Impact of Organizational Relationship on Organizational Effectiveness

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Abstract

The primary objective of every organisation is to ensure the achievement of its vision. This can be achieved only through teamwork and team effort. An organization is made up of a team of people called employees. Unless they work in unison, it becomes a challenge for any organisation to fulfil and achieve its vision. The success of any organization depends on the relationship between employer and employee as well as between the employees. The study hypothesizes that 'A good and healthy environment assists in cultivating trust, promoting transparent communication, and building mutual respect, thereby promoting a favourable workplace atmosphere. This in turn helps in enhancing employee productivity that triggers more positive outflow in terms of goodwill, profits, sustainability, and motivation not only among the employees but also those associated directly or indirectly with the organization.' This study attempts to study the impact of organizational relationships on the productivity of employees at an identified company, situated in Mysuru City, Karnataka State, India. The outcome of the study reveals that there is a link between a positive relationship and employee productivity and employee retention.

Keywords: Employee, Employee Retention, Intra-Organizational Conflicts, Organizational Effectiveness, Organizational Relationship, Productivity

Introduction

The definition of Organizational relationship states that it is a procedure of engaging members in an organization, exchanging information and building cooperation amongst themselves. This includes individuals from all hierarchies, irrespective of their educational, economic, ethnic, or social background working in harmony towards a common goal. This study tries to analyze whether, the characteristics of these relationships can influence the organizations' ability to easily adapt to change, respond effectively during crisis and help in innovation and creativity.

The authors have, with permission from an Information Technology and Services Company, engaged in supply chain engineering and management, situated in Mysuru City, to pursue the study. The study attempts to analyze the influence of organizational relationships on organizational effectiveness and work culture.

Review of Literature

Literature and articles pertaining to the topic viz, original investigations, monographs, reviews, popular articles, and case studies were reviewed and a summary of a few reviews is presented.

Sinha and Dhall (2020), investigated the relationship between factors like organizational culture, TQM and organizational performance and found a connection between these factors. Further, their study emphasizes the mediating effect of TQM on organizational culture and performance. A similar study by Kumar (2019) reveals a positive correlation between organizational effectiveness and Performance Management System Practices. A study by Mohamed Alblooshi *et al.* (2021) examines how leadership directly affects organizational creativity.

Bhaskar and Mishra (2017) through their study reveal that employees' perception aligns with a link between effective learning organization characteristics and improved organizational performance (financial and knowledge-based). A similar outcome is revealed through the study by Shahjehan *et al.* (2019). They adopted a novel approach to study the relationship between organizational commitment, job satisfaction and organizational citizenship behaviour. Their findings reveal that organizational commitment and job satisfaction relationships are

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necessary for organizational citizenship behaviour and organizational commitment.

Mallik *et al.* (2019) focused their study on the impact of employee morale on organizational success. The findings of the study reveal that morale plays a psychological role in encouraging constructive behavior which further leads to efficient employee performance. A similar study by Chandra and Sivasakthi (2023) reveals that the major factors influencing the quality of work-life include the nature of the job, level of stress, career prospects, attitude and work environment. An interesting study by Kalogiannidis (2021) reveals that organizational performance and employee motivation are linked to each other.

Statement of the Research Problem

The most significant matter that keeps the top management engaged, is enhancing employee productivity with existing resources. However, the biggest challenge is the management of intra-organizational conflicts which is a common episode in major organizations. This has become a matter of study, to address and resolve these conflicts. Organizations are applying mediation and arbitration techniques to minimize, avoid and eliminate such conflicts.

Need and Significance of the Study Value Contribution to Companies

This study focuses on the impact of organizational relationships on organizational effectiveness. It can provide valuable insights to managers for managing intra-organizational conflicts and identifying suitable solutions. Thereby it will help in building a cordial work culture that encourages better organizational relationships, leading to organizational effectiveness.

Value Contribution to Society

When a business organization accomplishes its objective of business success, it not only helps the shareholders to earn profits, but more importantly a successful company ensures economic and sustainable development to all its stakeholders.

The study aims at applying the learning gained through this study, to help organizations create a work culture that is cordial and effective in enhancing employee productivity.

Objectives of the Study

The study has been formulated based on the following objectives:

1. To evaluate the impact of employee communication levels on organizational effectiveness
2. To assess how interpersonal relationships among employees affect organizational effectiveness
3. To gauge the significance of organizational relationships with reference to organizational effectiveness
4. To determine the impact of conflicts or issues arising among employees on organizational effectiveness.

Scope of the Study

The study aims to assist top management to (a) enhance their organizational culture for enhancing employee productivity and (b) establish an organizational culture that is more favourable for employees.

Research Methodology

Hypothesis

Based on the pilot study conducted and the various literature connected with the study, were reviewed, the following hypothesis was framed:

H_1- There is no significant relationship between Intra-organizational conflict and Employee Productivity.

Research Design

Various dimensions of Organizational effectiveness, employee productivity, employee retention, Intra-organizational conflicts, etc., are compared to understand the influence of organizational relationships on organizational effectiveness in the company identified for the study. The study reports findings based on the data

Table 1: Research Methodology adopted for the study

Research Design	Descriptive Research Design (the study involves surveys and investigations to gather required data for studying the current situation in the identified company.)
Sample Size	132 employees from the identified company
Data collection method	**Primary:** Observation, structured questionnaire and survey, wherever required. **Secondary:** Research articles pertaining to the topic under study.

collected from the employees in the identified company.

The Questionnaire focuses on 5 dimensions namely (1) Employee Productivity, (2) Employee Retention, (3) Intra-organizational Conflicts, (4) Organizational Effectiveness, and (5) Organizational Relationship. Further, the questionnaire was finalized based on a pre-test (pilot study) valid feedback and a review of the literature, after identifying the research gap.

Table 2: Tabulated description of research methodology for the study

Methodology	Structured Survey
Geographic Scope	Mysuru City
Sectorial Scope	ITeS Sector
Sampling procedure	Judgmental
Sample responder size	132 respondents
Responders	Employees
Period of data collection	June 2023- August 2023

The present study is both exploratory and descriptive in character. It uses the technique of exploratory research to gain familiarity with the research problem. Descriptive analysis is used to describe the characteristic of company and employee related to the research variables. A survey research methodology is being used in this research to gather data to seek answers to the objectives set for the study, table 1 and 2. From the literature, the relevant concepts were identified and thus the interview schedule was designed.

Data Sources

The research study has employed both primary and secondary data for the study. The data required for this study was collected with the help of a structured questionnaire, designed to elicit the required information and data on the subject, based on the objectives of the research study using the judgmental sampling method. The secondary data was collected from the respective company and also from relevant research studies, journals, periodicals and research articles on the subject.

Sampling

Sampling in the study involves the selection of employees as sample respondents. This includes employees, based on their designation and work experience, role and involvement in the assigned work projects, as respondents from each of the departments in the company. The total number of respondents from the identified company is 132.

Analysis

The collected data has been analyzed with a tabular analysis and descriptive statistics using simple percentage analysis and the Chi-Square Test as in table 4-6.

Along with the statistical tools and techniques, diagrams have been used to draw precise conclusions.

Limitations

As with any study, the limitations of this study stem from the fact that the survey was conducted in one company, and is generalized. The outcome of the study is based on the data collected from an identified company in Mysuru City. The views expressed by the respondents might not match those of employees of another company. Furthermore, the attitude of employees could change over time.

Data Analysis and Interpretation

The collected data has been analyzed to identify the impact of organizational relationships on organizational effectiveness in the selected company.

The total number of respondents for the study is 132 employees from the identified company. Judgmental sampling was adopted to select the respondents for the study.

The total number of employees on company rolls was 200 and the sample size was determined using a formula (@ 95% level of confidence).

$$n = \frac{(Z)^2 * 0.5(1-0.5) / 0.5^2}{1+(Z)^2 * 0.05(1-0.5) / 0.05^2} = 132 \text{ respondents}$$

To ensure a holistic view for determining the objectives, employees from different managerial levels were chosen for the study.

To test the hypothesis

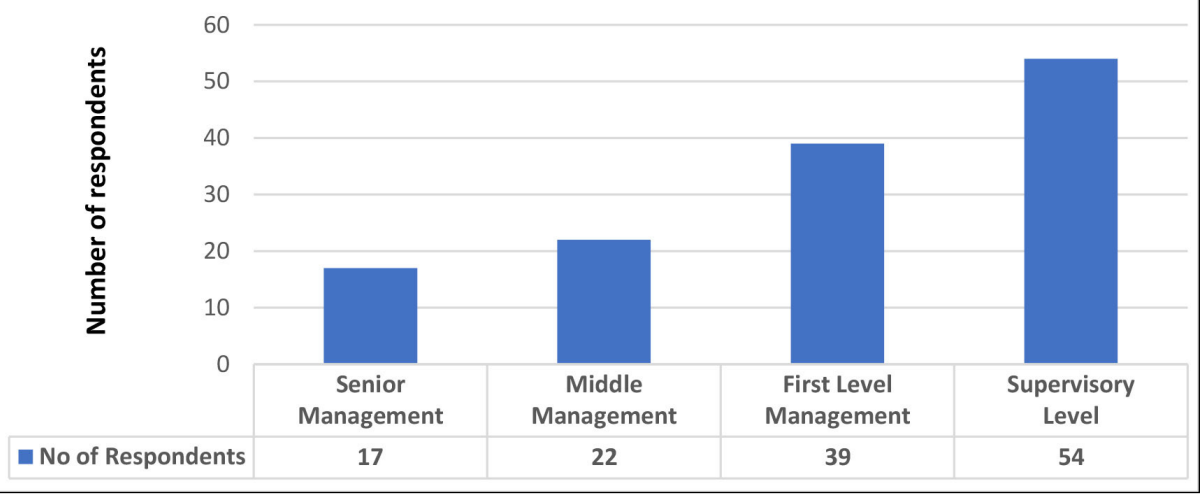
H_0 - There is no significant relationship between the Intra-organizational conflict and Employee Productivity.

Statistical analysis using SPSS software was conducted on data collected on factors relating to the following:

1. Company's ability to address **conflicts** or issues arising among employees/teams
2. **Cordiality** between Employees
3. Employee **relationship** with the Organization.

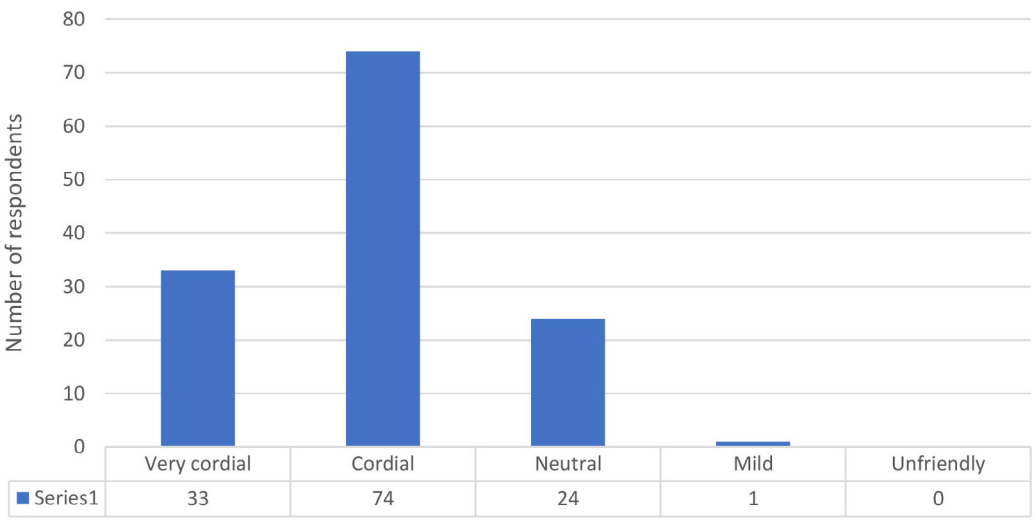
A One-Sample Chi-Square Test was applied using SPSS, to test the Hypothesis framed. The Chi-Square Test for one sample is used to compare the variance of a sample to a known sample variance.

Figure 1: Distribution of Respondents based on Responsibilities in the Company



Source: Survey Data

Figure 2: Showing Current Organisational Relationship



Source: Survey Data

We may observe that, the value of the chi-square statistic for Conflicts is 24.78, for Cordiality it is 92.16 and for Employee Organizational Relationship, it is 68.18. The *p-value* (0.001), appears for all three variables. Hence, we may conclude that the result is significant if this value is equal to or less than the designated alpha level (0.05). Therefore, we reject the null hypothesis and conclude that the three variables namely, Conflict, Cordiality and Employee Organizational Relationship are associated with each other as mentioned in table 3 and 7.

During the study, it was observed that the company has a majority of youth workforce and therefore when a proper organizational relationship process is implemented, it could help the company grow as a strong team in the long term. Secondly, it was also observed that the majority of the workforce included males, which could be attributed to the fact that the company is primarily focused on logistics operations that require a male workforce. The female workforce was assigned to desk-based roles.

Table 3: Hypothesis Test Summary

	Null Hypothesis	Test	Sig.[a]	Decision
1	The categories of Conflicts occur with equal probabilities.	One-Sample Chi-Square Test	<0.001	Reject the null hypothesis.
2	The categories of Cordiality occur with equal probabilities.	One-Sample Chi-Square Test	<0.001	Reject the null hypothesis.
3	The categories of Employee_ Organizational_relationship occur with equal probabilities.	One-Sample Chi-Square Test	<0.001	Reject the null hypothesis.

a. The significance level is 0.05.

Table 4: One-Sample Chi-Square Test Summary

Total N	132
Test Statistic	24.788[a]
Degree Of Freedom	3
Asymptotic Sig.(2-sided test)	<0.001
a. There are 0 cells (0%) with expected values less than 5. The minimum expected value is 33.	

Source: Survey Data

Table 5: One-Sample Chi-Square Test Summary

Total N	132
Test Statistic	92.167[a]
Degree Of Freedom	4
Asymptotic Sig.(2-sided test)	<0.001
a. There are 0 cells (0%) with expected values less than 5. The minimum expected value is 26.400.	

Source: Survey Data

Table 6: One-Sample Chi-Square Test Summary

Total N	132
Test Statistic	68.182[a]
Degree Of Freedom	3
Asymptotic Sig.(2-sided test)	<0.001
a. There are 0 cells (0%) with expected values less than 5. The minimum expected value is 33.	

Source: Survey Data

The study further reveals that the workforce treats each other with courtesy and respect. Furthermore, the views of the workforce firmly concur that the company's business strategy places customer demand as a priority. The study also reveals that moderate levels of trust and transparency exist within the organization. The workforce thinks that they feel supported by colleagues and supervisors at work. This helps them in collaborating with their colleagues and promoting teamwork.

The organization has a healthy work culture of allowing the workforce to express their ideas and opinions during team discussions and meetings. However, 30% of the respondents perceived that the process of addressing conflicts within the organization was inadequate.

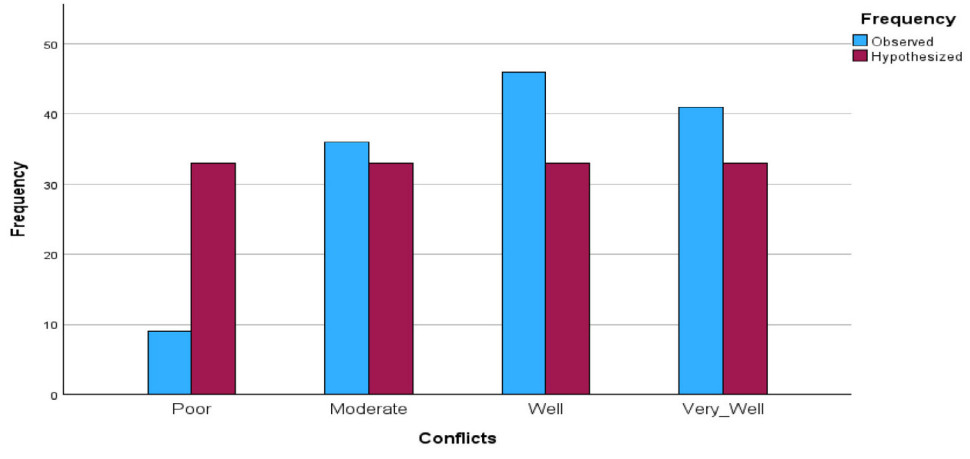
Suggestions and Conclusions

Organizations should give priority to improving communication between the workforce and management. Cultivating a positive relationship among the workforce should be taken up as part of the work culture in an organization. A strong bond which can be created only through open communication and through a platform provided for the purpose will help in enhancing effective organization culture. Furthermore, it is also important for the organization to understand its workforce on a personal level, as well.

Addressing and managing conflicts between employees and management is essential for a harmonious work environment. Get-together during occasions along with family members of the workforce is also an excellent way of extending a personal touch by the management.

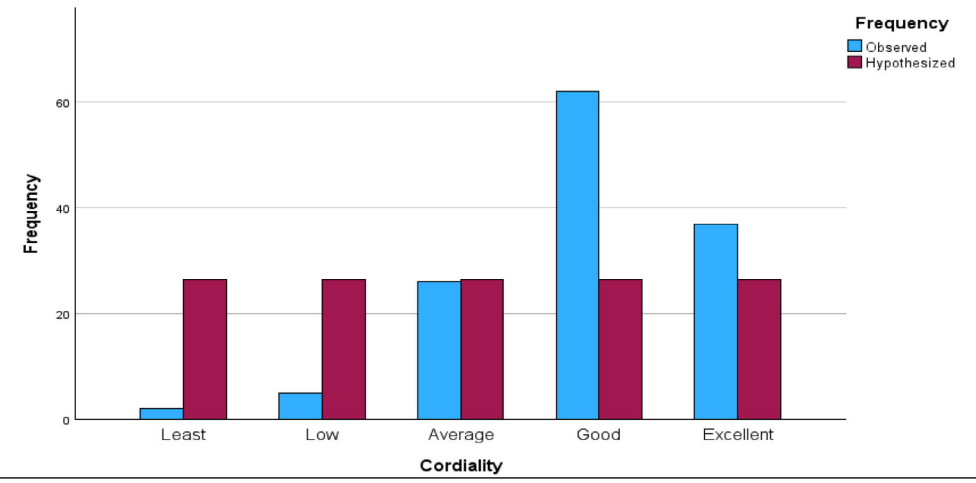
The financial statement of the organization reveals a healthy growth in profits. The Organization was found, to have a healthy and exceptional coordination between its customers, by the workforce. This proves

Figure 3: One-Sample Chi-Square Test Summary



Source: Survey Data

Figure 4: One-Sample Chi-Square Test Summary



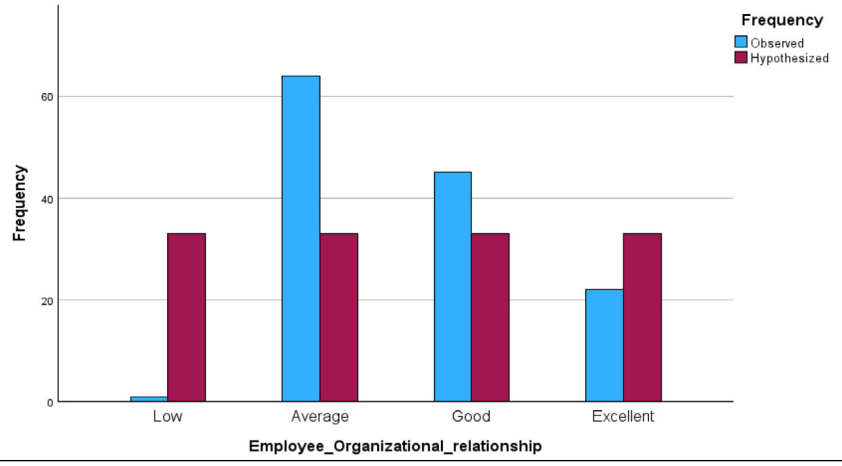
Source: Survey Data

Table 7: Test Statistics

			Conflicts	Cordiality	Employee_Organizational_relationship
Chi-Square			24.78	92.16	68.18
df			3	4	3
Asymp. Sig.			<0.001	<0.001	<0.001
Monte Carlo Sig.	Sig.		<0.001	<0.001	<0.001
	99% Confidence Interval	Lower Bound	0.000	0.000	0.000
		Upper Bound	0.000	0.000	0.000

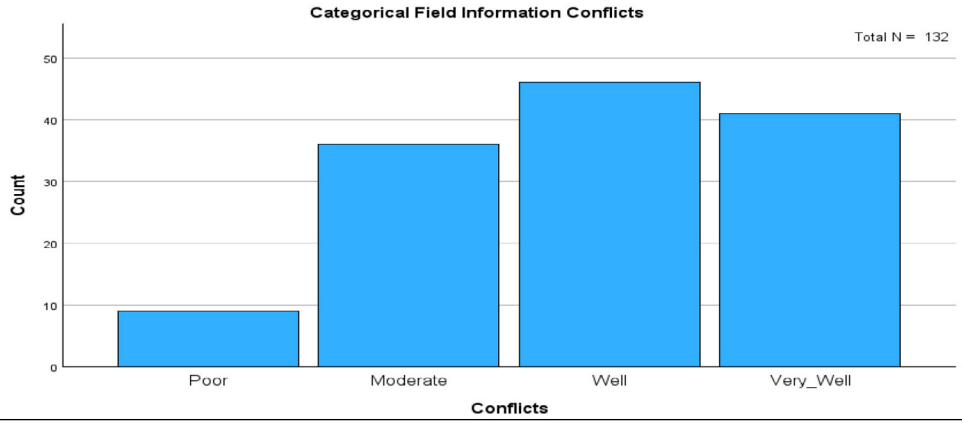
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Figure 5: One-Sample Chi-Square Test Summary



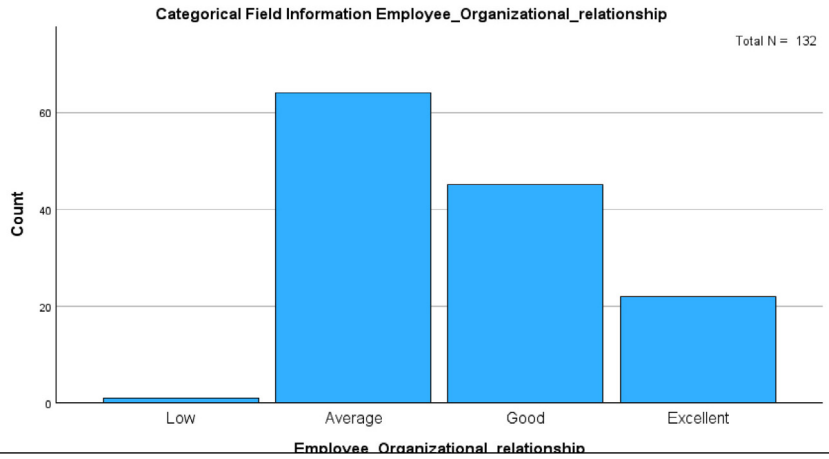
Source: Survey Data

Figure 6: Conflict Management in the Company



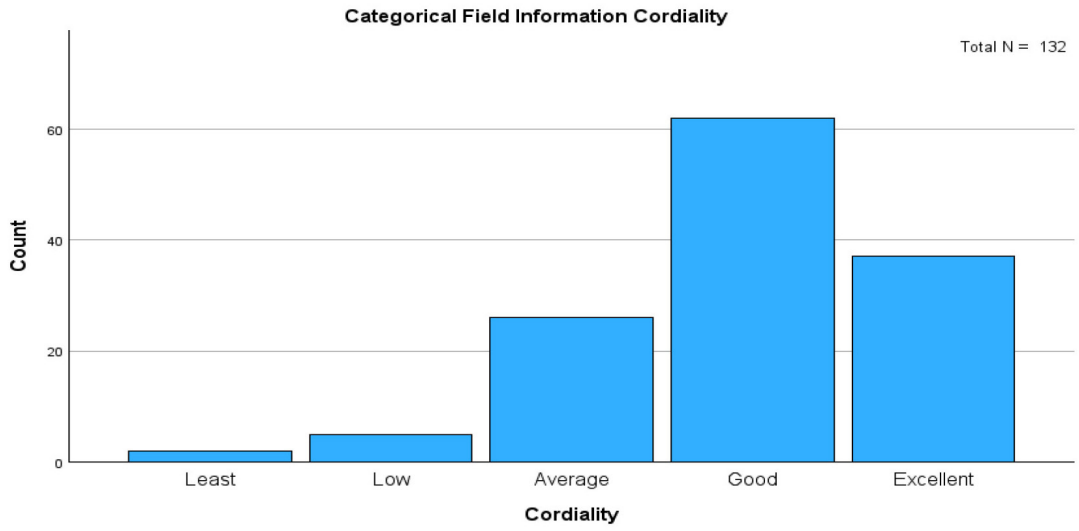
Source: Survey Data

Figure 7: Employee-Organization Relationship



Source: Survey Data

Figure 8: Cordiality in the Company



Source: Survey Data

that such an approach helps in accelerating attaining the organization's goals.

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