

The Impact of Organizational Factors on Interpersonal Relationship of employees at Workplace.

(A case study of SLN Coffee works, Kushalnagar)

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Abstract

Organizational factors and management practices influences individual and organizational activities to a greater extent in enterprises. The present study aims at identifying the relationship between organizational factors and interpersonal relationship among employees. The study also aims to determine the dominant organizational factor that influences interpersonal relationship. To fulfill the objectives of the study the researcher has collected the responses from employees working at SLN coffee works, Kudlur Kushalnagar. A well structured questionnaire was prepared and distributed to 60 employees and was collected back for analysis. Correlation, Regression, ANOVA and multiple stepwise regression were used as statistical tools. Results indicated that there was a significant positive relationship between Organizational factors and interpersonal relationship. It was also found that leadership and rewards and recognition were dominant predictors that influenced interpersonal relationship.

Keywords: Organizational factors, Interpersonal Relationship, Leadership, Rewards and Recognition.

Introduction

Interpersonal relationship at work corresponds to psychological aspect of an individual. Interpersonal relationship has always been a widely studied psychological phenomenon for psychologists. It has been grabbing a wide spectrum since it is related to many aspects of management like job satisfaction, job commitment, employee engagement, absenteeism, work-life balance, Quality of work-life, organizational productivity and so on. There are many factors which can affect the interpersonal relationship of employees at work place. Some of them include effective communication, effective social skills, ability to understand others, compatibility, good supervision from peers and co-workers etc.

Interpersonal relationship at work corresponds to association among people. It is often influenced by many social, cultural and psychological factors. Just as life cycle changes from stage to stage, interpersonal

relationship also changes continuously over a period of time. Effectiveness and positivity in interpersonal relationship can only be obtained through emotional closeness between people.

Organizations on the other hand, have management practices that can influence workplace relationship. These can include Grievance redressal mechanism, Leadership, Organizational culture, Organizational change mechanisms, internal mobility of employees, Compensation policy and so on.

In the present study an attempt is made by the researcher by considering some of the organizational factors to examine how they affect and influence interpersonal relationship. The parameters considered for the study include Leadership, Organizational culture, Grievance redressal mechanism, Rewards and recognition and career development.

Statement of the Problem

The main emphasis is to find out the dominant organizational factor influencing interpersonal relationship. As per the reviews there are many studies that are done on interpersonal relationship and its importance in organizations. An attempt is made by the researcher to find organizational factors will influence the interpersonal relationship among employees at SLN Coffee Works.

Research objective

1. To assess the relationship between organizational factors and interpersonal relationship
2. To identify the dominant organizational factors that has its greatest impact on interpersonal relationship.

Scope of the study

The sample is collected from the employees belonging to SLN Coffee Works. Employees belonging to middle level and lower level are taken as the respondents.

Research Methodology

Research design

The research work is based on descriptive research design which evaluates the relationship between organizational factors and interpersonal relationship.

Sampling technique

To fulfill the objective of the study, the researcher has employed simple random sampling technique.

Sample size

60 employees' belonging to middle and supervisory level working at SLN Coffee works Kudlur, Kushalnagar were taken as the sample for the study.

Hypothesis

H1: Organizational factors and interpersonal relationship were not correlated

H2: There was no impact of Organizational Factors on Interpersonal Relationship.

Data collection:

Data is collected through both primary and secondary sources.

Primary data was collected through a structured questionnaire prepared by the researcher and distributed amongst the employees working at SLN Coffee Works.

Secondary data was collected from various journals, research articles and website for compiling and reviewing of literatures and identifying the research gap.

Questionnaire

A well structured questionnaire prepared for the study consisted of 24 questions comprising of two latent variables namely

1. Organizational factors
2. Interpersonal relationship

The questions relating to organizational factors comprised of five parameters namely leadership, organizational culture (OC), grievance handling (GH), rewards and recognition (R&R), career development (CD)

The questions pertaining to interpersonal relationship comprised of four parameters namely compatibility, communication, empathy and social interaction

Likert's 5 point scales ranging from strongly disagree to strongly agree is used as to rating scale.

Statistical tools used:

To assess and interpret the data collected through the questionnaire, correlation, regression, one way Anova and multiple regression are used as statistical tools and the assessed results are computed and tabulated.

Data analysis and interpretation

To test H1, correlation analysis was used and then regression analysis were used to establish the impact of organizational factors on interpersonal relationship and the computations made were tabulated in table 1.

Table 1

Correlations			
		Organizational Factors	Interpersonal Relationship
Organizational Factors	Pearson Correlation	1	.460**
	Sig. (2-tailed)		.000
	N	60	60
Interpersonal relationship	Pearson Correlation	.460**	1
	Sig. (2-tailed)	.000	
	N	60	60

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

Interpretation

The correlation between Organizational factors & Interpersonal relationship was positive with $r=0.46$ and $P=0.00<0.05$ and hence the test was significant at 5% levels.

To assess regression analysis was used and the computations made were tabulated from Table 2 to 5.

Table 2

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Organizational Factors ^b	.	Enter

- a. Dependent Variable: IRT
- b. All requested variables entered.

Table 3

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460 ^a	.211	.198	2.7103

- a. Predictors: (Constant), Organizational Factors

Table 4

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	114.134	1	114.134	15.538	.000 ^b
	Residual	426.049	58	7.346		
	Total	540.183	59			

- a. Dependent Variable: Interpersonal Relationship

- b. Predictors: (Constant), Organizational Factors

Table 5

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.917	3.283		4.239	.000
	OFT	.313	.079	.460	3.942	.000

a. Dependent Variable: Interpersonal relationship

Interpretation

The estimated regression equation of Interpersonal relationship on Organizational Factors is given by

$$\text{IRT} = 13.917 + 0.313 * \text{OFT}$$

Since $P = 0.00 < 0.005$, the estimated regression equation of Interpersonal relationship on Organizational Factors was statistically significant at 5% levels.

To find dominant predictors of Organizational Factors for Interpersonal Relationship, multiple stepwise regression analysis was carried out and computations made were tabulated in table 6 to 10.

Table 6

Variables Entered /Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	CD, OC, R&R, Leadership, GH ^b	.	Enter
2	.	GH	Backward (criterion: Probability of F-to-remove $\geq .100$).
3	.	CD	Backward (criterion: Probability of F-to-remove $\geq .100$).
4	.	OC	Backward (criterion: Probability of F-to-remove $\geq .100$).

a. Dependent Variable: Interpersonal Relationship

b. All requested variables entered.

Table 7

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 ^a	.277	.210	2.6902
2	.524 ^b	.275	.222	2.6693
3	.514 ^c	.264	.225	2.6640
4	.493 ^d	.243	.217	2.6779

a. Predictors: (Constant), CD, OC, R&R, Leadership, GH

b. Predictors: (Constant), CD, OC, R&R, Leadership

c. Predictors: (Constant), OC, R&R, Leadership

d. Predictors: (Constant), R&R, Leadership

Table 8

ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	149.362	5	29.872	4.127	.003 ^b
	Residual	390.822	54	7.237		
	Total	540.183	59			
2	Regression	148.294	4	37.073	5.203	.001 ^c
	Residual	391.890	55	7.125		
	Total	540.183	59			
3	Regression	142.767	3	47.589	6.706	.001 ^d
	Residual	397.416	56	7.097		
	Total	540.183	59			
4	Regression	131.443	2	65.722	9.165	.000 ^e
	Residual	408.740	57	7.171		

	Total	540.183	59			
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a. Dependent Variable: IRT
b. Predictors: (Constant), CD, OC, R&R, Leadership, GH
c. Predictors: (Constant), CD, OC, R&R, Leadership
d. Predictors: (Constant), OC, R&R, Leadership
e. Predictors: (Constant), R&R, Leadership

Table 9

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.329	3.569		4.575	.000
	Leadership	.617	.180	.424	3.427	.001
	OC	.273	.217	.149	1.258	.214
	GH	.094	.246	.054	.384	.702
	R&R	.286	.136	.247	2.101	.040
	CD	-.141	.261	-.075	-.539	.592
2	(Constant)	17.167	2.803		6.124	.000
	Leadership	.635	.172	.437	3.690	.001
	OC	.281	.214	.154	1.314	.194
	R&R	.291	.134	.251	2.166	.035
	CD	-.194	.220	-.103	-.881	.382
3	(Constant)	16.267	2.605		6.245	.000
	Leadership	.615	.170	.423	3.612	.001
	OC	.269	.213	.147	1.263	.212
	R&R	.300	.134	.259	2.250	.028
4	(Constant)	18.283	2.070		8.833	.000
	Leadership	.653	.168	.449	3.874	.000
	R&R	.299	.134	.259	2.231	.030

a. Dependent Variable: Interpersonal Relationship

Interpretation

The multiple regression equations of Interpersonal Relationship on leadership, organizational culture, grievance handling, rewards and recognitions, career development was given by

$$\text{IRT} = 16.329 + 0.617 * \text{Leadership} + 0.273 * \text{OC} + 0.094 * \text{GH} + 0.286 * \text{R\&R} - 0.141 * \text{CD}$$

The estimated stepwise regression equations of Interpersonal Relationship on leadership, OC, R&R, CD, with GH being eliminated in the process was given by

$$\text{IRT} = 17.167 + 0.635 * \text{Leadership} + 0.281 * \text{OC} + 0.291 * \text{R\&R} - 0.194 * \text{CD}$$

The estimated stepwise regression equations of Interpersonal Relationship on leadership, OC and R&R with GH and CD being eliminated in the process was given by

$$\text{IRT} = 16.267 + 0.615 * \text{leadership} + 0.269 * \text{OC} + 0.3 * \text{R\&R}$$

The estimated stepwise regression equations of Interpersonal Relationship on leadership, R&R, with GH, CD and OC being eliminated in the process was given by

$$\text{IRT} = 18.283 + 0.653 * \text{Leadership} + 0.299 * \text{R\&R}.$$

Findings

The following results were listed from the analysis made above:-

1. The correlation between OFT & IRT was positive, $r = 0.46$
2. The impact of Organizational Factors on Interpersonal Relationship was given by

$$\text{IRT} = 13.917 + 0.313 * \text{OFT}$$

3. The multiple regression equations of IRT on leadership, organizational culture, grievance handling, rewards and recognitions, career development was given by

$$\text{IRT} = 16.329 + 0.617 * \text{Leadership} + 0.273 * \text{OC} + 0.094 * \text{GH} + 0.286 * \text{RR} - 0.141 * \text{CD}$$

4. The dominant predictors of organizational factors on IRT is given by

$$\text{IRT} = 18.283 + 0.653 * \text{Leadership} + 0.299 * \text{RR}$$

Conclusion

As per the data presented it is evidenced that there exists a positive and statistically significant relationship between Organizational Factors and Interpersonal Relationship. This means to say that Organizational Factors and Interpersonal Relationship are directly proportional to each other. In other

words, any unit of changes (positive and negative) in Organizational factors will lead to equal and proportionate changes in Interpersonal Relationship.

It was also found through multiple stepwise regression that Leadership and Rewards and Recognition were the dominant Organizational factors that had major influence on Interpersonal relationship of employees in the organization.

References

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