

EMPLOYEE RELATIONS AND ORGANIZATIONAL EFFICIENCY IN FOOD INDUSTRY IN NIGERIA

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Abstract

The main objective of the study was to examine employee relations and organizational efficiency in De-United Foods Industries Limited. A descriptive research design was adopted, and a 20-item structured questionnaire was used to solicit information from the respondents. Out of the 240 questionnaires administered to the staff of De-United Foods Industries, Ota, Ogun State, 215 questionnaires were retrieved representing 90% response rate. Both descriptive and inferential statistics were adopted to analyse the data. While the descriptive statistics (Tables, Simple percentage, and pie chart) were used to analyse the demographic information, the inferential test statistics (simple linear regression) were used for the analysis. The result of hypothesis one (Beta value = 25.754; $R^2 = .81.8$; $t = 30.948$; P -value = .000) indicated that employee voice has positive and significant effect on the efficiency of De –United Foods Industries limited. Also, the result of hypothesis two (Beta value = 19.247; $R^2 = .830$; $t = 32.257$; P -value = .000) revealed that conflict resolution has positive and significant effect on the efficiency of De–United Foods Industries limited. Lastly the result for hypothesis three (Beta value = 28.304; $R^2 = .913$; $t = 47.427$; P -value = .000) depicted that employment empowerment has positive and significant effect on the efficiency of De–United Foods Industries limited. Arising from the findings, the study concluded that employee relations have a significant impact on organizational efficiency in De-United Foods Industries Limited. It is thereby recommended that the management of the organization in focus and other organizations should keep on listening to their employee voice, maintain conflict resolution and facilitate employee empowerment to further enhance efficiency.

Keywords: Employee, Relations, Organizational, Efficiency, Food Industry

JEL Classification: F16

1. INTRODUCTION

Employees are critical to the success of every organization. If the employees come together to form a cordial relation and work together with their employers, there is no doubt that they can perform task faster and easier. A healthy relation between employer and employee is strongly recommended for increase in productivity and organizational efficiency. The survival of any organization in the competitive society lies in its ability to train its human resource to be creative, innovative, inventive who will invariably enhance performance and increase competitive advantage (Vemić, 2007; Edralin, 2004). In line with this, it has become very necessary that attention be paid to employee relations. A good employer-employee relation is essential to the organization because it inspires employees to work better and produce more results (Burns, 2012).

A healthy relationship may generally deal with resolving issues concerning individuals which if left unresolved would affect the work environment negatively. A good employee relation depends on healthy environment, incentive to boost motivation of employees and effective, good communication system put in place within the organization. A healthy employee relation leads to increase in productivity and work commitment. The impact of employee relations on organizational efficiency has been identified by various scholars and authors to be very crucial to an organization and its effectiveness (Oluchi, 2013; Gupta, Bostrom, & Huber, 2010).

Employee relationship is a device and a strategic process to manage and increase motivation in the workforce by increased focus on nonstop excellence of the individual relationships between the employer and each employee (Wargborn, 2008).

In the early 70s the relationship between employers and employees in work place was more of a collective relationship which involves collective bargaining where representatives of both employer and employees meet to negotiate on matters relating to pay, terms of employment and working conditions, representatives of employees are known as trade union (Herington, Johnson & Scott, 2009). Organizations were encouraged to recognize and work with trade unions so as to improve the employment rights of workers through collective bargaining (Marchington & Wilkinson 2005). However, in the early 1990s, countries like UK where trade unionism were highly recognized witnessed a significant decline in trade unionism, employee relations changed from the traditional collective method of bargain to a more individualized method as a result of increase in sophisticated HRM style initiative in communication, participation and recognition (Herington, Johnson & Scott, 2009).

In recent times, a lot of employees seem not to put in their best performance as a result of unhealthy relationship between them and their employers and if employees are unhappy or not properly motivated, then it is unlikely that

organizational targets will be met. Therefore, management must create a cordial relationship with their employees. This situation creates a necessity of employer-employee relationship, which is good for the growth of any organization (Bratton & Gold, 2003). The problem with a relationship is that it is much like an iceberg. The visible part of the relationship is only the tip of the iceberg that is visible above the water level. Most of the factors that determine the quality of a relationship is beneath the water. All these are done with the aim of improving productivity rather than interacting with employees (Debaawy, 2011).

Organizational efficiency on the other hand refers to the organization's degree of success in using the least possible inputs in order to produce the highest possible outputs. Organizational efficiency is a vital factor to the effectiveness of the organization's acquisition of resources and the use of those resources to implement its plans, but it is less important to the creation of those plans. Increased organizational efficiency make implementation both cheaper and smoother, but it is less useful if the plan being implemented was a bad plan (Kitur & Kimutai, 2019). The efficiency is influenced by various factors that in this respect, management structure has the fundamental role (Dundon T, Wilkinson A., Marchington M. and Ackers P., 2007). With a view to efficiency as a performance index and identifying affecting factors and creating dynamics and favourable changes in them, ability to obtain acceptable and high rate of efficiency is available.

Arising from the aforementioned the current study examined the impact of employee relation management on the organizational efficiency of De-United foods industries limited, Ota, Ogun state.

2. STATEMENT OF THE PROBLEM

Employee relations play a huge role in boosting organizational efficiency. Despite the high competitiveness and diversification, employee relations are important pillars which could make or mar employee performance and in turn affect organizational efficiency positively or negatively. The relationship between the employer and the employee is critical, therefore business owners need to pay considerable attention regarding this relationship in the event that they need their businesses to develop and succeed (Bhattacharya, Sen, & Korschun, 2012). Bajaj's research (2013) shows that employee inputs, performance and efficiency are low due to little or no cordial relationship between the employee and employers, organization and government.

Another issue in organization is conflict among the employee and the organization. Conflict in any organization may not enable the organization to achieve its set objectives if not properly managed. Hirsch (2004) asserted that, successful organization in the future must create the capability to absorb conflict during the organization's life cycle. The capability here refers to conflict management mechanism in order to minimize the rate of conflict and improve performance.

Employees more often do not give their best efforts at the workplace when unhealthy relationships exist between them and their employers (Tamen, 2013). From one standpoint, human resources are the most important assets in the organization. Another school of thought is of the view that management is responsible for organizing, coordinating, planning staff (or employees) and other organizational resources to achieve stated goals and objectives (Sequeira & Dhriti, 2015).

From the foregoing, one can state that, no organization can survive without giving prominence to healthy employer-employee relations. If employees are not happy, then it is unlikely that they will make the organization happy. Organization which achieve high performance levels are those who motivate or make their employees happy (Kar, Sharma, & Borah, 2011). The organization is therefore throwing its profits and its business away by not ensuring that its employees are happy. Employees are the first customers and their requirements should be identified and fulfilled (Okafor, 2013).

3. METHODOLOGY

This study was conducted in De-united foods industries limited, Ota, Ogun State Nigeria. The staff of De-united foods industries limited located were used to carry out this research. The study adopted a descriptive survey research method. This design established the association between variables of employee relations and organizational efficiency. It involves the collection of data for the purpose of describing and interpreting the existing situation. A structured questionnaire of 5-point Likert scale was used to obtain data for the study. 240 copies of questionnaire was administrated, and 215 copies retrieved was used for the analysis. Both descriptive and inferential statistics of Ordinary Least Squares (OLR) at 5% level of significance were used for analysis.

3.1 MODEL SPECIFICATIONS

The model for this study was adapted from Ngui (2014). Unlike, Ngui, the researcher used employee voice, conflict resolution and employee empowerment as the independent variables and organizational efficiency as the dependent variable. Thereby, three models were formulated to suit the specific objectives of the study. The models are stated as follows:

Model I: Employee Voice (EV) and Organizational Efficiency (OE)

$$OE = \beta_0 + \beta_1 EV + \varepsilon_1 \dots \quad (1)$$

Model II: Conflict Resolution (CR) and Organizational Efficiency (OE)

$$OE = \beta_0 + \beta_2 CR + \varepsilon_2 \dots \quad (2)$$

Model III: Employee Empowerment (EE) and Organizational Efficiency (OE)

Where:

- | | | |
|---|---|--|
| OE | = | Organizational Efficiency (Dependent variable) |
| EV | = | Employee Voice (Independent variable) |
| CR | = | Conflict Resolution (Independent variable) |
| EE | = | Employee Empowerment (Independent variable) |
| $\beta_0, \beta_1, \beta_2, \beta_3$ | = | Intercept of the models |
| $\beta_1, \beta_2, \beta_3$ | = | Parameters of the regression coefficients |
| $\varepsilon_1, \varepsilon_2, \varepsilon_3$ | = | Stochastic error term. |

3.2 TESTING OF HYPOTHESES

Hypothesis One

Ho: Employee voice has no significant effect on the efficiency of De-United Foods Industries limited.

Hi: Employee voice has a significant effect on the efficiency of De-United Foods Industries limited.

Table 1: The regression output and Interpretation for Hypothesis One

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.904 ^a	.818	.817	11.66612	.069

a. Predictors: (Constant), Employee Voice

b. Dependent Variable: Organizational Efficiency

Source: SPSS Output (2020)

Table 1 indicated the model summary for the regression output for Hypothesis One. The value of the R-square which is the coefficient of determination indicated that 81.8% of the variation in the organizational efficiency was explained by employee voice and the remaining 18.2 was explained by other factors not considered in the model.

Table 2: Coefficient of the Regression

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	31.907	3.539		9.015	.000
Employee Voice	25.754	.832	.904	30.948	.000

a. Dependent Variable: Organizational Efficiency

Source: SPSS Output (2020)

As shown in Table 2, the coefficient of the regression output contained the coefficient of the model, the t-the value of the variables, and their corresponding p-value (probability value). The coefficient value of 25.754 with t- value = 30.948 and the corresponding P-value of .000 implied that employee voice has a positive and significant effect on organizational efficiency. Thus, an increase in the rate of employee voice in an organization will lead to an improvement in organizational efficiency.

Decision

From the regression output (Beta value = 25.754; $R^2 = 81.8$; $t = 30.948$; $P\text{-value} = .000$) indicated that the null that employee voice has no significant effect on the efficiency of De–United Foods Industries limited could not be accepted. By rejecting the null hypothesis and accepting the alternative hypothesis, we concluded that employee voice has a significant effect on the efficiency of De–United Foods Industries limited.

Hypothesis Two

H_0 : Conflict Resolution has no significant effect on the Efficiency of De–United Foods Industries limited.

H_i : Conflict Resolution has a significant effect on the efficiency of De–United Foods Industries limited.

Table 3: The regression output and Interpretation for Hypothesis Two

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.911 ^a	.830	.829	10.57632	.070

a. Predictors: (Constant), Conflict_Resolution

b. Dependent Variable: Organizational_Efficiency

Source: SPSS Output (2020)

Table 3 depicted the model summary for hypothesis two with an R^2 value of .830 which indicated that 83% of the variation in the organizational efficiency is explained by the conflict resolution strategy in the organization and the remaining 17% of the variation is explained by other factors not included in the model.

Table 4: Coefficient of the Regression

Coefficients

Model	Unstandardized Coefficients		Beta	T	Sig.
	B	Std. Error			
1 (Constant)	12.508	2.410		5.190	.000

Conflict_Resolution	19.247	.596	.911	32.275	.000
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a. Dependent Variable: Organizational_Efficiency

Source: SPSS Output (2020)

From Table 4, the coefficient of conflict resolution is 19.47, t -value is 32.275, and the corresponding P-value is 0.000. Thereby, the results indicated that the conflict resolution strategy in the organization has a positive and significant effect on the efficiency of the De-United foods industries limited. Further, an increase in the application of the conflict resolution strategy will bring about harmony in the organization and thereby increase the efficiency rate of the organization.

Decision

Deductively from the regression output (Beta value = 19.247; $R^2 = .830$; $t = 32.257$; P-value = .000) indicated that the null that conflict resolution has no significant effect on the efficiency of De–United Foods Industries limited was rejected and the alternative hypothesis was accepted. By accepting the alternative hypothesis, we concluded that conflict resolution has a significant effect on the efficiency of De –United Foods Industries limited.

Hypothesis Three

Ho: Employee Empowerment has no significant effect on the efficiency of De–United Foods Industries limited.

Hi: Employee Empowerment has a significant effect on the efficiency of De–United Foods Industries limited.

Table 5: The regression output and Interpretation for Hypothesis Three

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.956 ^a	.913	.913	8.98298	.193

a. Predictors: (Constant), Employment_Empowerment

b. Dependent Variable: Organizational_Efficiency

Source: Field Survey (2020)

From Table 5, R^2 value is .913 and it revealed that 91.3% of the variation in the organizational efficiency is explained by the employment empowerment in the organization and the other 8.7% of the variation is explained by factors outside the model.

Table 6: Coefficient of the Regression

Model	Coefficients				
	B	Std. Error	Beta	T	Sig.
1 (Constant)	38.349	2.572		14.909	.000
Employment_Empowerment	28.304	.597	.956	47.427	.000

a. Dependent Variable: Organizational_Efficiency

Source: SPSS Output (2020)

Shown in Table 6, the coefficient of employee empowerment is 28.304 with at -the value of 47.427, and a corresponding P – the value of 0.000 revealed that employee empowerment in the organization has a positive and significant effect on the efficiency of the De–United foods industries limited. Thereby, an increase in the employment empowerment leads to an increase in the efficiency of the organization.

Decision

From the regression output ($\text{Beta value} = 28.304$; $R^2 = .913$; $t = 47.427$; $P\text{-value} = .000$) depicted that the null that employee empowerment has no significant effect on the efficiency of De–United Foods Industries limited could not be accepted and thus rejected. By rejecting the null hypothesis and accepting the alternative hypothesis, we concluded that employee empowerment has a significant effect on the efficiency of De–United Foods Industries limited.

4. DISCUSSION OF FINDINGS

In the study, three research objectives were stated with the corresponding three research hypotheses. The findings of the research hypothesis one revealed that employee voice has a significant effect on the efficiency of De–United Foods Industries limited. The findings commensurate with the previous findings by Kim, MacDuffice & Pil (2010) who found that team voice significantly contributes to enhancing work efficiency when considered within conjunction with representative voice.

The result of the research hypothesis two indicated that conflict resolution has a significant effect on the efficiency of De–United Foods Industries limited. The finding is consistent with the previous studies by Anyakie (2018) and Ajike, Akinlabi, Mogaji & Sonubi (2015). Anyakie (2018), showed that a significant relationship between conflict management and organizational effectiveness are significantly related. In the same vein, Ajike, Akinlabi, Mogaji & Sonubi (2015) revealed that there is a significant positive relationship between conflict management and organizational performance.

The result of hypothesis three revealed that employee empowerment has a significant effect on the efficiency of De–United Foods Industries limited. The

finding agrees with the findings by Nadeem, Waqas & Aysha (2018) and Sequeira & Dhriti (2015). Nadeem, Waqas and Aysha (2018) showed that employee empowerment has a significant effect on organizational performance.

5. CONCLUSION

The study examined employee relations and organizational efficiency in De-United Foods Industries Limited. Using simple linear regression at a 5% level of significance, the findings revealed that employee voice has a significant effect on the efficiency of De-United Foods Industries limited. It was also revealed that conflict resolution has a significant effect on the efficiency of De-United Foods Industries limited, and employee empowerment has a significant effect on the efficiency of De-United Foods Industries limited. Arising from the findings, the study concluded that employee relations have a significant impact on organizational efficiency in De-United Foods Industries Limited.

6. RECOMMENDATIONS

Based on the findings and the conclusion, the study thereby recommends as follows:

- The management of the organization in focus should keep on listening to the employee voice to further increase the organizational efficiency.
- Since conflict resolution strategy has a significant impact on organizational efficiency, it is recommended that the management should intensify in using the conflict strategy to create more harmony in the organization and increase efficiency.
- Staff of the organization should use the opportunity of employee empowerment to further increase their commitment and improve the organizational efficiency at large.

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