

# Food for Thought: The Effect on Employee Relations on Employee Performance with Special Reference to Food and Beverage Operations in Hotel Industry

Employee  
Relations

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## Abstract

Hospitality industry has become turbulent and dynamic exposing to externalities whereas human resources in hospitality organizations have emerged as a significant area to achieve corporate goals and objectives. Food and beverage operations contribute the highest productivity in this sector by directly interacting with guests making satisfied employees as an integral component to deliver the expected customer value. Hence, this study examines the effect of employee relations on employee performance in food and beverage operations. Five-star hotels in Colombo district being the research site for the study, and from them a sample of 150 employees from six hotels in the food and beverage operations were chosen using convenience sampling technique. Adopting mixed method approach, the primary data was collected through self-administered questionnaire and in-depth interviews. Primary data was analysed using descriptive analysis, Pearson's correlation and regression analysis through SPSS software. Qualitative data was analysed using the content analysis. The results revealed that employee relations have a significant positive relationship with employee performance. Further, it showed that, the strategies such as training and development programmes, leadership programmes, reward and recognition schemes are predominantly practiced by employers to improve relationship with employees for better performance. Based on the findings, the study recommends that immediate supervisors have to be more concerned about employees' motivational factors. Furthermore, the management should ensure transparent and open communication channels, and mutual respect among employees that ultimately creates a positive work environment.

**Keywords:** Employee relations, Employee performance, Food & beverage Operations, Hotel industry.

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## Introduction

According to United Nations World Tourism Organization (UNWTO) (2016), tourism is an umbrella for many industries such as the hospitality industry, travel industry, events industry, and numerous new industries that are booming such as niche tourism markets, restaurants, catering services, etc. As a service-oriented industry, the hospitality industry is the largest sector of the tourism industry (Ranatunga & Dahanayake, 2020). Sri Lanka Tourism Development Authority (SLTDA), (2020) stated that Sri Lankan tourism accounts for 4.3 percent of the direct contribution to the country's Gross Domestic Production (GDP). The hospitality industry is the primary source of support for guests seeking accommodation. One of the main types of accommodation is a hotel. Hotel is a labor-intensive industry where employee performance plays a crucial role because employees contribute to the maximum productivity in this sector by interacting directly with the guests (Weerakkody, 2016). The food and Beverage department bears a significant responsibility for making the guest happy and bringing them back by interacting directly with the guests (Abukhalifeh & Mat Som, 2012). Since employee performance is very important in the hotel industry, paying attention on effect of employee relations is important.

Employee relations refers to a set of organizational functions and practices in an organization that includes personnel, compensation, and benefits, management issues related to people, employee performance, communication, and administration of an organization (Chaudhry, Sohail, & Riaz, 2016). Hotels cannot function better if there is poor relation between employers and employees. Today, due to various difficult conditions, employers have more pressure on maintaining the staff and when employees are unhappy, they are not going to perform well. Strong employee relations are an essential element in the hotel industry, since strong employee relations increase employee happiness and stimulate employee performance (Ansah, Osei, Sorooshian, & Aikhuele, 2020). Employee performance is mostly about task-related activities and their ability to perform as expected (Opiyo, 2021). Today, labour productivity is becoming a prominent issue in the hotel industry. Therefore, employers need to sustain employee relations strategies since good employee relations lead to improve the bond between management and employees (Samwel, 2018).

Moreover, a major concern of employers in hotels is to motivate employees to assist such an effort, concern about grievance handling and employee discipline which directly affect employee performance (Chaudhry et al., 2016). The extent to which the employee performs at work is determined by the employee relations. Hence, a talent pool with strong employee relations is essential for a better output. Satisfied employees offers a quality service for the organization (Opiyo, 2021) and they perform better than those who are dissatisfied (Ranatunga & Dahanayake, 2020). Before a hotel can satisfy the guests, employees should be satisfied in their job within their relations (Mohamed, Ahmed, and Amer 2019).

As a service-oriented organization, the hotel employees provide customer service through the hotels. Therefore, it is the responsibility of the employees to satisfy the guest to ensure repeat visitation (Sepulaand & Shirandula, 2017). It is in fact that in the hotel industry, employee relations have a direct effect on the quality of hospitality services. According to Ranatunga (2020), an unsatisfied employee is the least likely to perform his duties in a favourable way to the

guests. If the employees do not carry out their duties in an effective manner, it would directly affect the image of the industry and may be the worst case in the future. Therefore, the hotel needs to maintain employee relations by using appropriate strategies to enhance the relations with employees, which ultimately leads to a better employee performance.

The present economic crisis acuminates the above problem and it seems that hotel employers have the most pressure on maintaining the staff by paying salaries and wages, taking actions to motivate employees, and resolving their grievances, paying dues and gratuities as they expect. It is notable that employees do not receive enough salaries, wages and there is less contribution from employers to listen to their grievances and matters, employee try to leave from their employment (Alfandi, 2020).

Consequently, employees get dissatisfied with efficiently functioning in the sector because of increased work pressure brought by a shortage of labor. Such inconveniences cause a decline of employee performance and even in the increase of employee turnover rate (Opiyo, 2021). This work pressure makes a huge gap between employer and employee in the industry and creates a problem for the employees to survive in the industry with better performance.

In light of these circumstances, this study intends to identify the effect of employee relations on employee performance in food and beverage operations and to explore the employers' strategies for enhancing employee relations for a better performance in food and beverage operations in five-star hotels in the Colombo district.

## **Literature Review**

### ***Role of Food and Beverage Operations in Hotel Industry***

The food and Beverage department is one of the main departments of a hotel. In the service industry, it is very important for employees to be satisfied with their work so that they can perform well in their tasks (Singh & Archana, 2018). Excellent service is always motivated amongst the service crews to obtain total satisfaction from the customers. Therefore, employees in the food and beverage department should perform well in their tasks to make the guest satisfaction. So employees who are working in this department bears more responsibility for the task of making the guest happy and bringing them back by interacting directly with the guests (Abukhalifeh & Mat Som, 2012a). As every day bring a new challenge, the Food and Beverage (F & B) employees' performance highly affects on the repeat visitation of the guests. Due to poor salary, wages and compensation in the industry, it is become a serious problem that these employees often try to move to other positions. The reason is because the increase in employee turnover in the industry also affects poor performance of employees (Alfandi, 2020).

### ***Effect between Employee Relations and Employee Performance***

Employee relations is a set of organizational functions and practices in an organization that includes personnel, compensation, and benefits, as well as management of people-related issues, employee performance, organizational development, health and safety, communication, and administration of an organization (Chaudhry et al., 2016). It is the way of managing the relations between the employer and employees with the ultimate goal of achieving optimal

productivity levels in terms of goods and services, and employee motivation as preventive measures to address problems affecting the working environment (Weerakkody, 2016). Opiyo (2021) highlights that the hotels need to emphasize the performance of the employees and should take appropriate measures for enhancing their performance.

Samarasekara et al. (2019) states that though many articles and researchers have demonstrated the effect of employee relations, it is difficult to identify researches that have a comprehensive view of employee relations on employee performance in food and beverage operations in Sri Lanka. Hence it is appropriate to understand the constitutes employee performance of the job caused by employee relations. Employees value the relations quality of their employers and therefore, they are less likely to change their employment (Kim et al., 2010). In such relations, employees have more opportunities for self-expression, information exchange, and emotional support as they share some informal relations with employers.

Researchers have indicated perception of employees of their employers' behaviors that can also cause to this problem (Majule, 2017). As per a recent study conducted by Samwel (2018), there is a positive significant effect on employee relations on employee performance in small organizations in Tanzania. Also, Chaudhry et al. (2016) stated that employee relations affect positively the performance of employees in the hospitality industry in Pakistan. Similarly, the research done by Kuzu and Özilhan (2014) revealed that there is a strong relationship between employee relations and employee performance. Poor performance is a situation in which employees are unable to perform their duties up to the level of organization expect. The issue was considered as a big concern to managers and executives in firms as it reflected employee performance as a whole. Previous studies have identified different causes that lead to poor employee performance which are inability to manage stress and pressure, lack of empowerment and low employer's commitment.

Chaudhry et al. (2016) stated that employee relations managers support the business managers in resolving employee grievances, take actions regarding employee discipline, disputes, and legal matters, and works towards employee motivation. Managing the strong employee relationship within the hotel establishment, ultimately lead to an increase the employee performance. Employee grievance can be considered the most critical factor in hotels. Employee grievance concern employees who express dissatisfaction with the work environment and especially when it concerns objections that remain unanswered and unaddressed (Sivanandam & Chaturvedi, 2021). Further, the researcher stated that when the employee's needs are not satisfied by the management such as promotions, salary increases, working conditions, examination and many more things that the employee expects from the organization and at that time employees become less motivated and less productive. As per a recent study conducted by Dhanabhakym & Monish (2019), when a good grievance handling procedure is not in a workplace, the organization is more likely to experience poor employee morale, commitment, the opportunity for reconciliation and employee relations which is an essential requirement for employee performance. Some studies have shown that raising grievances by employees tends to result in lower performance evaluations, lower promotions, and less work attendance (Tharuka & Sajeevanie, 2020). When going through these points, it seems that it is important to implement disciplinary measures in the organization to reduce grievances.

Employee discipline is a tool used by managers to communicate with employees so that they try to change their behavior as well as increase the awareness and willingness of a person to comply with all organization regulations and existing social norms (Assafuah, 2017). Therefore, it seems that effective disciplinary action around an employee's behavior is wrong not on the employee as a personal self. Hotel employers need to maintain discipline for employees because it carries out duties and responsibilities at work towards employee performance. Accordingly, work discipline is an important role in the performance of employees, to achieve discipline and to be carried out the work of an organization (Sri Meitri et al., 2021). Ultimately, it encourages employees to carry on their work and acts as a morale booster for the employees.

As per a recent study conducted by Augustinus and Halim (2021), motivation can be described as a management process that enables employees to perform well for the success of the organization by providing them with their motives based on their unfulfilled needs. Chaudhry et al. (2016), mentioned that motivated employees are valuable assets of an organization, especially in the hospitality industry where the guest arrives with a mind to getting satisfaction from paid bills. Because of that, employers should create and maintain a positive work environment and efforts for employee recognition as well as value (Nizam & Shah, 2019). Especially in food and beverage operations, employees should perform well to bring back customers (Abukhalifeh & Mat Som, 2012a). Accordingly it is clear that developing employee motivation is very important as it supports improving employee performance and management can be able to achieve a set of organization's objectives. Previous studies have shown that employee motivation has a significant impact on employee performance.

According to Pradhan and Jena (2017), employee performance is a concept that includes task performance, contextual performance, and adaptive performance. Task performance consists of behaviours that include basic job responsibilities assigned as a part of the job description. Task performance needs greater cognitive ability which is primarily tasked knowledge, task skills task habits (Pradhan & Jena, 2017). Accordingly, the primary precautions of task performance refer to the ability and previous experience to do the job. The concept of adaptive performance has generally defined the term as a person's ability to dynamic situations (Charbonnier-Voirin & Roussel, 2012). Effective adaptive performance requires employees to be able to deal effectively with a volatile work environment. Previous studies have found that once employees have achieved some perfection in their assigned tasks, they try to adapt their attitudes and behaviour toward the various requirements of their job roles (Huang et al., 2014). Thus, the ability to quickly adapt to these different situations is a key aspect of effective performance.

Contextual performance is a social behaviour that individuals in a work activity. Such behaviours are expected from an employee but those are not clearly stated in the job description. These types of unspecified expectations are called social behaviour or extra-role behaviour (Pradhan & Jena, 2017). This type of behaviour contributes to generating a stimulating culture and climate within the organization which helps in gaining individual productivity and organizational effectiveness. From a comprehensive review of prior research, it was found that employee relations have a direct effect on employee performance. Although it has been found out what kind of effect has on certain industries, it has not been investigated what kind of effect

employee relations has on employee performance in food and beverage operations in the Sri Lankan hotel industry.

### *Employers' Strategies for Better Performance*

There is also a lot of competition and investors are planning to set up new properties related to the tourism and hospitality industry across the country. Strategies investigated by Majule (2017) communication, meetings between employers and employees, and also rewarding as motivation for better performance. Further that researcher has explored the use of rewards as a means of improving relationships between employers and employees in the workplace while increasing the performance of employees. A study conducted by Geetika et al. (2014) points out the importance of communication in improving workplace relationships as a means of reducing organizational turnover. Also, the purpose of employee recognition is to develop specific behaviours, strategies, or practices that resulting improve employee performance if the talent of employees is recognized, it can satisfy them and it leads to improvement in their performance (Augustinus & Halim, 2021). Moreover, Schweitzer and Lyons (2008) stated that expertise training and development and transparency in communication are supporting for creating good employee relations within the organization while enhancing the performance of employees. Studies have shown that employee opinions of their supervisors' actions can improve employee performance by strengthening organizational trust and having a favorable impact on the employers' values (Majule, 2017). Employee performance in small-scale enterprises in Tanzania is positively impacted by employee interactions, according to a recent study by Samwel (2018). Additionally, according to Chaudhry et al. (2016), employee relations have a favorable effect on workers' performance in Pakistan's hospitality sector.

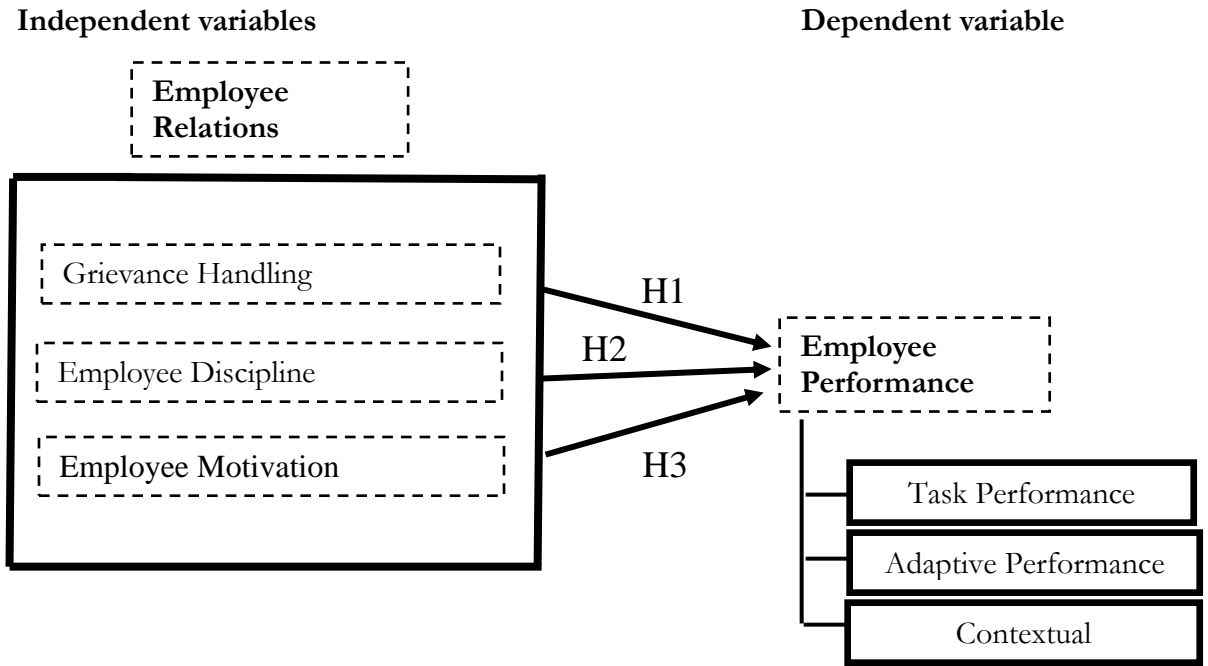
According to Geetika et al. (2014), it can be identified that good employee relations needs to be built up to create a happy work environment for the employees which lead to improve the employee performance in the food and beverage operation. Because employees who are working in this department bear more responsibility in the task of making the guest happy. From a comprehensive review of prior research, it was found that employee relations have a direct effect on employee performance. Most of them have revealed that employee relations have a significant positive effect on employee performance. Furthermore, Samarasekara et al. (2019) highlights the need of investigating the effect that employee relations have on employee performance in food and beverage operations in the Sri Lankan hotel industry.

Based on the conceptual framework model this study will test the following hypotheses.

**H1:** There is significant effect of grievance handling on the employee performance

**H2:** There is significant effect of employee discipline on the employee performance

**H3:** There is significant effect of employee motivation on the employee performance



**Figure 1.** Conceptual framework developed by the researcher

Sources: Based on Chaudhry et al., (2016); Pradhan & Jena, (2017)

***Operationalization of Variables***

***Table 1. Operationalization of Variables for Questionnaire***

<b>Variables</b>	<b>Dimensions</b>	<b>Indicators</b>	<b>Source</b>	<b>Measurement</b>
Employee Relations	Employee Grievance Handling	Company Policy Procedure Justice		Five-Point Likert Scale
	Work Discipline	<ul style="list-style-type: none"> <li>• Effective use of time</li> <li>• Compliance with established regulations</li> <li>• Responsibilities in work and duties</li> </ul>	(Sri Meitri et al., 2021)	Five-Point Likert Scale
	Employee Motivation	<ul style="list-style-type: none"> <li>• Employee achievements</li> <li>• Employee recognition</li> <li>• Employee Challenge</li> <li>• Employee</li> </ul>	(Augustinus & Halim, 2021)	Five-Point Likert Scale

involvements				
Employee Performance	Task Performance	Task knowledge Task skills Task habits	(Pradhan & Jena, 2017)	Five-Point Likert Scale
	Adaptive Performance	<ul style="list-style-type: none"> <li>• Interpersonal adaptability</li> <li>• Cultural Adaptability</li> <li>• Physical adaptability</li> <li>• Handling emergencies and crises</li> </ul>	(Charbonnier-Voirin & Roussel, 2012)	Five-Point Likert Scale
	Contextual Performance	Coordinating with colleagues Obeying the rules	(Pradhan & Jena, 2017)	Five-Point Likert Scale

Source: Developed by the researcher, (2023)

## Methodology

According to Saunders, Lewis and Thornhill (2009), research design can be defined as a process of collecting, analyzing, summarizing, and presenting data and information under a given title. The research problem determines the type of design that the study should use. Based on the problem of this study, mixed approach followed by the researcher. In this research, the population is the total number of employees who are working in the food and beverage department in the five-star hotels in the Colombo district. Employees were selected from the F & B department, because they are providing customer service through the hotel by directly interacting with the guests as one of the front-end departments exposing to a higher level of customer touch point. The Colombo district was chosen as the research site, because five-star hotels belong to the fast-growing hotel category and there are a number of six five-star hotels that are registered under the SLTDA in the Colombo district (SLTDA, 2020). A sample of 150 operational-level (25 employees each from one hotel), F & B employees in the aforementioned hotels were selected using convenience sampling technique. Primary data for the study was collected through self-administered questionnaires and in-depth interviews. This research adopts a mixed method; consisting of a questionnaire with open-ended questions and close-ended questions as well as interviews. In this research the questionnaire included three major parts regarding close-ended questions. First part of the questionnaire was included to acquire information regarding the hotel employee profile. It consists of the personal characteristics of the employees. The second part of the questionnaire consists of ten questions with five points Likert Scale (5 being strongly disagree to 1 being strongly agree) to measure employee relations and the third part consists of measuring employee performance. These twenty questions were divided according to the main dimensions of the independent and dependent variables. Checkboxes were used to gather data regarding the employee profile. Based on the qualitative objective, interview



guidelines were developed and include questions related to effect of employee relations on employee performance. These questions consist of regarding employee training programmes, employee reward system, transparent communication system between employers and employees and employee recognition.

***Validity and Reliability***

The reliability of the structured questionnaire was assessed by the researcher using Cronbach’s alpha value applied in this study. Because most of the literature widely cited that Cronbach’s alpha exceeds the 0.7 level is the most reliable measurement (Hussey et al., 2020). The result denotes that all the variables are greater than 0.7 which implies the internal validity of the questionnaire was at an acceptable level.

**Table 2. Reliability of Variables**

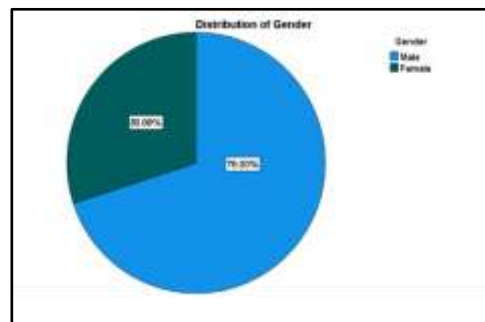
Variables	Analytical Statistics	
	Cronbach's Alpha	N of Items
Employee Grievance Handling	.849	3
Employee Discipline	.903	3
Employee Motivation	.927	4
Employee Performance	.952	10

Source: Survey Data, (2023)

**Results**

***Demographic Profile***

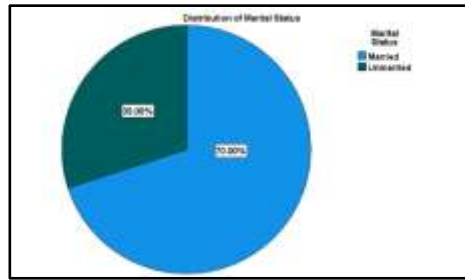
The study sought to determine gender, age, educational level, working experience, and monthly income. The results of the study are presented in the sections below.



**Figure 1. Distribution of Gender of Employees**

Source: Survey Data, (2023)

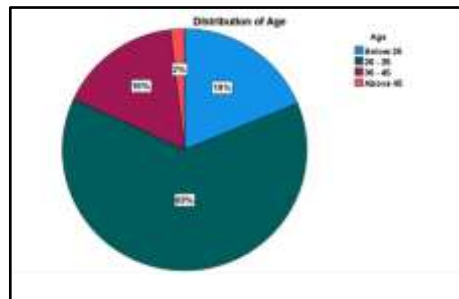
The figure 1 shows the distribution of the gender composition of respondents. According to this, 70% of respondents represent males and female donates 30% of the sample. The total sample was 150 employees. Thus, the majority of respondents are male.



**Figure 2.** Distribution of Marital Status of Employees

Source: Survey Data, (2023)

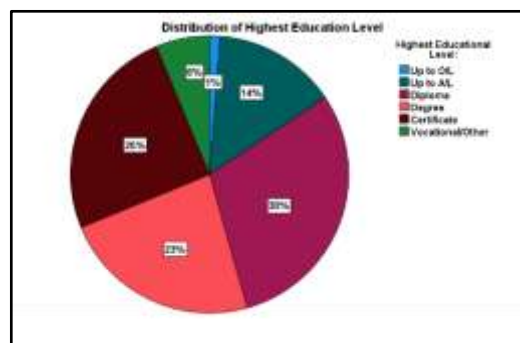
According to the figure 2, it could be seen that the unmarried respondents represent the highest sample which is 70% of the total number of respondents. Whereas the married level shows 30% of the total respondents.



**Figure 3.** Distribution of Age Level of Employees

Source: Survey Data, (2023)

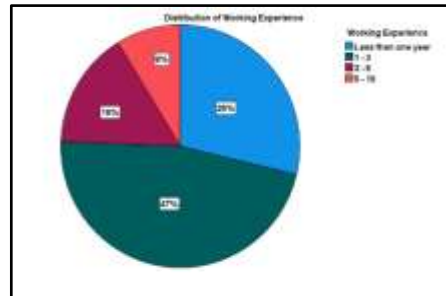
Refer the figure 3. As per the ease of the research, respondents have been categorized into four age levels. Within the selected sample, as shown above, the highest percentage 63 % respondents are from the 26 – 35 age category. 19 % of respondents are from the age category of below 25. The remaining responses are distributed among the other 2 age categories. Employees of age categories 36 – 45 were 16 % and 1.88% of respondents were above 45.



**Figure 4.** Distribution of Education Level of Employees

Source: Survey Data, (2023)

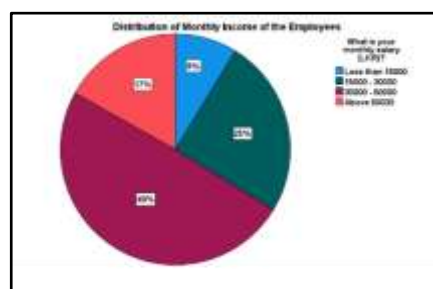
The figure 4 presented show that most of the respondents (30 percent) have a diploma while 25 percent have a certificate and 23 percent have a degree. Also, 14 % of employees have up to A/L educational level, 6% employees have up to vocational/other educational qualification and 1 percent have up to O/L educational level.



**Figure 5.** Distribution of Working Experience of Employees

Source: Survey Data, (2023)

According to the figure 5, to take the respondent's working experience, they had the option to choose the respective experience category to which they belong from 04 categories. Based on the above we could see that around 47% of the respondents belong to a working experience of 1 – 3 years which represents the majority. The second highest category is below less than one year and is 29% of the sample. The hotel industry is a rapidly growing sector because more employees have less experience in their careers. Few employees have more experience, it is 16% of employees have 3 – 5 years of experience and the least category is 5 – 10 years and which is 9% of the sample.



**Figure 6.** Distribution of Monthly Income of the Employees

Source: Survey Data, (2023)

According to the figure 6, most of the employees' monthly income is between 30000 – 50000 LKR, and its percentage is 49 %. Out of the total sample, 25% of employees' monthly income is between 15000 – 30000 LKR. 17% of employees are getting above 50000 salaries LKR. Also, 9% of employees are getting less than 15000 LKR.

**Objective 1: To identify the effect of employee relations on employee performance in food and beverage operations in hotel industry.**

To achieve first objective, descriptive statistics, correlation analysis and regression analysis were used.

***Descriptive Statistics***

Descriptive statistics method was used by the researcher to achieve to identify the effect of employee relations on employee performance in food and beverage operations in five-star hotels in the Colombo district. SPSS (Version 24) software was used for quantitative data analysis.

**Table 3. Summary of Descriptive Statistics Data**

<b>Descriptive Statistics</b>	<b>Employee Performance</b>	<b>Grievance Handling</b>	<b>Employee Discipline</b>	<b>Employee Motivation</b>
Mean	4.11	3.98	4.16	4.08
Median	4.40	4.33	4.33	4.25
Mode	5	5	5	5
Standard Deviation [SD]	0.883	.930	.933	.974
Variance	.779	.865	.871	.949
Skewness	-1.526	-.935	-1.215	-1.246
Std. Error of Skewness	.192	.192	.192	.192
Kurtosis	2.001	.171	.696	.923
Std. Error of Kurtosis	.381	.381	.381	.381
Minimum	1	1	1	1
Maximum	5	5	5	5

Source: Survey Data, (2023)

As shown in the table 3, the mean value of employee performance is 4.11 indicating a high level of employee performance among the respondents in the sample. As well as, as the SD lies between +2 and -2, the mean value could be statistically accepted. The mean of the independent variables is aligned with the almost agreed criteria since the mean values of independent variables are within the  $3.5 \leq X < 5$  regions. The discipline of the employees recorded the highest mean value apart from the other two independent variables and the mean value is recorded as 4.16. Meanwhile, the grievance handling recorded the lowest mean value which is 3.98. It denotes that almost all the respondents are agreed that employees who are endorsed the employee relation are grievance handling, employee discipline, and employee motivation regarding the hotel industry. Apart from that, almost all the respondents mostly agreed on the fact that employee relation is employee discipline. However, according to the respondents view the motivation of the employees is somewhat low when there is employee relation compared to the other two dimensions. The employee performance represents the dependent variable and processes a 4.11 mean value which is at the acceptable level since it belongs to the  $3.5 \leq X$  region. It denotes that almost all the respondents accept the fact that employee relation on performance of the employee.

The standard deviation generally outlines the scattering of information around the mean. Furthermore, it described how far one value ranges away from the mean value. By using the standard deviation, the researcher intended to find the coefficient of variation of grievance handling, employee discipline, employee motivation, and the impact of employee performance. All the independent variables have small variances from the mean. The standard deviation for grievance handling, employee discipline, and employee motivation is 0.930, 0.933, and 0.974 respectively. It denotes that participants respond to grievance handling, employee discipline, and employee motivation and employees are close to the average feedback which is described from the mean. And this can be further proved by the variance value of the above dimensions. The standard deviation for employee performance is recorded as 0.884. The variance of response perceived employee performance was recorded as 0.779 which can be used as supportive evidence for the above statement.

### *Correlation Analysis*

**Table 4.** Correlation of Independent Variable on Employee Performance

Variable		Correlations			
		Grievance Handling	Employee Discipline	Employee Motivation	Employee Performance
Grievance Handling	Pearson Correlation	1	.795**	.812**	.805**
	Sig. (2-tailed)		.000	.000	.000
	N	160	160	160	160
Employee Discipline	Pearson Correlation	.795**	1	.890**	.870**
	Sig. (2-tailed)	.000		.000	.000
	N	160	160	160	160
Employee Motivation	Pearson Correlation	.812**	.890**	1	.839**
	Sig. (2-tailed)	.000	.000		.000
	N	160	160	160	160
Employee Performance	Pearson Correlation	.805**	.870**	.839**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	160	160	160	160

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Data, (2023)

As shown in the table 4, a strong positive correlation is found between the employee grievance handling and employee performance ( $r = .805$ ) which is statistically significant as sig. 2-tailed (0.000) is less than the level of significance (0.01). Hence, H1 is accepted testifying that the grievance handling is significantly correlated with the employee performance. As shown in the table 4, a strong positive correlation is found between the employee discipline and employee performance ( $r = .870$ ) which is statistically significant as sig. 2-tailed (0.000) is less than the level of significance (0.01). Hence, H2 is accepted testifying that the employee discipline is significantly

correlated with the employee performance. Furthermore, a strong positive correlation is found between the employee motivation and employee performance ( $r = .839$ ) which is statistically significant as sig. 2- tailed (0.000) is less than the level of significance (0.01). Hence, H3 is accepted testifying that employee motivation is significantly correlated with employee performance. According to the above correlation results, it can be identified that there is a positive relationship between employee relations and employee performance.

### **Regression Analysis**

**Table 5.** Correlation of Independent Variable on Employee Performance

		Coefficients <sup>a</sup>			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.488	.150		3.254	.001
	Grievance Handling	.243	.061	.256	3.991	.000
	Employee Discipline	.481	.077	.508	6.210	.000
	Employee Motivation	.162	.077	.178	2.093	.038

a. Dependent Variable: Employee Performance

Source: Survey Data, (2023)

According to the above table 5, regression analysis output, the constant ( $\beta_0$ ) is 0.488. It is explained that all the independent variables are zero, the dependent variable employee performance remains 0.488. It implied that if there is grievance handling, employee discipline, employee motivation, employee performance is high in the food and beverage operations in the hotel industry. When considering employee discipline,  $\beta$  coefficient value is 0.481. It indicates that when employee discipline increases by one unit, employee performance increased by 0.481 units. That means it has a high Effect on employee performance in the food and beverage operations in the hotel industry.

Further, it proved by the P-value as its' P-value is recorded as 0.000 and it is less than 0.05 level of significance. Hence, there is a strong significant relationship between employee discipline and employee performance.

According to the regression result,  $\beta$  coefficient value of grievance handling is 0.243. That means if the one unit of grievance handling is increased its effect to increase 0.243 units of employee performance while other variables remain constant. The P-value of employee discipline is 0.000. That means it is less than 0.05 significant level. There is a significant effect between grievance handling and employee performance.

As indicated in the above table, multiple regression analysis method used to achieve to identify the effect of employee relations on employee performance in food and beverage

operations in five-star hotels in the Colombo district. As table 4 shows, P value is less than 0.05, there is a strong significant effect between these two variables.

**Table 6. Summary of the Hypotheses Testing**

Hypothesis	P-Value	Status
H1	0.000	Accepted
H2	0.000	Accepted
H3	0.038	Accepted

Source: Survey Data, (2023)

As table 6 shows, the P value as 0.000 therefore the employee relations effect on employee performance at a 95% significant level. Therefore, all the hypothesis in an acceptable level.

**Objective 2: To identify the employers' strategies for enhancing relationship with employees for better performance in food and beverage operations in five-star hotels in the Colombo district.**

To achieve the second objective of the study, data was gathered through open-ended questionnaires and then analysed using the content analysis method. Data is transcribed from each individual's recordings, and investigating the similarities in their responses, codes were developed.

**Table 7: Category Summary of Second Objective**

Objective	Code	Category
To identify the employers' strategies for enhancing relationship with employees for better performance in food and beverage operations in five-star hotels in the Colombo district.	Strategies	Training and development programs
		Reward system
		Transparent Communication system
		Employee recognition
		Leadership Programs

Source: Developed by the Researcher, (2023)

As table 7 shows, identified code is 'strategies' and there are five categories were developed based on the responses of the respondents. Along with this content analysis used to achieve the second objective.

Training staff is a key strategy to enhance the employee relations while increasing employee performance. Findings of this study revealed that the food and beverage department of every five-star hotel in Colombo district gives employees training and orientation programs and

employees are satisfied about it. This shows that employers are working towards increase employee performance.

“First of all, as a five-star category hotel, management needs skillful and efficient employees. Therefore, they need to train the employees in the proper way. Here they give us a good understanding of the scope of work. Training is given related to our job role, from the point of how to deal with guests. After the hotel hired us, they give us all the instructions.”

*(Respondent 09, field survey, 2023)*

The findings indicated that six out of ten employees who fill in interview guidelines mentioned that the organization maintains an adequate reward system for them. Others mentioned that it is at a moderate level. However, these results show employers use rewards (financial and non-financial) as a means of motivating staff to perform well. These results indicate that employers use rewards as means of enhancing the relationship between them for better performance of employees. There is evidence that there is a relationship between employee performance and organizational reward systems and reward schemes such as salaries, benefits, promotions, and other financial and non-financial benefits greatly contribute to employee performance (Opiyo, 2021).

“Actually, when moving to financial benefits they give a significant salary amount and when moving to non-financial benefits they inform us to work according to the standard working hours so it’s flexible for us.”

*(Respondent 01, field survey, 2023)*

As well as, the researcher found transparent communication within the food and beverage operations among the respective area of this study. In well-organized hotels, the communication system facilitates the delivery of information to the relevant recipients at the right time for corrective action to be taken. Good quality communication between employers and employee provides a good source of self-expression as well as information sharing (Opiyo, 2021). From the research, respondents agreed that they have the opportunity to communicate with their employer on many business-related issues.

“We can meet any officer of our department in the hotel during the relevant time period. Let them share information with us. I think the transparent communication system is in good condition. The staff is very friendly and they ask about our problems if we need help. It becomes very important while working. I think they maintain it well.”

*(Respondent 06, field survey, 2023)*

The Hotel sector is a rapidly growing industry and employees who are working in the food and beverage department provide customer service through the hotel by directly interacting with the guest. Thus, their employees have to work hard and perform well in their job. According to the findings there is a significant positive effect between employee relations and employee performance. Also, the above strategies are found that employers used for enhancing the



relationship with employees while enhancing their performance in food and beverage operations in five-star hotels in the Colombo district. According to the findings, good employee relation cause to increase employee performance.

## **Conclusion**

The researcher recognizes that there is a favorable relationship between employee performance and employee relations based on the findings of the current study. The relationship between these two variables are not given much weight by most organizations, yet this study shows that employee relations is the most important element in determining employee performance. Employee relations promote performance as well, and during these moments, employees strive to give their best work. Furthermore, it has been noted that increased employee discipline results in higher employee performance. The results of this study show that hotel staff members have good discipline, which improves performance.

All the findings given in this study were consistent with the existing literature. The relationships found in this study are very important for their practical implications in hotels. According to the findings of this study, strategies to improve employee performance in hotels should be better implemented. Those strategies were identified through open-ended questions in the questionnaire. It was revealed that good transparent communication system is there but informal communication also happens. As well as the reward system is quite satisfactory and it is at a moderate level. Therefore, it is important to fulfill their need to achieve better performance and commitment to the organization. Hence, employers should implement more strategies to enhance the employee relations for better employee performance and five-star hotel's food and beverage employers are engaging in effective strategies to enhance the relationship with their employees for better performance in the respective area.

## **Recommendations**

Based on the findings, the following recommendations are hereby suggested:

The researcher recommends the managers to be more concerned about employees' motivational factors. Since the study identified that operational level employees in the food and beverage department are not satisfied with their financial status (salary/wages/service charge/increments, etc.), the employers should decide about adequate salaries for the employees with the ongoing economic crisis and high inflation rate. Further, it could be recommended to do a salary survey in the same industry in the area and implement a better compensation package including salary and other benefits for each category of staff by comparing the job market in the area.

At the same time, the study found that the use of informal communication processes is a cause of poor employee relations in these hotels. Therefore, the study recommends a need for these hotels to start implementing formal communication systems throughout their operations and do away with informal communication. Furthermore, it is recommended that these hotels should focus more on building effective and sustainable employee relations by using motivation strategies that will ensure their growth and survival. Involvement of employees by employers in

decision making on matters relating to employee performance is the key to improving the performance of employees in hotels. The staff should be allowed to get advice from their supervisors and connect with other peers. Further, the organization should create a supportive organizational climate and a counseling facility should be readily available for the staff. It is recommended to create a satisfied and safe working environment for the employees who will thereby improve their performance up to the satisfactory level of the management.

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