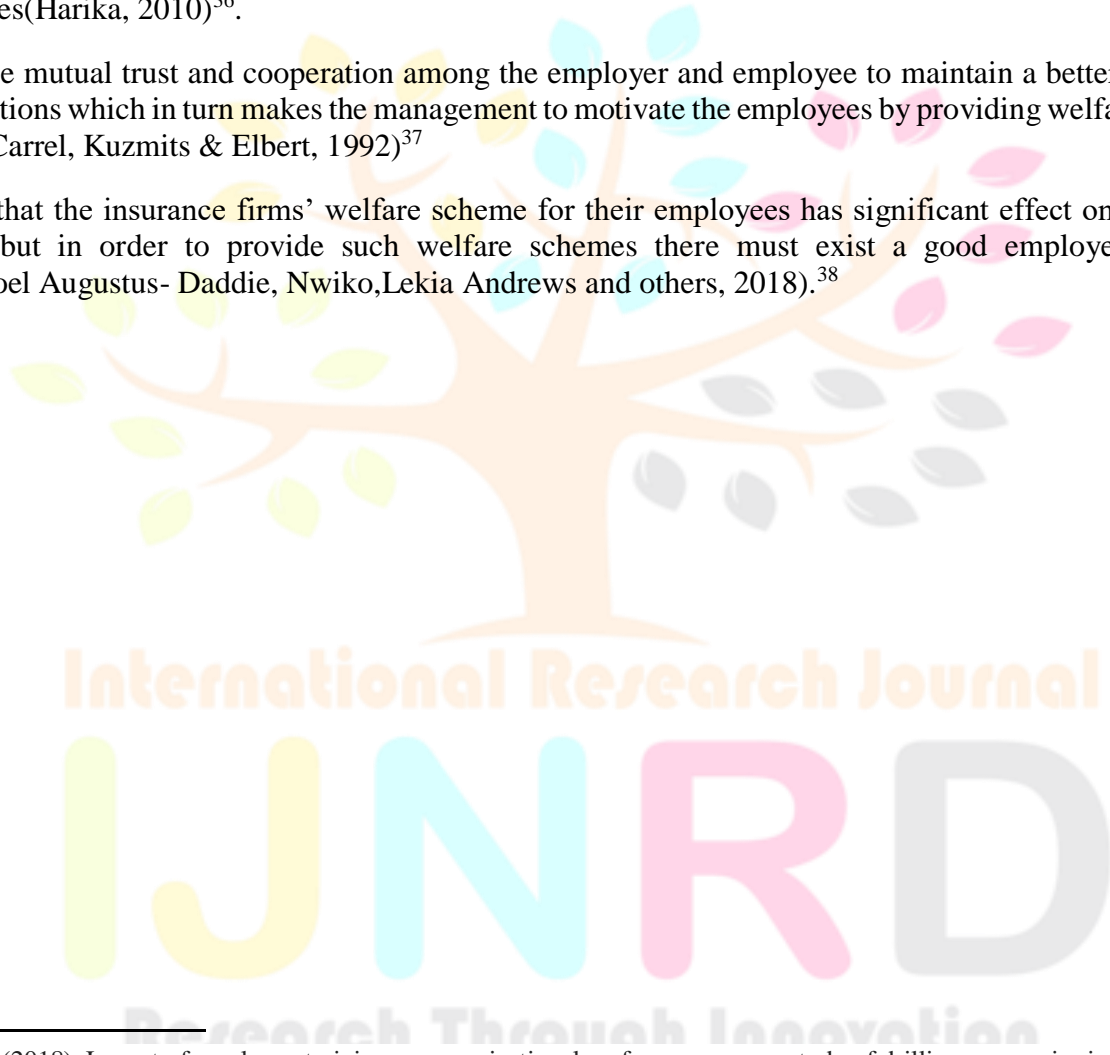
The research revealed that there is a substantial effect on employee performance caused through employee relations and it made employee engagement as its mediator(Mohammed Sani Abdullah, Kavitha Raman and others, 2022)³⁵

Social Assistance:

Social assistance can be regarded as the welfare schemes and the success of a welfare scheme is based on how they maintain employer-employee relation as well as it can achieved by the initiatives taken by the employer for their employees(Harika, 2010)³⁶.

There must be mutual trust and cooperation among the employer and employee to maintain a better employer-employee relations which in turn makes the management to motivate the employees by providing welfare facilities and rewards(Carrel, Kuzmits & Elbert, 1992)³⁷

It was found that the insurance firms' welfare scheme for their employees has significant effect on their work performance but in order to provide such welfare schemes there must exist a good employer-employee relation(Dr. Joel Augustus- Daddie, Nwiko, Lekia Andrews and others, 2018).³⁸



³⁴ Samwel, J. O. (2018). Impact of employee training on organizational performance—case study of drilling companies in Geita, Shinyanga and Mara regions in Tanzania. *International Journal of Managerial Studies and Research*, 6(1), 36-41.

³⁵ Abdullahi, M. S., Raman, K., & Solarin, S. A. (2022). Mediating role of employee engagement on the relationship between succession planning practice and employee performance in academic institutions: PLS-SEM approach. *Journal of Applied Research in Higher Education*, 14(2), 808-828.

³⁶ Harika, V. (2010) Theories of Labour Welfare .Retrieved from a .<http://www.scribd.com/doc/52987735/2/THEORIESOF-LABOURWELFARE>.

³⁷ Carrell, M.R. , Kuzmits, F.E. , Elbert, N.F. (1992). *Personnel/Human Resource Management*. NY : Macmillan Publishing Company

³⁸ Daddie JA; Andrews NL; Iroanwusi FO; Princewill O; (2018) Employee welfare schemes and worker performance: A study of selected insurance firms in Portharcourt.; *Advance Research Journal of Multidisciplinary Discoveries*.30(1)pp. 01-09

RESEARCH FRAMEWORK:

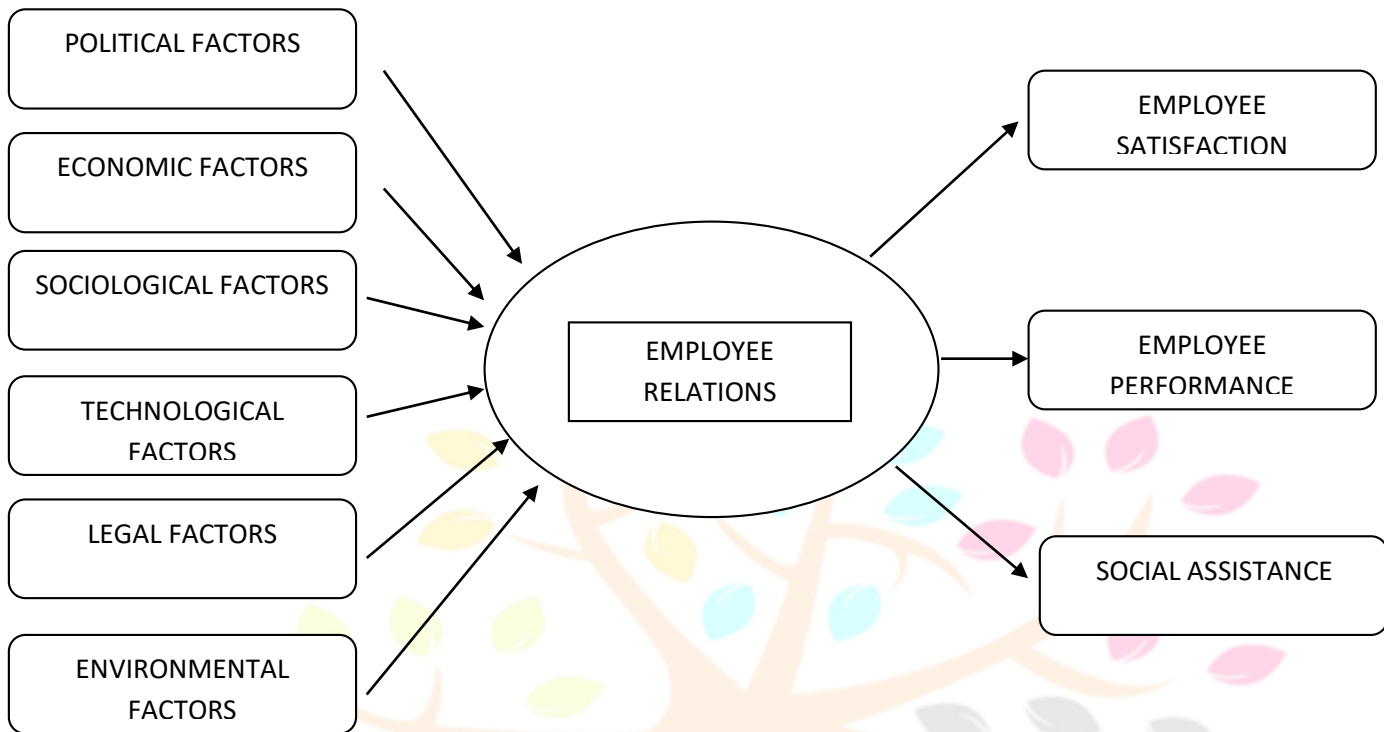


Figure 1.1

Figure 1.1 shows the research framework of the current study which shows the influence of the PESTLE Factors on the employee relations and their impact on employee satisfaction, employee performance and social assistance.

Political factors:

In the opinion of De Villiers (1992) that the current political system of a country as well as an organization reflects the employer-employee relation in an organization. It is influenced by the political system of a country because most of the union members will have their aims to express their political aspirations which makes their membership in the union to be acting either in support of the organization or against the organization based on the union's political aspirations.(Ferndale & Van, 1994). Some of the political forces are: The system of government, quality of leadership, political ideology of the ruling party, the various opinions and decisions taken by the political parties regarding certain issues, political pressures, etc.

Economic factors:

The economic aspect of an organization is the most significant aspect which influences the employer and employee relations in the firm. If the economic growth of the organization is very low, it will affect the employer-employee relation in a very negative manner which decreases the employee performance as well as the employee satisfaction regarding their jobs in the organization. There are several indices such as Exchange rate, monetary and fiscal policies, inflation rates, etc.

If there is an increase in the general price levels of goods and services in an organization, it can increase the wage levels of the employees which will make the employees to feel very happy and contented about their jobs as well as it influences their employer-employee relations among them.

Socio- cultural Factors:

An organization consists of people with different backgrounds, cultures, beliefs, values, religion, languages, etc working together and therefore it is the managements' duty or obligation to provide understanding social background which facilitates each and every employee as well as employer to freely and mutually interact and understand each other which will improve the employees' performance as well as improves their employer-employee relations. Some of the socio-cultural forces are: institutions, status in the society, culture, gender, language, level of education, etc.

Technological factors:

To have a successful, efficient, and positive economic growth it is necessary to have technological changes and advancements. The changes and developments in the field of technology has brought a lot of machanization and computerization as well as demands the industries to produce more in an effective and profitable manner. It also boosts the motivation of the employees to create their own innovations in products and processes in order to attract more potential clients. The rise of internet has made the business transactions to be very easy and comfortable. Due to the increasing competitiveness in this world the emergence of new technologies has led to the closing of certain outdated and domestic industries but it has also increased the economic growth of the enterprises with latest technologies. therefore it has both positive and negative effect on the employer-employee relations.

Legal factors:

They refer to the various polices, laws, rules and regulations established by the government over the business organization. Legal factors includes: government acting as regulators to set minimum wages, price of commodities, to make laws, to setup agencies to ensure the implementation of such laws, to enforce welfare measures to prevent exploitation, etc. some of the laws are: 1. Employee's provident fund and miscellaneous provision, 1952, 2. Payment of gratuity act 1972, 3. Workmen's compensation act 1923, 4. Employee's state insurance act, 5. Maternity benefit act, 6. payment of wages act, 1936, 7. The minimum wages act, 1948, 8. The factories act 1948, etc.

Environmental factors:

It refers to the working conditions of an organization. The management must provide safe, fair and social working atmosphere to facilitate employees to engage themselves with the work as well as to make them maintain a good rapport with their employer in the organization

Impact of employee relation on employee satisfaction, employee performance and social assistance:

If an organization practices better employer-employee relations then such organizations will be able to have an increase in the economic performance of the business enterprise which will result in increase in the wage or salaries of the employees which will make the employees get motivated and creates a job satisfaction in the minds of the employee towards their organization. By having a good employer-employee relations in the enterprise makes them employees to be dedicated and stay committed to their management which will make them to work more and in turn it increases their performance towards achieving the organizational goals and objectives. If the employer has good relationship with their employees then the management facilitates certain social welfare facilities to their employees during the employee downfall period and the management aids the employees for their further growth as well as rewards them for the employee achievements to make them feel motivated towards their organization. Some of the social welfare benefits provided by the management are: 1) medical benefits 2) employment injury benefit 3) sickness benefit 4) maternity benefit 5) family benefit 6) survivors' benefit 7) old age benefits.

RESEARCH OBJECTIVES:

- To study the relationship between Political factors towards employee relations.
- To study the relationship between Economic factors towards employee relations.
- To study the relationship between sociological factors towards employee relations.
- To study the relationship between technological factors towards employee relations.
- To study the relationship between legal factors towards employee relations.
- To study the relationship between environmental factors towards employee relations.
- To study the impact on employee satisfaction through employee relations created by these PESTLE factors.
- To study the impact on employee performance and social assistance through employee relations created by these PESTLE factors.

RESEARCH PROBLEM:

This research paper aims to elaborate on the various Political, Economic, Sociological, Technological, Legal and Environmental factors (PESTLE factors) and how each of these factors influence the Employee relations of an organization in the society and it also describes the impact created on Employee Satisfaction, Employee Performance and Social Assistance through the Employee Relations influenced by these PESTLE factors in the organization as well as the society.

FINDINGS:

- The findings of our research study emphasize that the PESTLE factors has played a very significant role and has influenced the employer-employee relation in an organization and they had shown a great impact on the employee satisfaction, employee performance and social assistance.
- Furthermore, our research study is also instrumental in finding that the employees' behavior and intention are the results of the managements' maintenance towards employer-employee relations. It also observes that the management which considers these PESTYLE factors and takes suitable measures to maintain employee relations has higher chance of becoming successful and increase its performance.

SUGGESTIONS:

- This research study mainly focuses on the PESTLE Factors only therefore future research can be done on various other factors also.
- This study mainly focuses on the impacts of employee relations only on three aspects, that is, only on employee satisfaction, employee performance and social assistance. In future, there can be analysis of various other dimensions, depending upon their feasibility and demographic factors.
- Future studies of employer – employee relations may consider in- depth quantitative study of the PESTLE Factors as well as various other factors as this research has done only a general qualitative research study of the PESTLE Factors.

CONCLUSION:

Therefore, effective employee relations are crucial for the success and overall well – being of any organization. To conclude that the PESTLE Factors have favorable as well as unfavorable influence on employee relations and also creates an impact in the employee satisfaction, employee performance and their social assistance.

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