

# Labor Relations Effect on Employee Work Performance

Focusing on the Moderating Effect of Employee Emotional Factors

Jiakun Liu

School of Economics and Management  
Shandong Youth University of Political Science  
Ji'nan, China

Li Wan

School of Economics and Management  
Shandong Youth University of Political Science  
Ji'nan, China

**Abstract**—The study was conducted in order to analyze how maintaining labor relations affects employee work performance, and examine if emotional factors moderates the relationship between labor relations and employee work performance. A survey was conducted with employees from randomly selected companies in China and the response of 203 people answers were used from total population and were analyzed by SPSS 22.0 statistics package. The results of this study show that labor contract and treatment of disputes have significantly positive effects on employee work performance; as for whether or not emotional factors would positively moderate relationship between labor relations and employee work performance, it was found that management concerns have positively moderate effects between treatment of disputes and employee work performance.

**Keywords:** *labor relation, employee work performance, employee emotional factors*

## I. INTRODUCTION

### A. Research background

Labor relation is a popular issue in business and around the world. As the concept of "building a harmonious socialist society" is put forward in China, the research of labor relations has become more popular among domestic scholars. Labor relation, as the most basic social and productive relationship, is the foundation of building a harmonious society. Labor relations in China are in the stage of transformation and in the practice of management. The existing differences in objectives between both sides in labor relations and the current imperfect labor laws and regulations in China will lead to all sorts of inevitable contradictions and disputes. Moreover, labor disputes have increased to a large degree, which makes the building of harmonious labor relations the top priority. But what are harmonious labor relations? How are they built? Scholars need to do further research into these questions.

Under the circumstances of building a harmonious socialist society at home, the government and companies actively carry out activities to create harmonious labor relations so as to coordinate enterprise labor relations and achieve a win-win situation in which the interest of both the

employees and the enterprises is maximized and commonly developed. However, there are also a significant number of enterprises which aim to maximize their own interests, neglecting or even destroying the interests of employees in the market management, which makes the problem of labor relations increasingly prominent. So it is a problem worth studying and contemplating how to make harmonious labor relations accepted by enterprises, as well as how to establish harmonious interactions.

As mentioned above, this article will select labor relations and employee performance as the research subject, hoping to examine the relationship between labor relations and employee performance and to explore the action principle through investigation and analysis so as to offer some management advice to provide theoretical basis and reference for enterprises to enhance labor relations management and improve the level of employee performance.

### B. Research significance

#### 1) Theoretical significance

Firstly, it widens the perspective of our labor relations research. Chinese scholars mainly conduct research on labor relations from the perspective of organizational behavior. However, there is little research focusing on the influence of labor relations on enterprises and laborers, and the theoretical research is inadequate, seriously lagging behind the practice. Therefore, this thesis attempts to study the influence of labor relations on staff performance through empirical analysis, to enrich the theoretical research of domestic labor relations.

Secondly, as the concept "building a harmonious socialist society" is put forward and the "labor contract law" is promulgated, domestic scholars lay more emphasis on the study of labor relations, while foreign scholars mostly discuss the influence of the labor relations atmosphere on organizational performance as well as employee attitude and behavior, and less analysis of the effects of labor relations on the performance of individual employees is conducted. In addition, the domestic and foreign research on the labor relations atmosphere and first pass variables mostly studied the relationship between variables, while analyses of specific mechanisms of action between the variables are ignored. This thesis explores the influence of different dimensions of

labor relations on employee performance using empirical methods and uses the emotional function as the moderator variable to promote research on labor relations, which will also boost the development of labor relations in China.

### 2) *Practical significance*

In practice, labor relations are the most basic social and economic relations in a market economy and affect the business development of the enterprise and the economy as well as the life of individual staff. Some enterprises infringe upon the interests of employees aiming to reduce costs and maximize profits — using tactics such as the reduction of wages, the neglect of safety in production, bad working conditions and overtime working without emotions, which seriously dampens the enthusiasm of laborers and results in serious labor conflicts. Because problems of labor relations frequently occur, learning how to recognize harmonious relationships and improve employee performance in order to maximize an enterprise's competitive advantage is a concern for enterprises. So this article embarks from the economic and social aspects of labor relations to determine evaluation indexes of the relationship between enterprises and to investigate the influence of enterprise labor relations on employee job performance through a questionnaire investigation, so as to put forward advice to improve employee performance from the angle of labor relations. On the one hand, this can improve the competitiveness of the enterprise. On the other hand, it can improve the labor relations between enterprises and employees so as to promote harmonious labor relations and the construction of a harmonious society in China.

### C. *Research purpose and method*

#### 1) *Research purposes*

In recent years, foreign scholars have conducted research into the relationship between labor relations and organizational performance, and proved that there is a positive relationship between labor relations and organization performance in a large number of empirical studies. However, domestic scholars still remain in the qualitative discussion stage, focusing on the study of the effects of labor relations on individual employee performance. Moreover, research on that, in particular, the background of economic transformation, is very sparse. The purpose of this paper is to make up for a lack of the above issues, hoping to achieve the following two main objectives.

Through the research hypothesis, we can get enterprise labor relations and their corresponding performance data. Using a series of statistical analysis methods, we verify the relationship between enterprise labor relations and employee performance, and the impact on employee performance and the effect of labor relations to provide a more fully recognized theoretical basis and reason for the enterprises to build harmonious labor relations.

Based on the empirical conclusion of the relationship between labor relations and employee performance as well as its impact on organizational on employee performance combined with the previous achievement to make further

analysis and put forward countermeasures and suggestions in view of the enterprises.

### 2) *Research methods*

This thesis combines methods of theoretical research and empirical research. First of all, the hypothesis is deduced on the basis of literature research; then the questionnaire is designed, distributed, and analyzed, which includes the statistical analysis of data and verification of the analysis; finally, conclusions and suggestions for the results are put forward. The main research methods include:

- Literature research: this thesis collects literature of labor relations and performance at home and abroad, and digests and absorbs the research results, including research methods used by domestic and foreign scholars doing this research.
- Theoretical exploration: on the basis of the literature study, this thesis proposes a research hypothesis considering the research results of scholars and management suggestions according to the result of empirical analysis.
- Questionnaire design and survey: according to the research hypothesis derived, the questionnaire is designed and improved, and then tested. On the one hand, revised questionnaire wording is advantageous for the informants to accurately understand the meaning of each question; on the other hand, it can eliminate lower project identification and reliability, thus ensuring the reliability of the questionnaire and internal consistency.
- Statistical analysis method: this thesis tests the hypothesis proposed in this study mainly through the SPSS 22.0 analysis software, in which the reliability analysis, correlation analysis and regression analysis methods are used for in-depth discussion and analysis of data.

## II. RELATIONSHIP BETWEEN LABOR RELATION, EMPLOYEE WORK PERFORMANCE AND EMOTIONAL FACTOR

### A. *Relationship between labor relations and employee work performance*

Mark Wooden et al. (2001) proposed that the promotion of enterprise's performance depends on innovation, physical capital investment, human capital investment, commitment to work and work practices. The stand or fall of labor relations will exert direct or indirect influence on these factors, thus making the enterprise performance change.

The enterprise performance mechanism model of cooperation between labor and capital expounds the influence of labor relations cooperation on enterprise performance from four aspects. Firstly, powerful unions effectively exert influence on the significant matters that involve the vital interests of the employees such as wages, working conditions and job security, which is conducive to improve the employee's job satisfaction and the degree of efforts. Secondly, the promotion of enterprise's performance

depends on employees' work ability and the improvement of technology innovation. Appropriate training system and the sources of funds are determined by the negotiation between the unions and the management so as to supervise the management to provide practical training program, which can significantly improve the business operation skills of employees. At the same time, the implementation of the policy encouraging employees to participate is undoubtedly of great significance to improve the innovative capability of employees. Besides, the improvement of the labor relations have made it possible to involve staff in enterprise management and decision-making, which can meet their needs of diversified and challenging employees works, arouse their working enthusiasm, improve their working initiative, and promote the cooperation of both sides. Finally, once the situation of labor cooperation between the labor and the management, employers will be stimulated to increase physical investment, expand the scale of production, and make the enterprise enter benign loop trajectory.

Hypothesis 1: Labor Relation will be positively related to the employee work performance.

1-1. Labor contract will be positively related to the employee work performance.

1-2. Labor rights will be positively related to the Labor contract will be positively related to the employee work performance.

1-3. Treatment of disputes will be positively related to the employee work performance.

#### *B. Relationship between labor relations, employee work performance and emotional factor*

Harmonious labor relations mainly involve two aspects. On one hand, the employers guarantee the normal operation of the labor relation system by signing labor contract, paying social insurance for employees, carrying out collective negotiations and strengthening production safety management measures so as to ensure the rights of staff employment, wages, labor protection and labor security. On the other hand, from the perspective of the social attribute of labor relations, workers want to gain social emotion interests while gaining the economic benefits. The employers make the workers and managers participate in the decision-making together by staff participation and workers' congress so as to gain recognition and respect for the employees in the process of making decision. Moreover, the respect of the management for the employees and support for their works can make the employees feel cared and encouraged so as to produce a sense of belonging to the enterprise and a sense of responsibility.

American psychologist Abraham Maslow divided the human needs into five levels according to their importance, and generation order: physiological needs (the most basic human physiology need, such as food, clothing, shelter, hunger, thirst, etc.), safety needs (the needs of prevention from economic, psychological, labor and environmental damage), social needs (including social desire and sense of belonging), the respect needs (self-esteem, respect,

recognition, honor and status) and self-actualization needs (the needs of fully play their potential ability). In Maslow's view, these five needs are like the ladder from low to high. When the relatively lower need is satisfied, people will be struggled to satisfy a higher need. Low-level needs are limited and easy to get satisfaction, which will lose the power to motivate people after the lower need is satisfied. Meanwhile, higher need is not easy to be satisfied, whose incentive effect on behavior is more enduring. Since people's behavior is controlled by multiple needs, therefore there can be several kinds of needs at the same time. All levels of needs depend on each other and overlap. Thus, high-level need is developed and the low-level need still exists. It just weakens the effects of behavior since any kind of need will not disappear as a result of the appearance of new needs. In the late 1950s, American psychologist Frederick Herzberg began to study dual factors theory in the Pittsburgh psychological research center. Afterwards, 203 engineers and accountants from 11 enterprises are investigated. Based on the analysis of the survey data, he found that the factors that satisfy and dissatisfy the workers are different. The satisfactory factors usually produced by the work itself, while the dissatisfactory factors often come from the outside work environment. These two types of factors were named "incentive and hygiene factors" Motivating factors include the sense of achievement at work, recognition and reward from work, challenging work, development and future growth opportunities. If there are not these factors that satisfy the employees, they can be dissatisfied, but it is not serious.

Hygiene factors include working conditions, salary, security and human relations, the company's policy and administrative management, whose improvement can prevent slacking, maintain work status, which, however, cannot make the employees motivated significantly. When these factors are absent, it will make the workers very dissatisfied.

Content type incentive theory focuses on the study of reasons for incentive and specific contents of incentive factors. In terms of laborer, most want to have careers with certain stability and security. Basic job security, stable income and social welfare as well as security of the work environment is the source of the sense of security of staff, which also is the need of them in the lower level of labor. The fulfillment of these needs can prevent slacking and reassure staff to be able to finish their jobs. On the contrary, if these needs are not met, it will cause strong dissatisfaction and result in labor disputes. Failure to guarantee basic labor rights and interests is the main cause of a large number of labor disputes every year. In addition, employees not only have the needs of physiology and safety, but also want to gain decent, dignity and good development opportunity to meet the needs of diversified works and challenges as well as longing for participating in the enterprise decision-making and management. Scientific management system and harmonious win-win organization atmosphere can bring the enterprises the employees' commitment, effectively inspire the potential work enthusiasm of employees, greatly improve

the staff's working attitude and behavior, and provides incentives to improve employee's work performance.

Hypothesis 2: Emotional factors will have moderating effects between labor relation and employee work performance.

2-1. Management concerns will have positively moderating effects between labor contract and employee work performance.

2-2. Management concerns will have positively moderating effects between labor rights and employee work performance.

2-3. Management concerns will have positively moderating effects between treatment of disputes and employee work performance.

2-4. Employee Confidence & Satisfaction will have positively moderating effects between labor contract and employee work performance.

2-5. Employee Confidence & Satisfaction will have positively moderating effects between labor rights and employee work performance.

2-6. Employee Confidence & Satisfaction will have positively moderating effects between treatment of disputes and employee work performance.

### III. MODEL

This study aims to verify if employee emotional factor has a moderating effect between labor relation and employee work performance. The following "Fig. 1" presents the research model of this study.

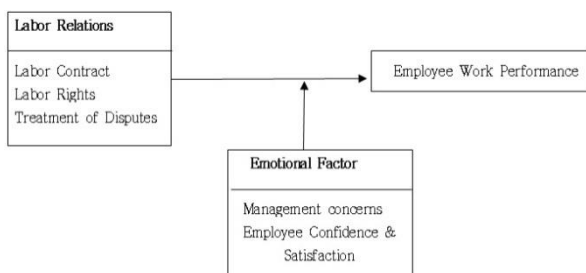


Fig. 1. Research model.

#### A. Questionnaire constitution

Operational definition of variables is the process of expressing the conceptual definition of variables prior to assessment. Such definition is directly related to observation or measure required for verification. For substantial verification, observation is required for actual status. Therefore, to connect each pre-defined variable with specific actual phenomenon, phenomenal and specific definition is necessary. Through such operational definition process, this study defines a measure to observe and assess variables.

##### 1) Labor relation

Labor relation is the study and practice of managing unionized employment situations. In academia, labor relation

is frequently a subarea within industrial relations, though scholars from many disciplines, including economics, sociology, history, law and political science--also study labor unions and labor movements. In practice, labor relation is frequently a subarea within human resource management. Courses in labor relations typically cover labor history, labor law, union organizing, bargaining, contract administration and important contemporary topics. According to John W. Budd (2010), the sub-variables of labor relation are labor contract, labor rights, and treatment of disputes. Labor relation is measured with 13 items introduced by Rui Wang (2010) on a 5-point Likert Scale (1=strongly disagree, 5=strongly agree).

##### 2) Emotional factor

Emotional factor as a way of being is an important part of people's subjective world. It is a reflection of human to the objective environment, this kind of special reflect is expressed through the psychological feeling and experience about the object by the subject, which reflects people's desire, need, and other subjective scale, embodies the specific values, affecting people's social consciousness and social behavior, according to Shuhui Wang (2013). The sub-variables of emotional factor are management concerns and employee Confidence & Satisfaction. Emotional factor is measured with 8 items introduced by Huang (2012) on a 5-point Likert Scale (1=strongly disagree, 5=strongly agree).

##### 3) Employee work performance

Employee work performance is the results, according to the Bernardin (1984). Employee work performance is measured with 8 items introduced by Campbell (1987) on a 5-point Likert Scale (1=strongly disagree, 5=strongly agree).

### IV. RESEARCH METHOD

#### A. Research setting and measures

##### 1) Data collection and sampling

A survey was conducted with employees from randomly selected companies in China and the response of 203 people was used for analysis. In performing this present research, poorly-answered surveys were excluded among the collected data for statistical processing. Specific analysis measures used as follows:

First, the research performed frequency analysis to find the general characteristic of the research subjects. Second, the research assessed reliability test for each item and looked into their predictability, accuracy and others. Principle component analysis was used as a validity analysis to group inquiries based on their factors for further analysis. Third, this research employed correlation analysis in order to examine the relationships with relevant variables. For a closer look at the result of the correlation analysis, regression analysis was used. The analysis in this research followed the significance level of  $p < .05$ . SPSS for Windows 22.0 was used for statistical processing.

2) *Demographic characteristics of the sample population*

The demographic analysis of the final samples indicated 57.1% were male and 42.9% were female, and 66% were unmarried and 34% were married. Their years of born are respectively the 20s, 72.9%; 30s, 25.1%; 40s, 2%; regarding their educational background, those graduated from 3-year college were 8.4%, 4-year college 66.5%, postgraduate

25.1%, respectively. As for their service year, under one year were 41.4%, 1~3 year were 39.4%, 4~6year were 14.8%, 7~9 year were 3%, 10years and over were 1.5%. For their position of work, staffs were 63.5%; managers, 29.1%; and directors, 7.4%. The total numbers of samples were 203, and "Table I" shows demographic characteristics of the sample population in details.

TABLE I. DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE POPULATION

		Frequency	Percentage
<i>Gender</i>	Male	116	57.1
	Female	87	42.9
<i>Marital status</i>	Unmarried	134	66.0
	Married	69	34.0
<i>Age</i>	20s	148	72.9
	30s	51	25.1
	40s	4	2.0
<i>Education</i>	3-year college	17	8.4
	4-year college	135	66.5
	post graduate	51	25.1
<i>Service year</i>	Under one year	84	41.4
	1~3 year	80	39.4
	4~6 year	30	14.8
	7~9 year	6	3.0
	Over 10 year	3	1.5
<i>position of work</i>	Staff	129	63.5
	Manager	59	29.1
	Director	15	7.4
	Total	203	100.0

B. *Research analysis*

1) *Factor analysis and reliability analysis*

Factor analysis is a method to group diverse variable into those with homogeneous factors to reduce and simplify them while keeping information loss at the minimum. There are various different measures to extract such factors but the most widely utilized factor analysis model is principle component analysis or component analysis as well as common factor analysis. The former is utilized to compress initial information into minimum factors.

In this present research, the principle component analysis was employed to reduce and compress relevant variables and identify meaningful processes. For factorial rotation, we

adopted orthogonal rotation which maintains the inter-factorial independence during rotation. This research utilized orthogonal rotation and of the diverse measures, varimax rotation was used.

a) *Labor relation factor analysis*

The result of labor relation factor analysis is presented in "Table II". Through the factor analysis, the total value of treatment of disputes was found to be 1.350 with the variance and the accumulation of 22.507%. The total value of labor contract was 1.233 with the variance of 20.549% and the accumulation of 43.056%. The total value of labor rights was 1.216 with the variance of 20.271% and the accumulation of 63.327%.

TABLE II. LABOR RELATIONS FACTOR ANALYSIS

		Component	Total	% Variance	% Accumulation
<i>Treatment of disputes</i>	Treatment of disputes <sup>2</sup>	.811	1.350	22.507	22.507
	Treatment of disputes <sup>3</sup>	.797			
<i>Labor contract</i>	Labor contracts	.837	1.233	20.549	43.056
	Labor contract <sup>4</sup>	.719			
<i>Labor rights</i>	Labor rights <sup>7</sup>	.797	1.216	20.271	63.327
	Labor rights <sup>9</sup>	.717			

*b) Emotional factor analysis*

The result of emotional factor analysis is presented in "Table III". Through the factor analysis, the total value of management concerns was found to be 1.186 with the

variance and accumulation of 29.641%. The total value of employee confidence & satisfaction was 1.163 with the variance of 29.083% and the accumulation of 58.724%.

TABLE III. EMOTIONAL FACTOR ANALYSIS

		Component	Total	% Variance	% Accumulation
<b>Management concerns</b>	Management Concerns 4	.794	1.186	29.641	29.641
	Management Concerns 1	.733			
<b>Employee confidence &amp; satisfaction</b>	Employee C & S 6	.749	1.163	29.083	58.724
	Employee C & S 5	.705			

*c) Reliability analysis*

To examine the stability, consistency and predictability of each of item on the questionnaire collected through the survey, this study used Cronbach's  $\alpha$  as the reliability coefficient. However it is generally accepted that its values equal or larger than 0.6 are viewed to have no significant reliability problem in reliability, the present research also takes 0.6 as the threshold for reliability assessment. Based on the Cronbach's  $\alpha$ , the reliability of this research assessment tool was verified using internal consistency and found that labor relations, emotional factors, and the employee work performance showed around or above 0.6, satisfying the generally-accepted reliability level. "Table IV" shows the reliability analysis between labor relations, emotional factor and employee work performance.

TABLE IV. RELIABILITY ANALYSIS

	Cronbach's a
Labor Contract	.802
Labor Rights	.764
Treatment of Disputes	.921
Management Concerns	.754
Employee Confidence & Satisfaction	.832
Employee Work Performance	.807

*2) Correlation analysis*

Correlation analysis was conducted to examine relationships between the variables. As a result, there was a significant correlation between labor relations, emotional factor and employee work performance. "Table V" shows the result of correlation analysis in details.

TABLE V. CORRELATION ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11
<b>1 Gender</b>	1										
<b>2 Marital</b>	.093	1									
<b>3 Age</b>	.055	.251**	1								
<b>4 Education</b>	-.046	.027	-.016	1							
<b>5 Years</b>	.047	.261**	.377**	-.195**	1						
<b>6 Treatment</b>	-.014	.047	.091**	.039	.011	1					
<b>7 Contract</b>	-.035	.142*	.045	-.002	.014	.085	1				
<b>8 Rights</b>	-.002	.075	-.032	.024	.120*	.098	.165*	1			
<b>9 Management</b>	.089	.074	.192**	-.069	.135	.152 *	.214**	.112	1		
<b>10 Employee</b>	-.057	.060	-.069	-.199**	.043	.090	.158*	.004	.167 **	1	
<b>11 Work Performance</b>	-.051	-.099	.032	-.112	.073	.218	.210**	.124	.251 **	.527 **	1

<sup>a</sup> \*p<.05 \*\*p<.01 \*\*\*p<.001

*C. Hypothesis test*

*1) Hypothesis 1: labor relation will be positively related to the employee work performance*

Regression analysis is a statistical process for estimating the relationships among variables (Wagner, 2009). More specifically, regression analysis helps one understand how the typical value of the dependent variable (or 'criterion variable') changes when any one of the independent variables is varied, while the other independent variables are held fixed (Wagner, 2009).

In order to test the relationship proposed in the hypothesis 1, the multiple regression analysis was conducted and results are shown in the following table.

According to the results, the control variable of marital status, age, and education level has no impact on employee work performance, with significance value all above 0.05.

Treatment of disputes showed significant and positive impact on employee work performance ( $\beta=0.200$ ), at a significant level of  $p<0.01$ . In addition, it is found that labor contract has significant and positive effect on employee work performance ( $\beta=0.186$ ), exhibiting significant effect at level of  $p<0.01$ . However, it is found that labor rights has no impact on employee work performance ( $\beta=0.082$ ), with  $p>0.05$ . According to the results, the adjusted R square is 0.107, indicating the control variables of marital status, age, education level, and independent variables of labor contract, labor rights, treatment of disputes can explain 10.7% of the variance of dependent variable of employee work performance.

As a result, hypothesis 1-1: labor contract will be positively related to the employee work performance and Hypothesis 1-3. Treatment of disputes will be positively related to the employee work performance were accepted.

Hypothesis 1-2: labor rights will be positively related to the employee work performance was rejected. "Table VI"

summarizes the findings above.

TABLE VI. EFFECTS OF LABOR RELATIONS ON EMPLOYEE WORK PERFORMANCE

	Non-standardized Coefficient		Standardized Coefficient	t	Significance Probability	R	F
	B	Standard Error	Beta				
Constant)	3.442	.214		16.050	.000		
Marital	-0.030	.040	-.053	-0.745	.457		
Age	0.010	.038	.019	0.270	.787	0.107	3.921***
Education	-0.059	.033	-.120	4.774	.078		
Treatment	0.084	.029	.200	2.921	.004		
Contract	0.091	.034	.186	2.684	.008		
Rights	0.032	.027	.082	1.186	.237		

2) Hypothesis 2: emotional factors will have moderating effects between labor relation and employee work performance

In order to test whether management concern can moderate the impacts of labor contract, labor rights, treatment of disputes on employee work performance, and the moderation test was conducted and results are shown in the following table. In model 1, control variables and independent variables were inserted into the model and R2 was found to be 10.7%. In model 2, the effect of management on employee work performance is .183, which is significant (p < 0.05), the moderating variable of management concern was entered and R2 was 13.7%. In model 3, the interaction variables were entered in order to examine the moderation effect, and found that the interaction effect of treatment of disputes and management concern was

1.383, which is significant (p<0.05). The interaction effect of labor rights and management concern was 1.165, which is significant (p<0.05). However, the interaction effect of labor contract and management concern was 0.158, which is not significant (p>0.05).

As a result, Hypothesis 2-1: management concerns will have positively moderating effects between labor contract and employee work performance was rejected. And, Hypothesis 2-2: because of the main effect of labor rights on employee work performance is not significant, Management concerns will have positively moderating effects between labor rights and employee work performance was rejected. Hypothesis 2-3: management concerns will have positively moderating effects between treatment of disputes and employee work performance was accepted. "Table VII" summarizes the findings above.

TABLE VII. EFFECTS OF EMPLOYEE CONFIDENCE & SATISFACTION BETWEEN LABOR RELATIONS AND EMPLOYEE WORK PERFORMANCE

	Non-standardized Coefficient		Standardized Coefficient	t	Significance Probability	R	F
	B	Standard Error	Beta				
1(Constant)	3.442	0.214		16.05	0	0.107	3.92 ***
Marital	-0.03	0.04	-0.053	-0.745	0.457		
Age	0.01	0.038	0.019	0.27	0.787		
Education	-0.059	0.033	-0.12	4.774	.078		
Treatment	0.084	0.029	0.2	2.921	0.004		
Contract	0.091	0.034	0.186	2.684	0.008		
Rights	0.032	0.027	0.082	1.186	0.237		
2(Constant)	2.143	0.225		10.703	0	0.332	66.45 ***
Marital	-0.012	0.035	-0.022	-0.353	0.724		
Age	0.03	0.033	0.056	0.91	0.364		
Education	-0.01	0.029	-0.02	-0.335	0.738		
Treatment	0.064	0.025	0.152	2.556	0.011		
Contract	0.051	0.03	0.103	1.7	0.091		
Rights	0.037	0.024	0.094	1.575	0.117		
Employee	0.258	0.032	0.495	8.09	0		
3( Constant)	2.889	1.38		2.094	0.038	0.34	4.58***
Marital	-0.031	0.035	-0.023	-0.376	0.707		
Age	0.029	0.034	0.053	0.865	0.388		
Education	-0.007	0.03	-0.014	-0.24	0.811		
Treatment	0.172	0.199	0.411	0.866	0.388		
Contract	-0.285	0.239	-0.581	-1.192	0.235		
Rights	0.173	0.213	0.438	0.812	0.418		
Employee	0.144	0.337	0.276	0.427	0.67		
TM	-0.027	0.048	-0.342	-0.555	0.58		
CM	0.08	0.057	1.025	1.411	0.16		
RM	-0.032	0.051	-0.42	-0.634	0.527		

<sup>a</sup>. \*p<.05 \*\*p<.01 \*\*\*p<.001

In order to test whether employee confidence & satisfaction can moderate the impacts of labor contract, labor rights, treatment of disputes on the employee work performance, the moderation test was conducted and results are shown in the following table. In model 1, control variables and independent variables were inserted into the model and R2 was found to be 10.2%. In model 2, the effect of confidence & satisfaction on employee work performance is .495, which is significant ( $p < 0.001$ ), the moderating variable of employee confidence & satisfaction was entered and R2 was 33.2%. In model 3, the interaction variables were entered in order to examine the moderation effect, and found that the interaction effect of treatment of disputes and employee confidence & satisfaction was  $-0.342$ , which is not significant ( $p > 0.05$ ). The interaction effect of labor rights and employee confidence & satisfaction was  $-0.420$ , which

is not significant ( $p > 0.05$ ). The interaction effect of labor contract and employee confidence & satisfaction was 1.025, which is also not significant ( $p > 0.05$ ). Based on the results, it was confirmed that employee confidence & satisfaction failed to moderate the impacts of treatment of disputes, labor rights, and labor contract on employee work performance.

As a result, Hypothesis 2-4: employee Confidence & Satisfaction will have positively moderating effects between labor contract and employee work performance; Hypothesis 2-5: employee Confidence & Satisfaction will have positively moderating effects between labor rights and employee work performance; and Hypothesis 2-6: employee Confidence & Satisfaction will have positively moderating effects between treatment of disputes and employee work performance were all rejected by the results. "Table VIII" summarizes the findings above.

TABLE VIII. EFFECTS OF EMPLOYEE CONFIDENCE & SATISFACTION BETWEEN LABOR RELATIONS AND EMPLOYEE WORK PERFORMANCE

	Non-standardized Coefficient		Standardized Coefficient	t	Significance Probability	R	F
	B	Standard Error	Beta				
1(Constant)	3.442	0.214		16.05	0	0.107	3.92 ***
Marital	-0.03	0.04	-0.053	-0.745	0.457		
Age	0.01	0.038	0.019	0.27	0.787		
Education	-0.059	0.033	-0.12	4.774	78		
Treatment	0.084	0.029	0.2	2.921	0.004		
Contract	0.091	0.034	0.186	2.684	0.008		
Rights	0.032	0.027	0.082	1.186	0.237		
2(Constant)	2.143	0.225		10.703	0	0.332	66.45 ***
Marital	-0.012	0.035	-0.022	-0.353	0.724		
Age	0.03	0.033	0.056	0.91	0.364		
Education	-0.01	0.029	-0.02	-0.335	0.738		
Treatment	0.064	0.025	0.152	2.556	0.011		
Contract	0.051	0.03	0.103	1.7	0.091		
Rights	0.037	0.024	0.094	1.575	0.117		
Employee	0.258	0.032	0.495	8.09	0		
3(Constant)	2.889	1.38		2.094	0.038	0.34	4.58***
Marital	-0.031	0.035	-0.023	-0.376	0.707		
Age	0.029	0.034	0.053	0.865	0.388		
Education	-0.007	0.03	-0.014	-0.24	0.811		
Treatment	0.172	0.199	0.411	0.866	0.388		
Contract	-0.285	0.239	-0.581	-1.192	0.235		
Rights	0.173	0.213	0.438	0.812	0.418		
Employee	0.144	0.337	0.276	0.427	0.67		
TM	-0.027	0.048	-0.342	-0.555	0.58		
CM	0.08	0.057	1.025	1.411	0.16		
RM	-0.032	0.051	-0.42	-0.634	0.527		

<sup>a</sup> \* $p < 0.05$  \*\* $p < 0.01$  \*\*\* $p < 0.001$

**D. Hypothesis test summary**

"Table IX" summarizes the result of hypothesis tests explained above.

TABLE IX. HYPOTHESIS TEST SUMMARY

No.	Hypothesis	Result
1-1	Labor contract will be positively related to the employee work performance.	Accept
1-2	Labor rights will be positively related to the Labor contract will be positively related to the employee work performance.	Accept
1-3	Treatment of disputes will be positively related to the employee work performance.	Reject



No.	Hypothesis	Result
2-1	Management concerns will have positively moderating effects between labor contract and employee work performance.	Reject
2-2	Management concerns will have positively moderating effects between labor rights and employee work performance.	Reject
2-3	Management concerns will have positively moderating effects between -treatment of disputes and employee work performance.	Accept
2-4	Employee Confidence & Satisfaction will have positively moderating effects between labor contract and employee work performance.	Reject
2-5	Employee Confidence & Satisfaction will have positively moderating effects between labor rights and employee work performance.	Reject
2-6	Employee Confidence & Satisfaction will have positively moderating effects between treatment of disputes and employee work performance.	Reject

## V. CONCLUSION

### A. Research summary and contributions

The study was conducted in order to analyze how maintaining labor relations affects employee work performance, and examine if emotional factors moderates the relationship between labor relations and employee work performance.

The results of this study can be summarized as follows:

Firstly, as for the degree of the effects of the balance between labor relations and employee work performance, the labor contract was found to be positively related to employee work performance. The treatment of disputes was found to be positively related to employee work performance. On the other hand, the labor rights had no effects on employee work performance. As a result, we can know labor contract and treatment of disputes have significantly positive effects on employee work performance.

Secondly, as for whether or not emotional factors would positively moderate relationship between labor relations and employee work performance; it was found that management concerns have positively moderate effects between treatment of disputes and employee work performance. On the other hand, management concerns have no positively moderate effects between labor rights and employee work performance. Management concerns have no positively moderate effects between labor contract and employee work performance. The employee confidence & satisfaction also have no positively moderate effects between labor relations and employee work performance.

Finally, we proposed the following suggestions, aiming at how to build harmonious labor relations and improve job performance. The enterprises should perfect the operating mechanism of labor relations based on employee rights and interests, including enhancing management of labor contracts, setting up enterprise labor dispute handling mechanism, establishing and improving employee participation measures. In addition, the enterprises should pay attention to the staffs career development and growth, strengthen staff s actual ability to work, and offer environmental foundation and power for improving job performance through harmonious atmospheres and incentive mechanism.

### B. The major innovation of the study

Chinese scholars' study on the labor relations operation result and effect is few, especially the study of the influence of labor relations on its main body (enterprise and labor), and the empirical study result is even more limited. As for foreign scholars, there also have been some problems in the study of the labor relations and enterprise's performance. It is difficult to complete the evaluation of the agreed enterprise's performance because of the complexity of the measure of the enterprise's performance. Moreover, whether there is a relationship between the height of the dimension level and the quality of the labor relations, and how related they are that is worth further exploring. In addition, the Chinese scholars pay much attention on the orderliness of the operation system in terms of the enterprise's labor relations that is relative lack of the evaluation of the compatibility of the main body of the labor relations. Therefore, the innovation of this thesis can be concluded as follows:

- On the basis of analyzing some related studies, this thesis conducted an empirical study on both the enterprise's labor relation and the staff labor performance. This thesis has enriched the study of the effect of the labor relation on its main body as well as compensated the lack of the foreign studies on the labor relations and performance, and made some innovation on the study method and perspective.
- This thesis added an emotional factor as a regulated variable, modified the standard of the existing evaluation properly, and made some innovation on the study content.

### C. Limitations and suggestions for future research

This thesis conducted the theoretical derivation and empirical research that adhered to the principle of scientific feature and accuracy. However, the study has encountered some limitations which were caused by different factors, and the insufficiency can be concluded as following aspects:

- As seen from the indicator origination of the evaluation of the labor relation, this study paid much attention on the summarization and improvement of the previous studies. This process cannot thoroughly get rid of the influence from one's personal subjective, so some indicators can be disregarded.

- This thesis was conducted by the method of questionnaire survey. Even though this study strived to be conformity with the scientific principles, many enterprise staffs would complete this survey with his or her subjective perception, and all these may not reflect the real problems that were properly caused by the interference of one's own emotional factor.
- Even though this questionnaire survey involved different cities as well as enterprises from different fields, the representativeness can be somewhat limited due to the convenient sampling method which was chosen for the limitation of time, ability and resource.

Aimed at the limitation and directions for the future study, some studies can be developed with the following aspects:

- This thesis developed the labor relation scale under the Chinese culture context and its applicability has been proved. However, there are a great number of Chinese enterprises which could result in a tremendous difference in the situation of labor relation. The future studies can continue to fix and improve this scale on the former foundation in order to provide better measure tools for the study of labor relations topics.
- Because of the difficulty of sampling, every survey was completed by one staff which can be replaced by obtaining the data from multi sources or improving the questioning skill of the survey for lessening the error.
- Due to objective conditions, this thesis mainly sent the questionnaires in the Jiangsu province; future research could expand the sampling range based on the actual situation, and increase the number of samples, used to test the accuracy of conclusion.

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