
EMPLOYEE RECOGNITION AND INDUSTRIAL HARMONY: THE EXPERIENCE OF MULTINATIONAL OIL COMPANIES IN RIVERS STATE

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ABSTRACT

The twenty-first century firms have multiple stakeholders with capability to influence the aspirations, reputation and harmony or disharmony of the firms in which lie their stake holding. The recognition of the stakeholders or lack of it may have far-reaching effects. This study investigates the relationship between recognition as a subset of organizational climate and industrial harmony of oil production companies in Rivers State, Nigeria. The cross-sectional survey approach was adopted. Questionnaire was developed and copies distributed to respondents from four oil production companies that fall under the upstream sub-sector. Validity and reliability tests were carried out on each of the indicators of the dimensions and measures of the major variables. A test retest method was applied to ascertain the reliability of the instrument. Pearson product moment correlation analysis was conducted using the responses to determine the reliability index of the instrument, with the use of SPSS version 20. 80 copies of questionnaires distributed and 70 was retrieved and treated for further analysis. This represents 88% response rate. The correlation analysis carried out to test hypothesis indicate strong positive relationship between recognition and industrial harmony. The study concludes that there exists positive relation between the recognition and industrial harmony; and recommends that multinational oil production companies that desire industrial harmony should adopt and entrench recognition as a part of their organizational climate. They should acknowledge, reward or mention employees who have done well for the firm so as to enable improved communication and institute frameworks that could good employment policies

Keywords: Employee recognition, good employment policy, improved communication, industrial harmony

INTRODUCTION

Decisions and policy directions of most organizations are singly established. This is because most managers of business organizations have a capitalist background; and do not give recognition to other stakeholders of the organization, except for the purpose of using it as a tool for performing tasks. This is as Marx and Ollmann in Johnnie (2002) avowed that under a capitalist order, man is reduced to a mere rump, being the lowest common denominator attained by lopping off all those qualities on which man's claim to recognition is based. Organizational

conflicts or crises are most times not due to resources scarcity or goal differences, but from the background and approach of managers. This is why Otobo (2000) posits that it is relevant to consider available evidence concerning managers' social origins, education, rewards, social attitudes, social class location, and the implication of these factors for their control function.

An organization is assumed to be harmonized and integrated when all employees sharing the organizational goals act as members of one team (Genard & Judge, 2005). This idea is the thinking of many over the decades because most pioneer industry managers have a unitary background. These managers therefore subject employees strictly to some employer regulations – obeying rules and regulations employers have however, not prevented employees' personal perception of such climates (Badey & Korsi, 2019). Recent studies and observations see the organization as fluid and multifaceted, comprising effective and disparate sub-branches, management and exchange unions (Olori & Sholokwu 2016).

The one-sided approach to management of organization has informed the description of organizational climate to mean how people perceive the culture existing “in their” organization (Armstrong, 2009). This perception (climate) of the organization can lead to disharmony or harmony as other stakeholders would want to be recognized and allowed to participate. Having fair knowledge of what the unitary and pluralists philosophies prioritizes; this study is piqued to determine the extent to which employee recognition effect improved communication and good employment policy among multinational oil companies in Rivers State. The study is guided by the following hypotheses:

Ho₁: There is no significant relationship between recognition and improved communication of multinational oil production companies in Rivers State.

Ho₂: There is no significant relationship between recognition and good employment policy of multinational oil production companies in Rivers State.

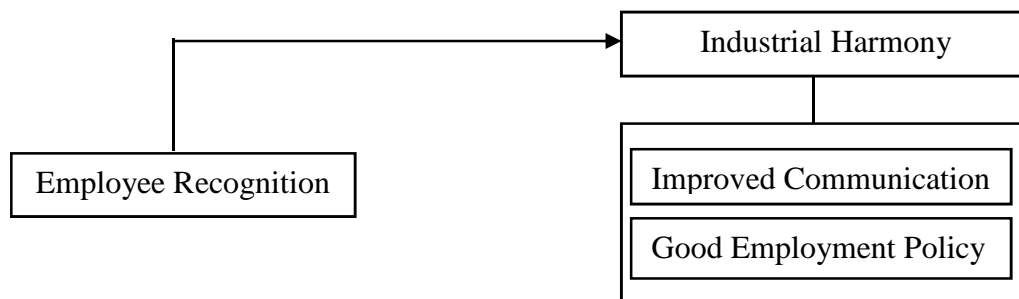


Fig. 1: Conceptual framework of employee recognition and industrial harmony

Source: Desk Research (2022).

BASELINE THEORY

This study is based on unitary theory and pluralist theory. Armstrong (2009) asserts that unitary view is essentially autocratic and authoritarian, and has some time been expressed in agreements as “management’s right to manage.” The pluralist point of view conceives organization as a coalition of interest groups and recognizes the legitimacy of different interests and values (Cyert & March, 1963). The pluralists believe that one way of ensuring harmony in the organization is by recognizing and appreciating all stakeholders and their efforts. Pluralism favours the concept of social partnership which suggests that as stakeholders, parties in employer-employee relations should aim to work together for the greater good of all (Armstrong, 2009). Pluralism is also the

vehicle that conveys harmony in organizations. Armstrong (2009) states that pluralism involved a balance of power between two organized interests and a sufficient degree of trust within the relationship (usually) for each side to respect the other's legitimate and, on occasions, separate interests, and, for both sides to refrain from pushing their interest separately to the point where it becomes impossible to keep the show on the road.

CONCEPT OF EMPLOYEE RECOGNITION

Organizations are what they are, and are so described because they consist of people. Organizational structures designed without human activities are mere skeletons. It is human beings that breathe life into organizations and bring about profitable operational activities. All its assets, overt or hidden, are mostly inanimate and often intangible (Paula & Johnnie, 2002). The milieu of the organization thus represents affects the organization in manifold ways (Diekhoff *et al.*, 2006). Organizational climate however originates in the cognition and perceptions of individuals, and is amplified through interactions and exchanges among members of the organization (Kozlowski & Klein, 2000). The climate prevalent in an organization largely determines the how members of the organization get recognized for good behaviours that promotes the organization's goals (Godwin *et al.*, 2013).

Employee recognition is thus dependent on organizational climate; and is a component of employee motivation (Bansal *et al.*, 2001). It encompasses acknowledging, appreciating or approving positive behaviours, actions of achievement of employees (Mussie *et al.*, 2013). Recognition may be demonstrated by praising, rewarding or giving awards to employees for exemplary behaviours and performances. Managers also, may give personal notes to employees, acknowledging their achievements (Gostick & Elton, 2007). Employee recognition is considered motivational device that increases employees' productivity and job commitment (Abena & Dorcas, 2016) and also a determinant of employee service delivery quality (Idonedo & Goodie-Okio, 2022; Rahim & Daud, 2013).

Other employee recognition devices proposed by Harrison (2005, as cited in Idonedo & Goodie-Okio, 2022) are appropriate, informal, or formal acknowledgment of employees' organizational citizenship behaviours or accomplishment that aligns with organizational goals and values. Nyakundi *et al.* (2012) suggests that the essence of recognition is to make employees know and understand that their work is valued and appreciated. Employee recognition has been credited with imbuing employees with a sense of ownership and belongingness, improving employees' morale, enhancing organizational commitment, and increasing employee retention (Abena & Dorcas, 2016). Gostick and Elton (2007) report that when employees feel appreciated, they become more positive about themselves and their ability to offer distinctive service experience to customers; also, Nelson (2005, as cited in ted in Idonedo & Goodie-Okio, 2022) states that recognition ignites employees passion and drives them "do their best" for the firm by proffering solutions and innovative ideas that enable sustainable competitive. Employee recognition leads to a decline in absenteeism, and improves job satisfaction.

INDUSTRIAL HARMONY

Industrial Harmony denotes a peaceful mutual relationship between parties in a contract or relationship. It allude to a situation of relative peace in any industrial organization, which includes nonappearance of strikes, and doubt among work unions, tranquil relationship amongst

unions and management of the organization, and representative positive view of employees' commitment as members of the organization (Sholokwu & Olori 2016). Industrial Harmony refers to an industrial environment where workers along with their union and management understand and accept each other as partners in progress; that a cooperative attitude is mutually beneficial in terms of output, performance and rewards (Osamwoji & Ugiagbe, 2013). Industrial harmony manifests in several forms. In this study however, it is viewed in terms of improved communication and good employment policy.

Improved Communication

Communication is the transfer of information and understanding from one person (or group) to another (Johnnie, 2002). Communication involves people and should be seen as a people process or activity. Improved communication takes place when people with similar or different information come together to discuss those information together. Justin (2012) posits that being able to relate two sets of information is infinitely more valuable from a business view point. It is on this note that we consider collective bargaining as a form of improved communication; and industrial harmony as a product of collective bargaining. Collective bargaining is the establishment by negotiation and discussion of agreement on matters of mutual concern to employers and unions covering the employment relationship and terms and conditions of employment (Armstrong, 2009).

Ivancevich et al. (2005) describes communication as the glue that holds organizations together; and states that communication assists organizational members to accomplish both individual and organizational goals, implement and respond to organizational change, coordinate organizational activities, and engage in organizationally relevant behaviours. Similarly, Akpoyovwaire (2013) states that employees need information as much as management need feedback from employees. Through communication, management establishes mutual understanding and exchange of ideas, information, and experience for the wellbeing of the organization. Communication is not only prescribed as the panacea for almost all ills in an organization, but also a means of improving understanding among individuals and teams or groups (Akpoyovwaire, 2013).

Organizations that withhold information or give it grudgingly may breed conflict, mistrust, suspicion, confusion, or crisis. Management must communicate with staff regularly to achieve industrial peace and harmony (Akpoyovwaire, 2013). Communication is vital to any social system. It creates an environment of trust; harmony and proficiency (Akpoyovwaire 2013), especially when it takes a network approach that enhance the flow of information from one individual or group to another. The envelop network allows all members to communicate freely. It is the democratic type of network; least structured and resembles the house and circle in some respect (Johnnie 2002), Mintzberg (1973) believes that management is communication. Mintzberg recommend three managerial roles of communication. These are interpersonal, informational and decisional roles.

Good Employment Policy

A policy is basically a statement, either expressed or implied, of those principles and rules that are set up by executive leadership as guides and constraints for the organization's thought and action (Aluko et al., 2004). Good employment policy incorporates an understanding of every interest in the organization. Mirza (2013) states that imbuing promotion in employment policy allows for progression regarding assignment, compensation and advantages. Sholokwu et al.

(2016) summed it up by stating that the aim of promotion policy include, to guarantee that management keeps an eye on the work force, having the imperative capabilities to incorporate the desires for development and improvement of officers with the present and future necessities of the organization. Good employment policies guarantee value, reasonableness and objectivity in matters concerning the firm and its employees.

Boone and Kurtz (2011) states that when organizational policies relating to employment are discussed, treating employees well by enriching the work environment continues to gain importance because facilitates the recruitment and retention of a highly motivated workforce. Aluko et al. (2004) avow that a sound organizational policy prevent deviation from planned course of action, ensures consistency of action, promotes intelligent cooperation, facilitates coordination of action, fosters intelligent exercise of initiative, furnishes a basis for judging quality of executive action, and provides a guide for planning. Characteristically, Aluko et al. (2004) contends that policy statements should be flexible, clear, consistent, documented, fair and non-conflicting. The type of employment policy within an organization, whether external (government regulations) or internal, determines the harmony or disharmony of that organization.

METHODOLOGY

This study focused on examining the link between employee recognition and industrial harmony. The study adopted a correlational research design. The population of the study consist multinational oil production companies operating in Rivers State. At the time of the study, there were seven of such companies. Four of the companies qualify under the category in this study. The proportional stratified random sampling technique was used to select 20 management staff in each of the selected companies. So, a total of 80 respondents participated in the study. A questionnaire served as the research instrument. The instrument was divided into two parts. Part one elicited demographic information while the second part generated data on the employee recognition and industrial harmony. The test retest method was applied to ascertain the reliability of the instrument. The instrument was first administered on 10 respondents consisting management and employees from selected oil and gas companies outside the sample. After an interval of two weeks, the instrument was re-administered to the same respondents. The data analyses techniques adopted are the Pearson Product Moment Correlation and the multiple regression. All analyses were conducted with the aid of the Statistical Package for Social Sciences (SPSS) version 20.0.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Table 1: Correlation between Employee Recognition and Improved Communication Correlations

		Employee Recognition	Improved Communication
Employee Recognition	Pearson Correlation	1	.250**
	Sig. (2-tailed)		.018
	N	70	70
Improved Communication	Pearson Correlation	.250**	1
	Sig. (2-tailed)	.000	
	N	70	70

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

Source: SPSS Output of data analysis on employee recognition and industrial harmony (2022)

Table 1 shows the results of the correlation analysis between employee recognition and improved communication in oil production companies in Rivers State. The Pearson correlation coefficient yielded 0.250, suggesting that a positive relationship exists between employee recognition and improved communication. That is, improvement in the recognition systems of the firm will results in increase in improved communication.

Table 2: Regression Analysis on Recognition and Improved Communication

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig.	
1	.250 ^a	.063		.049	1.896	.063	4.539	1	68	.037

a. Predictors: (Constant), RECOGNITION

Source: SPSS Output of data analysis on employee recognition and industrial harmony (2022).

Table 2 shows the summary of the regression analysis on the influence of employee recognition on improved communication. The coefficient of correlation (r) is .250 while the coefficient of determination (R²) is .063. This implies that just about 6.3% change in improved communication is attributable to changes in employee recognition; while 93.7% change in improved communication is due to changes in variables other than employee recognition. The correlation coefficient of .250 shown on Table 2 denotes that influence of employee recognition on improved communication is statistically significant at 0.05 level of significance because the sig. for 2-tailed (at df= 1, 68) which equals .037 < 0.05. Therefore, the null hypothesis is rejected. Therefore, there is a significant relationship between employee recognition and improved communication in multinational oil and gas exploration and production companies in Rivers State.

Table 3: Correlation Analysis on employee Recognition and Good Employment Policy

		Correlations	
		Employee Recognition	Good Employment Policy
Employee Recognition	Pearson Correlation	1	-.027**
	Sig. (2-tailed)		.018
	N	70	70
Good Employment Policy	Pearson Correlation	-.027**	1
	Sig. (2-tailed)	.000	
	N	70	70

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

Source: SPSS Output of data analysis on employee recognition and industrial harmony (2022).

Table 1 reveals that the correlation coefficient (r) between employee and good employment policy is -0.027. This means that a weak negative relationship exists between employee and good employment policy. The analysis also showed that the probability value of the relationship between the variables is less than the critical value (i.e. $p = 0.000 < 0.01$). This suggests that employee recognition has a statistically significant relationship with good employment policy. These results ($r = -0.027$; $N = 70$; $p = 0.000 < 0.01$) indicates a weak negative relationship between employee recognition and good employment policy. Hence, the study rejects the null hypothesis which states that between employee and good employment policy of multinational oil production companies in Rivers State.

Table 4: Regression on Influence of Employee Recognition and Good Employment Policy

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					df1	df2	Sig. F
1	.027 ^a	.001	.014	2.629	1	68	.823

a. Predictors: (Constant), RECOGNITION

Source: SPSS Output of data analysis on employee recognition and industrial harmony (2022).

Table 4 shows the summary of regression analysis on the influence of employee recognition on good employment policy. The coefficient of correlation (r) is =.027 while the coefficient of determination (R^2) is .001. This means that only about 1% change in good employment policy is ascribable to changes in employee recognition; while the remaining 99.9% changes in good employment policy are due to changes in variables other than employee recognition; and which are not included in this study. Therefore, employee recognition has negative impact on good employment policy. From the Table 4 the correlation coefficient of .001 is not significant at 0.05 level of significance because the sig. for 2-tailed (at $df = 1, 68$) which equals $.823 > 0.05$. Therefore, accept the null hypothesis which states that, there is no significant relationship between recognition and good employment policy of Oil production companies in Rivers State.

CONCLUSION AND RECOMMENDATIONS

The aim of the study was to examine the relationship between employee recognition and industrial harmony. Based on the results of the analyses conducted, the study found that employee recognition through improved communication and good employment policy; although the link between employee recognition and good employment policy as an indicator of industrial harmony is weak, negative and statistically insignificant. The results mean that when the contributions of employees and are acknowledged and appreciated, industrial harmony will be improved. The result also shows that recognition has negative effect on good employment policy, indicating that mediocrity, man-know-man, cronyism will lead to the death of merit, if recognition was upheld. However, it shows also that lack of consideration for the efforts of employees could lead to industrial disharmony. The study thus recommends that multinational oil production companies that desire industrial peace and harmony should adopt and entrench employee recognition as a part of their organizational climate. They should acknowledge, reward or mention employees who have done well for the firm so as to enable improved communication and institute frameworks that could good employment policies.

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