

## ASSESSING THE QUALITY OF LABOUR RELATIONSHIPS: AN EMPIRICAL STUDY IN ENERGY SECTOR

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*Lucrarea prezintă rezultatele cercetării întreprinse de autori în cadrul unor organizații active în sectorul energetic din România. Scopul cercetării a constat în identificarea factorilor cheie care generează relații de muncă de calitate, cu impact major asupra creșterii performanței în muncă.*

*De asemenea, lucrarea abordează literatura științifică în domeniul studierii grupurilor mici, deoarece, cel puțin la nivel teoretic, înțelegerea funcționării grupurilor de indivizi este esențială pentru orice analiză din domeniul comportamentului social.*

*Metodologia studiului a cuprins o cercetare primară pe 122 de angajați din cadrul companiilor românești, ce au răspuns la un chestionar adecvat proiectat.*

*La final, pe baza rezultatelor studiului, autorii analizează modul în care valorile culturale ale angajatului român influențează calitatea relațiilor de muncă.*

*The paper presents some results of an empirical study among Romanian companies, active in energy sector, with the aim to identify the key factors that lead to better labour relationships, with major impact on management performance improvement.*

*The literature on the small groups is reviewed because, theoretically at least, understanding the groups is essential for almost every analysis of social behaviour.*

*The methodology of the study has involved primary research as well: 122 employees from Romanian companies answered to the questionnaire that was designed on this purpose.*

*Finally, based on the results of the survey, the authors discuss how the set of cultural values associated to Romanians influences the quality of labour relationships.*

**Keywords:** organizational behaviour, power factors, labour relationships

### 1. Introduction

In today's business environment, people work with others to achieve common goals. Either the organization is for profit or non-profit - one typically accomplishes more through the interaction with and assistance from other people.

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Generally speaking, the quality of labour relationships explains why groups of fewer people and marginal infrastructure are sometimes more productive than larger groups having an extensive infrastructure and larger financial resources, which are rather lethargic.

This study approaches the labour relationships from the point of view of strengths, values and effectiveness of superior, peer, and subordinate individuals in the work place. Consequently, the objectives of the research are the following:

- To investigate the employees' attitude vs. key factors that influence the development and maintenance of the labour relationships quality
- To assess the management practices of the organizations surveyed
- To examine whether the differences based on social variables – such as sex, age, education, hierarchical level, etc – affect significantly the quality of the labour relationships.

## **2. Literature Review**

Secondary literature research was conducted with the aim to establish a set of factors that may influence the labour relationships taking into account the Romanian cultural values system [1]. The set of Romanian cultural values is a result of an empirical study on representative sample of Romanian employees. The study has used the Value Survey Module 1994 developed by the Institute for Research on Intercultural Cooperation based on six cultural dimension established by Geert Hofstede [2,3]. His findings demonstrate the relationship between cultural aspects and employees values and behavior in organizational context.

Comparing the set of cultural values associated to Romanians with the most recent studies of effective workforce management, the following set of key factors that influence the development and maintenance of the labour relationships quality was set up.

*Resources availability* is the most correlated factor of conflict within organizational environment. Limited resources influence co-worker relationships by reducing communication, cooperation and teamwork among the competing parties within organisation. These competing parties can be people, departments or divisions [4].

*Fear* is the key factor that frequently results of blame or excessive criticism at work. Fear destroys personal relationships, organizational commitment and innovation, and most communication may simply support the status quo [5].

*Environmental characteristics* are referring to office environment, such as physical location or the type of work being done, which are affecting the working relationships [6].

*Organizational fairness* is a challenging issue, because of its amplifying effect. When a work situation seems to be unfair, this can be highly motivating the employees to try to correct the injustice. Anyway, the fairness of an organization is depending on the employees' perception and the organizational culture [5].

Within some cultures, treating everyone in the same way seems to be fair, such as applying the same rules to all employees and equal pay for equal work. Sometimes, treating people in different ways is seen fair, such as greater recognition and rewards for greater efforts. Thus, we have focused on two forms of fairness, such as fairness of managers and fairness of pay [7].

*Fairness of managers* is linked to employees' perception regarding the manager's effort to do the best he can in an imperfect environment.

*Fairness of pay* is linked to the perception of being paid fairly that is more motivating than the actual level of pay.

*Organizational structure* is the key factor referring to structural work arrangements that affect the cooperation that takes place between people in their work efforts [8], [9].

*Employees' competencies* are referring to the way in which the expertise and knowledge level may affect the employees' capacity to develop and maintain good working relationships [10].

*Organizational control system* is the key factor that consists in job expectations and performance assessment. When employees know what is expected from them, which aspects of their jobs are most important and how their performances will be evaluated, workgroups typically will have better labour relationships [11].

*Communication between the working groups* enables to achieve organizational objectives. The quantity and quality of communication may ensure optimum flows of information within organization, thereby eliminating the barrier of communication and improving organizational performance [12].

*Relationship between the manager and work group* is linked to employees' perception of power and authority distribution through organizational levels. This perception influences leadership style and both job enrichment and empowerment techniques. The ability of superiors to work with people as a group, rather than to work with individuals within the group, is an aspect of management practices that will affect the quality of working relationships [13, 14].

*Relationships between the work group's members* are linked to the workflows and manner in which people can coordinate and support each other to increase the group's effectiveness. Employees who do not have enough authority to do their jobs or who tend to blame each other are less likely to work well as a team [15].

*Job responsibilities* are the key factor that may affect the direction and intensiveness of working relationships [10]. Managing working relationships can

be challenging. Even in the best of environments, it can even be hard to manage working relationships in a constructive way. Thereby, the survey undertaken by authors may help the managers to better understand the Romanian organizational environment and their subordinates' perceptions about labour relationships.

### **3. Research methodology**

The purpose of this research was to explore possible cause-effect relationship between social variables such as age, gender, education (considered independent variables) and labour relationships (dependent variables).

The chi square test used the research hypotheses [16], which were:

H<sub>0</sub>: The employees' gender does not influence significantly their labour relationships.

H<sub>1</sub>: The employees' gender impacts significantly their labour relationships.

H<sub>0</sub>: The age has a significant influence on employees' labour relationships.

H<sub>1</sub>: The age does not have significant influence on labour relationships.

H<sub>0</sub>: There is a significant correlation between educational background of the employees and their labour relationships.

H<sub>1</sub>: There is no significant correlation between educational background of the employees and their labour relationships.

The objectives of the research were the following:

1. To evaluate the employees' attitude regarding the key factors, attitude that may influence the development and upholding of the quality of the labour relationships.
2. To find and define the employee's behaviour towards upper hierarchical levels.
3. To find and define the employee's behaviour at the same hierarchical level.
4. To identify the individual characteristics of the respondents – such as age, gender, educational background, etc.
5. To identify the organizational characteristics of the respondents – such as hierarchical level, work experience in the same position, type and size of the department they work in.

### **Variables measurement**

The dependent variable “labour relationships” was measured as the respondent's attitude towards the key factors that may affect relationships as follows: resource availability, fear, environmental characteristics, fairness of managers, fairness of pay, organizational structure, employees' competencies, organizational control system, working group communication, relationship between the manager and work group, relationships between group members, and job responsibilities.

Taking into account the difference between attitude and behaviour, there were added additional measurement items in order to evaluate the working behaviour in two directions:

- Superior-subordinate relationship with 10 items such as information about organization's goals and strategies, clear roles and responsibilities, feed-back, information about organization's performance and so on.
- Co-worker relationships with 6 items such as team environment, human resource overload, trust, efficiency, effectiveness, cooperation.

Independent variables were structured in two packages as shown in table 1.

Table 1

Independent variables pattern			
Independent Variables		Conceptual description	Operational description
Individual - social	Predetermined	Gender	Feminine, Masculine
		Age	Age levels
	Achieved	Educational background	Technical, Economical, Humanistic
Individual - organizational	Achieved	Hierarchical level	Execution Strategic Functional Operational
		Length of work experience	< 1 year 1-5 years > 5 years
		Department type	Production, Commercial, Human Resources, Finance, Research
	Contingential	Department size	< 10 co-workers 10-30 co-workers > 30 co-workers

Nominal and ordinal scales were used for variables' measurement. Independent variables were measured by nominal scales and dependent variables by ordinal scale. A five – point Likert scale was used with anchors from "strongly disagree" to "strongly agree".

This research was questionnaire-based. The questionnaire design has observed the research objectives and research hypothesis aiming to explore the possible relationships between social variables and the quality of labour relationships.

The questionnaire had an adequate pattern, starting with questions to evaluate the employees' attitude and finishing with questions for respondents'

characteristics. Dichotomy and open questions were used and control questions have been used as respondent filter.

### **Data collection**

The questionnaire was distributed to 450 employees of companies active in Romanian energy sector. Only 122 respondents have filled the questionnaire.

Gender structure was rather balanced (63.6% women and 36.4% men). Respondents' age is mostly up to 35 years (81.8%); 15.91% are of 35-45; and only 2.29% are older than 45 years.

The respondents have different backgrounds such as: 69.09% technical, 21.82% economical, and 9.09% have humanistic background.

The sample consists of 20% employees in non-managerial positions and 80% in managerial positions structured as follows: 9% in strategic management positions, 23% in functional positions and 20% in operational positions.

The work experience in the same position is spread mostly between 1 to 5 years (40.91%); 38.64% of respondents have less than one-year work experience and 20.45% have more than 5 years experience in same position.

The respondents come from different departments such as: 38.64% from Commercial department, 15.9% from IT department, 13.64% from Production department, 13.64% from Human Resources department, 11.36% from Research & Development department and 6.82% from Finance department.

From department size point of view, 61.36% of respondents work in small departments with less than 10 co-workers, 25.00% in medium-size departments and 13.64% work in large departments with more than 30 co-workers.

### **Data Analysis**

Statistical procedures were applied for data analysis, aiming to match the objectives presented in table 2.

*Table 2*

<b>Objectives of data analysis</b>		
No.	Objective	Analyze method
1	Central tendency	One variable analysis
2	Variation and repartition of the variables	Two variable analysis
3	Correlation coefficient	Two variable analysis

The central tendency was calculated taking into account the way in which the variables were measured: the modal group for nominal scale and arithmetic mean for interval scale (tables 3 to 5).

Table 3

<b>Key factor arithmetic mean</b>		
No.	Key factors	Arithmetic mean
1	Resources availability	2.50
2	Fear	2.09
3	Environmental characteristic	3.32
4	Fairness of managers	3.84
5	Fairness of pay	3.52
6	Organizational structure	2.14
7	Employees' competencies	2.73
8	Organizational control system	2.20
9	Communication between working groups	4.14
10	Manager – work group relationship	4.45
11	Relationships between work group's member	4.32
12	Job responsibilities	2.57

Table 4

<b>Key factor arithmetic mean for superior-subordinate relationship evaluation</b>		
No.	Key factors	Arithmetic mean
1	Information about organization's goals, strategies	2.98
2	Clear and relevant information	3.14
3	Responsibility for settle down the job objectives	3.52
4	Access to the key information	3.98
5	Knowing the most important aspects of the job	4.48
6	Asking for own opinion about problems	3.77
7	Asking for creative solutions	3.61
8	Information about organization's performance	2.91
9	Involving in decisional process	3.39
10	Getting regularly feed-back about own performance	2.98

Table 5

**Key factors arithmetic mean for co-worker relationships evaluation**

No.	Key factors	Arithmetic mean
1	Anxious relationships caused by employee's overload	3.09
2	Job environment stimulates team working	3.09
3	Good relationships developed only by confident co-workers	3.45
4	To be a trustful colleague	4.07
5	To be an effective colleague	4.23
6	To be a cooperative colleague	4.27

The next objective was reached by calculating the frequency distribution and variation amplitude.

The correlation coefficient was measured using the chi square test for testing statistical hypotheses. The results of chi square test have validated the research hypotheses.

#### 4. Key findings

The data analysis revealed that the employee gender has no significant influence on employees' labour relationships. This finding confirms the EU principle of gender equal rights in Romanian culture. Therefore, the employees from energy sector develop cooperative relationships, and career plans are valid options for both men and women.

The quality of labour relationships is influenced by the age of the employee. When the group members are of different ages, conflicts among them are more likely to arise, weakening the group cohesion.

Validation of the last research hypothesis may be explained through different abilities of employees that affect the communication at the work place. The different patterns of education, such as technical, economical and humanistic determine different experience boundaries and reality perception. Miscommunication and misunderstanding may thus arise, making interpersonal conflicts more likely to appear.

Another focus of the study was to emphasize the most significant key factors that lead to better labour relationships. Overall, the typical Romanian employee in energy sector ranges the relationship with his superiors and managers on the first place. The observable behaviour of Romanian subordinates highlights a large distance from authority, with impact on empowerment process, leadership



style and job satisfaction. In our culture, trusting in manager is a milestone for employees' commitment and performance. The negative effects of this consist in lack of self-confidence and initiative: the subordinates are waiting for superior's directions.

Respondents rank the relationships between the members of the workgroup on the second place. Ability to develop human relationships is more important than individual performance or achieving the organizational objectives. This fact may be explained through our collectivist society that is based on conforming to the group norms. The performance of the group will suffer because of decision-making that is more likely to be made as support for majority. Taking this, a group decision is better perceived than an individual decision, even if the group performance will diminish.

Assessment of the employees' opinions regarding their relationships with superiors leads to the following key factor: knowing the most important aspects of the job. Romanian subordinates are more likely to get directions from superiors than having their own initiatives. The high level of distance to power index highlights the need for clear and pyramidal structures through which the employee gets clear information about job responsibilities.

On the other hand, the access to the key information is ranged on the second place. This finding may be explained through high level of anxiety of Romanian managers who are confronted with fear of disclosing important information about organization. Trusting the others may be dangerous for organizational performance and it supposes a certain level of risk tolerance.

Another finding of the research refers to the situations in which superiors are asking for subordinate's opinion. There is a paradox situation, because of the difference between observable behaviour and attitude of employees: at declarative level, the employees are asking for a consultative style, while at behavioural level there is no implication in performing tasks in a creative way.

As co-workers relationships, the cooperation between colleagues is ranked on the top level in work place. Living in a collectivist society, Romanian employee appreciates good relationships with co-workers to the detriment of improving efficacy of job.

Effectiveness is another aspect that is mostly appreciated in co-worker relationships. This finding is linked to our collectivist society in which conforming to the rules and norms is an important aspect of organizational life.

## **5. Conclusions**

The systemic approach of the organizational behaviour allows analyzing and structuring the labour relationship in such a manner to identify the inputs and outputs. Consequently, the work process and behaviour are presented as process-

oriented, which has a direct impact as far as exploring and understanding the laws that govern the way the organizations work. This approach also permits to control and direct the labour relationship towards improving the organizational performance.

The cause-effect analysis (of the independent and dependent variables), documented by the empiric research, surveying the labour relationships among 122 employees, emphasized the importance of the subordination relationships and cooperation relationships, and the relative lower importance of the labour relationships oriented towards reaching the company's objectives.

The results of this survey are used as inputs for the next research stage: the correlation between the business performance and power factors. The effect of using the power tactics in direct hierarchical relationships and how all these influence the performance improvement will be analyzed as well.

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