Application Research of Ingroup Preference in Employee Relationship Management

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Abstract With stepwise development of Chinese enterprise, management problem is increasingly prominent, especially human resource management issues. Facing international environment of entering into World Trade Organization, the country accelerates construction pace of human resource management subject in colleges and universities, which provides professional channel for management efficiency and market competition ability of Chinese enterprise, but it is still far from practice. In this paper, the concept, origin and inhibition factors of ingroup preference are elaborated. Based on the visual angle of ingroup preference, started from four dimensions (enterprise incentive system, talent management idea, psychological contract and employee communication consciousness), main problems existing in employee relationship management of modern enterprise are explored. It is specially emphasized that manager often holds the blame in front of dealing with the crisis after contradiction, which is "fatal point" neglected in employee relationship management of modern enterprise. To improve its core competitive power, enterprise must value harmonious relationship with employees.

Key words Employee relationship management, Ingroup preference, Insecurity sense, Enterprise's core competitive power

1 Introduction
With gradual improvement of socialist market economy system, essential change of enterprise – employee relationship occurs in China, which breaks the lifelong system of labor relation under the planned economy system. Accompanied by knowledge economy era coming, manager gradually realizes the importance of coordinating employee relationship and enhancing employee communication within the organization in the game between employers and employees. Therefore, more and more organizations transfer human management focus to the part below iceberg in "iceberg theory", containing cooperation among peers, communication and coordination between leadership and subordinate, labor division and cooperation among departments[1]. But said from academic angle, the authors think that employee relationship management gradually develops along technique routine via the development of 30 years, such as the popularization and application of SAP which is famous employee relationship software. But the authors think that it is not core of human resource management, and it could not solve substantive issues only by some technical works. Many university books on employee relationship management seem like technical guidance instruction The authors think that management should pay more attention to application and the combination of theory and practice. At this aspect, psychology and sociology play a greater role. In this paper, the inner group concept in sociology is introduced in employee relationship management, which could provide new view angle for studying human resource management field.

2 The connotations of employee relationship management and ingroup preference
2.1 Employee relationship management Employee relationship is a concept proposed based on the view angle of human resource management, which emphasizes the communication of individual level, values coordination and cooperation among organization members, and is a kind of internal relations in the enterprise taking employee as the core[2]. Employee relationship management (ERM) is a particular field in human resource management[3], and employee is "the first resource" within the enterprise. If manager values job satisfaction of individual employee, it could promote the construction of enterprise talent core competitive power to a certain degree, and enhance enterprise’s competition advantage[4]. By referring to current related researches at home and abroad, main contents of ERM are generalized (Table 1)[5]. Additionally, the authors think that resource distribution within the enterprise, safety of employee working environment and demission management also should belong to the range of employee relationship management.
2.2 Ingroup preference Inner group indicates the group that individual often participates in, and has close relationship, loyalty and stronger belonging sense. The concept was firstly proposed by American sociologist and anthropologist Sumner in the Theory on Folk Custom of 1906. When group member obtains corresponding benefit and feeling via subordinated group, the individual could generate emotional preferences of identification, loyalty, security, kindness and love on the subordinated group[6]. The emotion intensity is decided by the meeting degrees of member’s personal interests and needs and attention value to member by inner group. According to the opinion of Sumner, when two groups at the same status are different, group members could generate an attitude of slight and disdain on that from other groups. Simply saying, in-
group preference is that individual has more active emotional preference to the subordinated group at custom and evaluation\textsuperscript{[7]}. 

Table 1 Main contents of employee relationship management

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3 Origin of ingroup preference

3.1 Insecurity In modern society, everyone could feel varying degrees of insecurity. Festinger thinks that individuals have an innate motivation to recognize them. This kind of motivation could prompt individual finding some information clues from interpersonal communication and social environment, and the aim is to verify that his view on a question is correct, or he has the ability to accomplish a task. Psychologist Van den Bos thinks that when individual experiences uncertainty in the social environment and interpersonal interaction process, some defense behaviors could be taken to decline the uncertainty\textsuperscript{[8]}. Specific performance is that individual will try to make his own words and deeds correspond with the standard and specification of inner group, and shows more active emotional tendency on member of inner group\textsuperscript{[9]}. Psychological needs of individual on belonging sense could meet his sense of security to a certain degree. Therefore, the experience of insecurity could promote individual correcting his attitude and behavior to go along main opinion in inner group, namely the phenomenon of following the crowd. It is shown that individual could be more close to value concept advocated by the subordinated group, and estrange and even feud the value concept advocated by other groups. That is to say, insecurity caused by uncertainty makes individual's ingroup preference and derogation tendency on outside group stronger\textsuperscript{[10]}. 

3.2 Common hobbies and career pursuits In routine life, when a person comes to a strange environment, after understanding members in strange group, individual tends to touch with members with similar personality or interest, and establishes close relationship with them, but only maintains initial understanding status on the members with different personality. The process from strange to understanding to close is establishment process of inner group, and individual selecting the object from understanding to close embodies the effect of ingroup preference. Because that each individual simultaneously belongs to multiple different groups, when experiencing sense of uncertainty, individual tends to show group identity with high consistency in the group. For example, a person can be a teacher, tennis fan, Christian, etc., when individual words and deeds generate uncertainty, he firstly could think his own teacher and Christian status, and uses the behavior codes for teacher and believer to require himself\textsuperscript{[9]}. In short, higher consistency in the group could generate stronger sense of identity, thereby effectively easing individual's sense of uncertainty. One of typical features in inner group is higher consistency in the group. 

3.3 Limited communicative ability Evolutionary anthropologist Robin Dunbar from Oxford carried out an experiment. He let some metropolitan residents set a list of all the people they associate with, and the result was that there were 150 names. Among them, 20% was close friend always associating, while 80% was person only associating for one or two times in one year. Regardless of one person possesses how many QQ friends and micro-blog fans, the most stable social network person number allowed by human intelligence is 150, and the closest person number is only 7, which is famous "Dunbar number theory". Inmate limited communicative ability of every one decides his "inner circle", namely the so-called inner group, and the differentiation between inner and external groups is ineluctable. 

4 Inhibition factor of ingroup preference——universal value

Due to the influence of religion, western society pays more attention to the value concept of freedom and justice, and position and value of each person are same. Hence their ingroup preference is weaker, and vague sense of internal and external groups causes individualism. The person believing individualism could comply with uniform rules, while collectivism tries to protect his own ingroup members. So when encountering thing, Chinese always thinks if he has "acquaintance", while western often studies the system\textsuperscript{[11]}. 

5 Problems

5.1 Unsound incentive system causing fundamental deletion of employee relationship management Internal fairness sense is basic starting point of employee relationship management in the enterprise. According to current researches, it is found that the first cause for employee quitting is the sense of unfairness within the enterprise but not low pay level. Here, unfairness within the enterprise mainly contains rewards and punishments, warrant, career promotion and resource allocation. In enterprise management of China, the typical internal injustice is employee's promotion and selection mechanism, and a phenomenon that has to be mentioned is that "cronyism" nepotism exists in talent selection aspect of Chinese enterprise. The obvious "humanized" management model causes that unfairness appears in standard and process of talent se-
5.4 Shortage of communication consciousness causing dis-
harmony of employee relationship management

Various contradictions always exist in an organization at any time, such as the contradictions and conflicts among employees at the same level, among leapfrog employees, and between employee and enterprise. It is found that communication consciousness among members within the enterprise especially between manager and subordinate is weak, causing lagged communication, which is root cause of contradiction generation. According to the hypothesis of X theory, idleness is human nature, which is embodied in not only working aspect but also interpersonal communication. For example, in talking process of two sides with the same level, a small part of content from one enterprise is made by enterprise at the aspect of attracting valuable employees, but it is rare to think how to retain them. Additionally, many problems exist in employee training provided by enterprise. For example, enterprise seldom designs training content according to employee’s demand and career planning. The training provided by enterprise is dominated by theoretical explanation, and seldom combines with practical operation. The training does not have substantive effect and wastes manpower, material resources and financial resources. This kind of training mode make employee feel that he could not improve his ability in the enterprise and select quitting.

5.3 Low satisfaction degree of employee demand causing psychological contract failure in employee relationship management

Psychological contract is a kind of appointment describing unwritten promises, expectations, and responsibilities between labor and capital sides, which greatly affects employee’s working attitude. According to social exchange theory, employee often hopes to enhance self belonging sense by showing loyalty to the organization and actively accepting and identifying enterprise system and culture. In the exchange process of labor and capital sides, if organization does not fulfill the promise or reach the expected requirement, initial psychological contract could be destroyed and even loses effect, thereby directly causing that employee declines his effort level and decreases organizational identification. Psychological contract is a kind of social exchange relationship established by employee and enterprise based on trust. If enterprise does not understand employee’s demand level and development vision and properly guide employee’s demand, employee’s expectation is far from practice. The phenomenon of very low two sides’ satisfaction degrees caused by larger difference of psychological positioning between manager and employee is common in modern enterprise, which seriously destroys employee’s trust on exchange relationship. In short, destroy or failure of psychological contract is a kind of negative stimulus on employee, which could make employee generate negative emotion and further affect employee’s working attitude.

5.2 Cognitive bias of talent management theory causing rep-
resentation of employee relationship management

Talent management is a kind of innovative strategic human resource management thinking. With the coming of knowledge economy era, introducing and retaining talent is the core of human resource management in modern enterprise and key factor of talent management. For enterprise, retaining talent is more important than introducing talent. According to new economy growth theory, innovative knowledge type of talent is mover of promoting sustainable and stable economy growth and decides effective use rate of material capital. More than this, according to talent management experience of western developed country, it is found that if an enterprise could transform a knowledge type of talent integrating knowledge, technology and innovation together to its loyal labor force, he will create unimaginable wealth, including two layers: material and spirit. Retention of talent is also conducive to knowledge accumulation within the enterprise. But in Chinese enterprise management, more enterprises only take talent introduction as the core of human resource planning but relatively ignore the importance of retaining talent. Common phenomenon is that a great deal of investment is made by enterprise at the aspect of attracting valuable employees, but it is rare to think how to retain them. Additionally, many problems exist in employee training provided by enterprise. For example, enterprise seldom designs training content according to employee’s demand and career planning. The training provided by enterprise is dominated by theoretical explanation, and seldom combines with practical operation. The training does not have substantive effect and wastes manpower, material resources and financial resources. This kind of training mode make employee feel that he could not improve his ability in the enterprise and select quitting.

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person could be truly conveyed to other side, and the communication lag caused by insufficient communication consciousness could directly affect work among different departments. After contradiction appears, most of members tend to solve the problem in the attitude of escaping or kicking the ball, causing the intensified conflict and disharmonious employee relationship management within the organization, and hindering normal development of the organization. There exists a problem in modern enterprise management. When contradiction occurs, manager often holds the blame in front of dealing with the crisis. What the authors want to emphasize is that the phenomenon reverses the primary and secondary solution to the problem. Members in the group are lost in mutually passing the buck to each, and settle the problem aside, which causes that the crisis induced by the contradiction could not be treated timely, and makes contradiction update and even generates serious loss to the organization. The disadvantage induced by ingroup preference should induce manager’s attention. Negative influence of ingroup preference on employee relationship management is shown as Fig. 1.

6 Strategies

(i) Establishing scientific supervision mechanism to guarantee the real implementation of the incentive system. At the aspect of incentive system, enterprise could not only say establishing sound and fair incentive and restraint system. In reality, although many enterprises also make prefect reward and penalty rule, it is difficult to be implemented. Prefect incentive and restraint system is only necessary condition of improving employee relationship management. If there is only system but not supervision, the existence of mechanism basically loses significance unless under a highly conscious social environment. Therefore, enterprise also needs establishing scientific and strong supervision mechanism to guarantee the implementation of incentive system. For example, in implementation process of rational skill-based pay system, welfare system and fair promotion system, enterprise establishes the supervision organization that employee representative, labor union and media participate in, fully guaranteeing the implementation of incentive system.

(ii) Transforming traditional talent management idea, and viewing employee as important resource for investment. At talent management idea aspect, enterprise firstly should establish correct talent management idea, and view employee as a kind of important resource for investment. Meanwhile, enterprise should not only value the recruitment of valuable and potential employees but also value how to retain these talents. Additionally, it also should value the management of departing staff, and typical practice from some western enterprises is worth learning. For example, related information of departing staff in Mckinsey Company is compiled into "Mckinsey alumni", that is to say, they seem employee demission as "leaving school", and departing staffs are their alumna because that managers from Mckinsey think those departing senior managers will become their potential clients. Facts prove that the particular investment on "graduate relation network" actually creates huge reciprocation for the enterprise.

(iii) Establishing rational resource allocation system to weaken employee’s unfair experience. Ingroup consciousness plays a pivotal role in resource allocation of the organization, and each master of resource tends to distribute more resources to his own group, which could further aggravate inequality among groups within the organization and is not conducive to long-term development of enterprise. At the aspect of rational resource allocation, the authors think that it could overcome group tendency of resource allocation via system design and promote member weakening group consciousness via rational allocation. This is personal experience of the author. In the internship company of the author, each resource allocation could induce the opinion of each small group, and there are various defamations in private. Hence it must consider the balance among small groups when allocating resource based on the labor, which could not be considered by many managers.

(iv) Communicating with employee at the aspects of life, belief and work to understand employee’s demand. At the aspect of employee demand and communication consciousness, enterprise should understand each employee’s information as much as possible, containing birthday, religious belief and family condition, and employee’s career development plan. It is conducive to enterprise taking targeted solution at employee ownership problem to grasp the information. For example, enterprise could make employee’s birthday information table, and send a little present in the birthday. Enterprise could properly increase subsistence allowance of renting and traffic for the employee with special economic difficulty according to specific situation. Additionally, it is conducive to enterprise better guiding employee’s value concept matching with enterprise’s strategic target to understand employee’s career development plan. Work uniform should be unified as much as possible, and it should not be distinguished according to different levels, which could eliminate identity difference and meet employee’s requirement on sense of fairness to a certain degree. Mentioned as the above, the relationship among ingroup preference, employee relationship management and enterprise competitiveness is shown as Fig. 2.

7 Conclusions

In this paper, based on life experience and the feeling in internship work, ingroup preference problem in employee relationship management of enterprise and its cause are explored. Meanwhile, the problems existing in employee relationship management of modern enterprise are analyzed, and some suggestions on improving the status quo of employee relationship management from the angle of ingroup preference are proposed. Firstly, it should decline employee’s insecurity sense felt within the organization by meeting employee’s demand, fair incentive system, scientific talent management idea and stronger communication consciousness. Secondly, ingroup preference within the organization should be weaken by decreasing employee’s insecurity sense. Thirdly, it should promote harmonious employee relationship management by weakening ingroup preference and rational resource allocation. In addition, the authors think that two problems are often ignored in modern enterprise management; management of demission staff and holding the
blame in front of solving crisis after contradiction occurs, which should induce manager’s attention. For example, demission management could refer to typical management model of Mckinsey Company; establishing "alumni bank" and using "graduate relation network".

Fig. 2 The relationship among ingroup preference, employee relationship management and enterprise competitiveness

References