EMPLOYEES’ RELATIONS STRATEGIES AND COMPETITIVENESS OF SELECTED SME’s IN LAGOS STATE

AWE, KAYODE (PhD), SHABI OLAWALE AND TUGBOBO BOLA

ABSTRACT

The performance and competitiveness of any organization including small and medium scale organizations are determined by the effective organization and operation of resources including human, financial, technological and organizational capital. These also depend on the various organizational and business strategies/action plans including employment relations strategies. Collective relationship strategies can be used to enhance the organizational outcomes and bottom lines of SMEs. The analysis of the effects of these collective relationship strategies on the competitiveness and productivity of selected SMEs is the focus of the study. The study adopted a survey research design; 65 selected SMEs across the economic sectors in Alaba market, Ikorodu and Ikeja market in Lagos State. A random sampling technique was used to select 250 respondents across the business owners, supervisor, managers and employee categories. The main instruments of data collection were the questionnaire and interview schedule. Descriptive statistics such as simple percentage, and frequency tables were used in the presentation and analysis of the data, while the relevant hypotheses were tested using correlation coefficients by the application of SPSS. Four null hypotheses were tested. The findings revealed that there is a significant relationship between employee relations strategies and the various dimensions of productivity, innovation and competitiveness of SMEs. The research recommended that the institutionalization and effective implementation of employee relations strategies that strongly vocationally technically involved and engaged entrepreneurs and employees of SMEs have important role to play in productivity, innovations, performance, growth and competitiveness of SMEs sector. Good industrial relations and employee relations strategies as derived from the business strategies and functional tactics are fundamental sources of quality innovation and market expansion for SME’s. Products and serves in the context of overcoming economic recession and engineering suitable growth and development.

Keywords: employee relations strategies, innovation, competitiveness, quality, business strategies.
INTRODUCTION

Certain entrepreneurs hold the belief that the most important and critical factor to the survival of any business enterprise is the customer. Some argue that it is the employee while yet another group says finance or capital is the overriding factor in business success. Good thoughts and reasoning. But we need to understand that while capital and the customer are crucial elements in the pursuit of business success, the human factor is highly critical. The employee occurs at every process of packaging the product/service to meet the need of the customer.

If the entrepreneur is able to access sufficient capital to start the dream venture and had have a clear understanding of the need of the customer but cannot get quality men and women to join him in putting the acts together, then those physical, financial and technological, effective employee relations strategies or action plans and resources may lie fallow. The question then is, how does an organization which hopes to remain relevant in the next decade manage its workforce and employee relations strategies towards achieving the organizational goal and addressing efficiently the needs of the customers.

The starting point is to look at the nature and purpose of all socio-technical systems be it in public/private sector. Basically, all organizations are created or are deliberate creations of human beings with a view to maximize prosperity of the organization or render service efficiently, effectively and economically at the public sector level. The private sector is more interested in the long term profitability and competitiveness or greater workers sheer and over investment in the public service, it’s also in creating organizations, the underlining assumption is that the manager be it owner-manager or public service chief executive can’t do it alone. Hence, he needs to bring together a body of experts-professionals or stewards or who are supposed to co-operatively assist the organization achieve its stated objectives and goals and strategies.

Secondly, knowledge is a crucial element in the management of the relationship between the employer and the employee. If both of them can be on the same wavelength, the same intellectual frequency. It is going to augur well for both. Both of them will be happy, the firm will prosper, crisis will be reduced to the bearest minimum and they will concentrate their efforts on addressing the challenges of the
sustainable development and ungoing economic recession rather than resolving conflicts or bringing in consultants to assist in resolving their problems.

STATEMENT OF THE PROBLEM
The performance and competitiveness of any organizations including small and medium scale organizations are determined by the organization and operation of resources including human, financial, technological and organizational capital. These also depend on the various organization and business strategies action plans including employment relations strategies. Studies have shown that relationship strategies can be used to enhance the organizational outcomes and bottom lines of SMEs. The analysis of the effect of these relationship strategies on the competiveness and productivity of selected SMEs is the focus of the study. Few studies in this area have not addressed specifically these dimensions in order to close the gap between research studies and development of corporate SMEs business and human resources practices and policies. The study has undertake to bridge the gap

LITERATURE REVIEW
Employee relations processes consist of the approaches and methods adopted by employers business owners or entrepreneurs to deal with employees either collectively through their trade unions or individually (Armstrong, 2012). They are usually based on the organizations articulated or implied employee relations policies and strategies. Employee relation processes, i.e those aspects of employee relations that are concerned with the dealings between employers, individual, employees and workers' bodies or human consist of approaches to recruiting, selecting, appraisals recognizing or de-recognizing trade unions, formal methods of collective bargaining, partnership as an approach to employee relations, formal day-to-day contacts on employment issues that take place in the workplace between management representatives or officials, and features of the industrial relations scene such as union membership in the workplace, the check-off and strikes, strategies for dealing with productivity, total quality management, crisis management, profitability and market expansion (Fajana, 2009).

Employee Relations Policies
Four approaches to employee relations policies have been identified by industrial relations literature

They include first, adversarial: the organization decides what it wants to do, and employees are expected to fit in. Employees only exercise power by refusing to cooperate. Secondly, the approach is traditional: a good day-to-day working relationship but management proposes. Thirdly, Partnership in which the organization involves employees in the drawing up and execution of organization policies, but retains the right to manage. Fourthly, in power sharing the employees are involved in both day-to-day and strategic decision making of the small, medium or large-scale organizations.

**Nature and Purpose of Employee Relations Policies**

Against the background of a preference for one of the four approaches listed above, employee relations policies express the philosophy of the organization on what wanted, and how they should be handled. A partnership policy which appear to be significant for SMEs will aim to develop and maintain a positive, productive, cooperative and trusting climate of employee relations (Armstrong, 2012)

**Policy areas**

Participation and involvement- the extent to which the organization is prepared to give employees a voice on matters that concern them; Partnership- the extent to which a partnership approach is thought to be desirable; The employment relationship- the extent to which terms and conditions of employment should be governed by collective agreements or based on individual contracts of employment (i.e collectivism versus individualism); Harmonization of terms and conditions of employment for staff and manual workers; Working arrangements- the degree to which management has the prerogative to determine working arrangements without reference to trade unions or employees (this includes job-based or functional flexibility).

When formulating policies in these areas, organizations may be consciously or unconsciously deciding on the extent to which they want to adopt the HRM approach to employee relations. The emphasizes commitment, mutuality and forms of involvement and participation that mean that management approaches and communicates with employees directly rather than through their representatives.
Policy Choice and Formation

There is, of course, no such thing as a model employee relations policy. Every organization develops its own policies. In a mature business these will be in accordance with established customs and practices, its core values and management leadership style and actual or perceived balance of power between management and unions (Adebisi, 2013).

Policy Formation

Employee relations policies usually evolve in the light circumstances of the firm, traditional practices, management’s values and style and the power of trade unions to exert influence. They will change as new situations emerge and these may include competitive pressure, new management, takeover, different views amongst employees about the value of trade unions, or new trade union policies. Sometimes these changes will be deliberate. Management may decide that it no longer has any use for trade unions and will therefore de-recognize them. On other occasions the changes will simply emerge from the situation in which management finds itself.

Expressing Policy

Most organizations seem reluctant to commit their employee relations policies to writing. And these understandable in the light of their fluid nature and in some cases, the reluctance of managements to admit publicly that they are anti-union. Policies that are deeply embedded as part of the managerial philosophy and values of the organization do not need to be formalized. They will be fully understood by management and will therefore be acted upon consistently, especially when they are in effect broad expressions of the view of management rather than specific action guidelines.

Employee Relation Strategies

Employee relations strategies set out how objectives such as those mentioned above are to be achieved. They define the intentions of the organization about what needs to be done and what needs to be changed in the ways in which the organization manages its relationships with employees and their trade unions (Anyim et al, Adebisi, 2013). Like all other aspects of personnel or HR strategy, employee relations strategies will flow from the business strategy or plan but will also aim to support it. For example, if the business strategy is to concentrate on achieving competitive edge through
innovations and the delivery of quality reduction and innovations wastage to its customers, the employee relations strategy may emphasize processes of involvement and participation, including the implementation of programmes for continuous improvement, coaching, mentoring and total quality management (Armstrong, 2012). If, however, the strategy for competitive advantage, or even survival, is cost reduction and safety measures, the employee relations strategy may concentrate on how this can be achieved by maximizing cooperation with the unions and employees and by minimizing detrimental effects on those employees and disruption to the organization. (Poole and Warner, 1998). All these are important steps and consideration for SMEs to survive and overcome economic recession and other negative production forces.

**Strategic Direction**

These deals with increasing the extent to which management business owners or entrepreneurs controls operations in such areas as flexibility; generally improving the employee relations climate in order to produce more harmonious and cooperative relationships; developing a partnership with workers bodiestrade unions, recognizing that employees and workers are stakeholders and that it is to the advantage of both parties to work together. This could be described as a unitarist strategy aiming at increasing mutual commitment (Armstrong 2012, Adewunmi, 1995).

**Employee Relations Climate**

The employee relations climate of an organization represents the perceptions of management, employees and their representatives about the ways in which employee relations are conducted and how the various parties (managers, business owners, employees and trade unions) behave when dealing with one another. An employee relations climate can be good, bad or different according to perceptions about the extent to which: management or business owners and employees trust one another; management treats employees fairly and with consideration; management is open about its actions and intentions- employee relations policies and procedures are transparent; harmonious relationships are generally maintained on a day-to-day basis, which results in willing cooperation rather than grudging submission.

**Improving The Climate**

Improvements to the climate can be attained by developing fair employee relations policies and procedures and implementing them consistently. Line managers, supervisors and team leaders who are largely responsible for day-to-day conduct of
employee relations need to be educated and trained on the approaches they should adopt. Transparency should be achieved by communicating policies to employees, and commitment increased by involvement and participation processes (Deerys et al., 2012).

An Ethical Approach

Businesses aim to achieve prosperity, growth and survival. Ideally, success should benefit all the stakeholders in the organization – owners, management, employees, customers and suppliers. But the single-minded pursuit of business objectives can act to the detriment of employees’ well-being and security (Matanmi, 2007).

An ethical approach to employee relations strategy will be based on high-commitment and high-involvement policies. The commitment will be mutual and the arrangements for involvement will be genuine, that is, management will be prepared not only to listen but to act on the views expressed by employees or at least, if it cannot take action, the reasons why will be explained. It will also be transparent and, although the concept of a job for life may no longer be valid in many organizations, at least an attempt will be made to maintain full employment relation (Katz and Kochan, 2000).

Building Trust

The IPD suggests that employee relations policies and strategies aimed at building trust should be based on the principles that employees cannot just be treated as a factor of production and that organizations must translate their values concerning employee relations into specific and practical action. In too many organizations, inconsistency between what is said and what is done undermines trust, generates employee cynicism and provides evidence of contradictions in management thinking.

Partnership Agreements

A partnership agreement is one in which both parties (management and workers) agree to work together to their mutual advantage and to achieve a climate of more cooperative and therefore less adversarial industrial relations. The rationale for partnership is that it is a way of getting away from confrontational industrial relations to the mutual benefit of both management business owners and employees. Partnership deals can at least attempt to balance the needs of employees for job
security with the aims of management to maximize flexibility (Armstrong 2012, Walton and Mockers, 1965).

**Informal Employee Relations Processes**

In small, medium and large scale organizations, informal employee relationships take place whenever a line manager or team leader is handling an issue in contact with a shop steward, an employee representative, an individual employee or a group of employees. The issue may concern methods of work, allocation of work and overtime, working conditions, health and safety, achieving output and quality targets and standards, discipline or pay (especially if a payments-by-results scheme is in operation, which can generate continuous arguments about times, standards, re-timings, payments for wasting time or when carrying out new tasks and fluctuations or reductions in earnings because of alleged managerial inefficiency) (Anyim et al., 2013, Katz and Kochan, 2000).

Creating and maintain a good employee relations climate in an organization may be the ultimate responsibility of top management, advised by personnel specialists. But the climate will be strongly influenced by the behaviour of line managers, entrepreneurs and team leaders. The HR function can help to improve the effectiveness of this behaviour by identifying and defining the competences required, advising on the selection of supervisors, ensuring that they are properly trained, encouraging the development of performance management processes that provide for the assessment of the level of competence achieved by line managers, supervisor and team leaders in handling employee and work relations, or by providing unobtrusive help and guidance as required (Rose, 2008).

**Harmonization**

In all forms of business organizations, new technology – status differentials can obstruct efficient labour utilization, and concessions on harmonization are invariably given in exchange for an agreement on flexibility. Moreover, technology, by deskilling many white-collar jobs and enhancing the skills of former blue-collar workers, has made differential treatment harder to defend. Legislation – equal pay, the banning sex and racial discrimination, and employment protection legislation have extended to manual workers rights that were previously the preserve of staff. The concept of equal value has been a major challenge to differentiation between staff and manual workers improving productivity by the more flexible use of labour simplifying
personnel administration and thereby reducing costs changing employee attitudes and so improving commitment, motivation and morale (Armstrong 2012, Fajana, 2010).

Competiveness

An important key performance and organizational performance dimension or variables is competiveness. According to Andy, (2002), Orienru, (2006), Tiwari, (2006), Cascio, (2010), the concept measures relative market share and position, sales growth, customers based as key performance indicators. In other organizational context it is also a reflection of the quality of production service, flexibility; resource utilization and innovation which also have their respective key performance indicators (Orienru, 2006, Armstrong, 2009). All is related to effective employee relations strategies.

Table 1: Determination of Key Performance Indicators (KPIs)

<table>
<thead>
<tr>
<th>Performance Dimensions</th>
<th>Types of Measures (KPIs) II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness</td>
<td>Relative market share and position; sales growth; measures customers base</td>
</tr>
<tr>
<td>Financial performance</td>
<td>Profitability, Liquidity, Capital Structure, Market Rations, etc and turnover</td>
</tr>
<tr>
<td>Quality of service</td>
<td>Reliability, Responsiveness, Appearance, Cleanliness, Friendliness, Communication, Courtesy, Competence, Availability, Security, etc.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Volume Flexibility, Specification and Speed of Delivery etc.</td>
</tr>
<tr>
<td>Resource utilization</td>
<td>Productivity, Efficiency, Effectiveness, cost Savings, etc.</td>
</tr>
<tr>
<td>Innovation</td>
<td>Performance of the innovation process, performance of innovations, etc.</td>
</tr>
</tbody>
</table>

Competitiveness and Human Capital

Human resources has been defined as the knowledge that individuals acquire during their lifetimes and use to produce goods, services or ideas in the market or non-market circumstances. The American Accounting Association (1970) defines human resource accounting as the human resource identification and measuring process and also its communication to interested parties. Until recently, the value of an enterprise as measured within traditional balance sheets were viewed as a sufficient reflection of the organization's assets. During the past few years, it has been increasingly argued by researchers such as Likert (1967), and Tiwari (2006), that an organization's failure to account for its human resource.

Organizations derived their competitive advantage mainly from human capital; and under conventional accounting, all expenses are deducted from revenue, thus providing information that may hitherto mislead the user of the information. With the growing emergence of the knowledge economy, traditional valuation has been called into question, due to recognition that human capital is an increasingly important part of an enterprise's total value.

This has given rise to two important questions: how to assess the value of human capital cooperative with the institutionization of employees relations strategy and action plan in addition to an enterprises tangible assets and how to improve the development of human capital in the enterprise. The issue of valuation of human capital cooperative and collective policies alongside other tangible assets like building, plants, is definitely a right step in the right direction since the financial statement will now reflect the true and fair position of the organization in terms of its net worth and other efficiency ratios that could serve as basis for decision making both internally and externally.

Addressing the second question of improvement and development of human capital, there cannot be any meaningful development of human capital if performance of this very important resource and cooperative relations strategies, collective relations mechanism cannot be captured in financial terms. Tiwari (2006) opined that it is practical fact that for there to be meaningful utilization and development of organization's assets, proper records have to be kept for them. This he said is completely missing in cases of human resources.
Partnership, Trust-building, Effective teamwork, Good Industrial Relations Climate, Voice equity and justice, multi-lateral, communication and partnership lead to ascertain to measure the metrics and analysis of employees relation strategies, organizational climate and ethical outcomes that underline productivity, quality and capture of customer and social capture reciprocal trust, technological and relationship management, technology innovations and strategies. Knowledge is the most important factor of production, especially in the area of human capital development (HCD). The era of advanced technology has brought a new world where knowledge is not only power but also wealth. The most needed labour force today is those with appropriate knowledge and knowledge management skills in all forms of business organizations.

Knowledge, being the key factor of production, has become the focus of today's economy because, as observed by Babalola (2008:42), the "provider of knowledge is an indispensable fuel for the engine of development". This explains why the university is very significant in human capital development. Following the World Bank (2002) reactions and recommendations, it became clear that knowledge has placed university at a strategic position in HCD.

METHODOLOGY

The study adopted a survey research design; 65 selected SMEs across the economic sectors in Alaba market, Ikorodu and Ikeja market in Lagos State. A random sampling technique was used to select 250 respondents across the business owners, supervisor, managers and employee categories. The main instruments of data collection were the questionnaire and interview schedule. Descriptive statistics such as simple percentage, and frequency tables were used in the presentation and analysis of the data, while the relevant hypotheses were tested using correlation coefficients by the application of SPSS.

HYPOTHESES TESTING

HYPOTHESIS (1) Ho: there is no significant relationship between employment relations strategies such as commitment, engagement, and creativity quality of product and services by SMEs

H1: there is significant relationship between employment relations strategies commitment, engagement, and creative quality and production/service. The variables of the study are operationalized in terms of the commitment, engagement and creative quality and production/service. Knowledge and experience expressed by respondent
managers on the employees’ relations strategies and competitiveness of selected SME’s in Lagos State. Commitment, engagement and creative quality and production/service. (Independent variables) on competitiveness (Dependent variable) that is, increase in sales value/market share resulting from stock of high quality skills, competencies and efficient and effective system, processes, technologies and strategies.

The regression model required for this hypothesis takes the form

\[ E(Y) = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 \]

Following the statistical package for social science analysis (SPSS) of multiple regression (appendix C) where

\[ B_0 = 3.444, \ B_1 = 0.255, \ B_2 = 0.299, \ B_3 = 0.399 \]

Thus, the multiple regression model becomes

\[ E(Y) = 3.444 + 0.255X_1 + 0.299X_2 + 0.399X_3 \]

| Table; Commitment, Engagement, and Creative Quality and Production/Service. |
|---------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Model            | Unstandardized Coefficient | Stad error | Beta | T    | Significant |
| Constant         | 3.444                      | 0.408       |      | 8.447 | 0.000       |
| Employees Rels.  | 0.255                      | 0.036       | 0.270 | 7.055 | 0.000       |
| Engagement       | 0.299                      | 0.038       | 0.336 | 7.825 | 0.000       |
| Creative quality | 0.399                      | 0.045       | 0.401 | 8.904 | 0.000       |

Thus, as the table above shows that 0.408, 0.036, 0.038 and 0.045 are small value, hence the standard error give a good assessment of model performance, therefore, the model is a good one for the estimation and prediction of employee relations. More so, at 5% level of significance, the three predictors in this model are significant since \( p \)-value \(< i.e \ 0.000 < 0.05 \). Thus, we conclude here by saying commitment, engagement, and creative quality and production/service. are necessary in estimating or predicting employees relations and competitiveness at any point in time.

ANALYSIS OF VARIANCE
The analysis of variance is used to establish the hypothesis and to test whether the X's are independent of Y. Choosing the 5% level of significant the test statistic is as follows;

Below is the summary of Anova table

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>Degree of freedom</th>
<th>Mean square</th>
<th>Fcal</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.541969</td>
<td>3</td>
<td>483.990</td>
<td>1824.973</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>46.676</td>
<td>176</td>
<td>0.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1498.644</td>
<td>179</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thus, from statistics table, it shows that for a test based on df1 = k=3 and df2 = n – (k +1) = 180 – 4 = 176, the value lies between df2^x and df3^x. df3^x=140 is 5.60 at 0.001 level of significance. Introducing interpolation to obtain the exact value of <= 0.001 with df1 = 3 and df2=176, is approximately 5.70 which captures the upper - tail F curve area 0.01. Because F cal>F tab i.e 1824.973> 5.70, it follows that p - value < 0.001, in fact, the table below shows that, to three decimal places P value = 0, because p value <0.001 <0.05 <= (level of significance), the null hypothesis is rejected.

The conclusion would be the same using <= 0.01.

However, the results provide sufficient evidence to conclude that there is significant relationship between employment relations strategies, such as commitment, engagement, and creative quality and production/service.

HYPOTHESES 2

Ho: there is no significant relationship between continuous training, mentoring, coaching and innovations in SME’s.

Ho: there is significant relationship between continuous training, mentoring, coaching and innovation in SME’s.
Anova Table; for the comparison of continuous training, induction/coaching, innovation in management.

<table>
<thead>
<tr>
<th></th>
<th>Employees relations and competitiveness</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Continuous training</td>
<td>Induction/coaching</td>
<td>Mentoring</td>
<td>innovation</td>
</tr>
<tr>
<td>Mean</td>
<td>35.48</td>
<td>28.98</td>
<td>30.52</td>
<td></td>
</tr>
<tr>
<td>S.D (high Tec)</td>
<td>3.63</td>
<td>3.88</td>
<td>3.55</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>91</td>
<td>91</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>34.39</td>
<td>27.25</td>
<td>28.66</td>
<td>30.1</td>
</tr>
<tr>
<td>S.D (Medium Tec)</td>
<td>2.99</td>
<td>4.93</td>
<td>4.79</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>89</td>
<td>89</td>
<td>89</td>
<td>30.88</td>
</tr>
<tr>
<td>S.D (Column Mtg)</td>
<td>34.94</td>
<td>28.12</td>
<td>29.59</td>
<td></td>
</tr>
</tbody>
</table>

Below is the summary of the Anova table

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>d.f</th>
<th>SS</th>
<th>MS</th>
<th>Fratio</th>
<th>Ftab</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row</td>
<td>1</td>
<td>5974.11</td>
<td>5974.11</td>
<td>156.76</td>
<td>5.02</td>
</tr>
<tr>
<td>Column</td>
<td>2</td>
<td>656.97</td>
<td>328.49</td>
<td>8.62</td>
<td>3.69</td>
</tr>
<tr>
<td>Interaction</td>
<td>2</td>
<td>5735.994</td>
<td>2867.997</td>
<td>75.26</td>
<td>3.69</td>
</tr>
<tr>
<td>Error</td>
<td>174</td>
<td>6631.076</td>
<td>38.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>179</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Since, \( F_{cal} > F_{tab} \) that is 75.26 > 5.02, we therefore sufficient evidence to conclude that there is significant relationship between continuous training, induction/coaching and innovation SMES in Lagos state. Since \( N_1 > N_2 \) that is 2.96>0.16 we infer that there is significant relationship between continuous training, production, coaching and innovation in management of SMEs in Lagos State.

CONCLUSION AND RECOMMENDATION

From the findings it was observed that Creating and maintain a good employee relations climate in an organization may be the ultimate responsibility of top management, advised by personnel specialists. But the climate will be strongly influenced by the behaviour of line managers and team leaders. The HR function can help to improve the effectiveness of this behaviour by identifying and defining the competences required, advising on the selection of supervisors, ensuring that they are properly trained, encouraging the development of performance management processes that provide for the assessment of the level of competence achieved by line managers.
and team leaders in handling employee relations, or by providing unobtrusive help and guidance as required in SMEs in Lagos State. Meanwhile, Organizations derived their competitive advantage mainly from human capital; and under conventional accounting, all expenses are deducted from revenue, thus providing information that bring effective relationship among the employees. With the growing emergence of the knowledge management, cooperation, creating and crisis reduction, technology, innovation, continuous training, induction/coaching, are increasingly important part of an SMEs in Lagos State.

Another finding reveals that Voice, equity and justice, multi-lateral, communication and partnership lead to ascertain to measure the metrics and analysis of employees relation strategies, organizational climate and ethical outcomes that underline productivity, quality and capture of customer and social capture reciprocal trust, technological and relationship management, technology and strategies. Knowledge is the most important factor of production, especially in the area of human capital development (HCD) are key indicators of employee relation and competitiveness in Lagos State.

It is recommended that the institutionalization and effective implementation of employee’s relations strategies have important role to play in organizations productive, innovations, performance and competitiveness of SMEs sector. Good industrial relations and employee relation, strategies as derived from the business strategies are fundamental sources of quality innovation and market expansion for SMEs.

REFERENCES


