

**Research Article****The Influence of Inter-Personal Dynamics within an Organization on its Overall Effectiveness****Dr. Gaurav Rath**Associate Professor & Head, Department of MBA, Gandhi Academy of Technology & Engineering,  
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Corresponding Author: **Dr. Gaurav Rath****Abstract**

Inter-personal dynamics play a pivotal role in determining the overall effectiveness and success of an organization. These dynamics—comprising communication patterns, trust, collaboration, and conflict management—shape the organizational culture and employee engagement levels. The fundamental aim of any organization is to realize its vision, a goal that can only be accomplished through effective teamwork and collaborative efforts. Organizations consist of a collective of individuals known as employees. If these individuals do not operate cohesively, it becomes increasingly difficult for the organization to achieve its vision. The success of an organization is significantly influenced by the dynamics between employers and employees, as well as among the employees themselves. This research posits that a conducive and healthy work environment fosters trust, encourages open communication, and cultivates mutual respect, all of which contribute to a positive workplace culture. Such an environment, in turn, enhances employee productivity, leading to beneficial outcomes such as increased goodwill, profitability, sustainability, and motivation, not only for the employees but also for all stakeholders connected to the organization. This study aims to investigate the effects of organizational relationships on employee productivity within a specific company located in Bhubaneswar, Odisha State, India. The findings indicate a correlation between positive interpersonal relationships and both employee productivity and retention.

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

**1. Introduction**

In the contemporary business environment characterized by rapid globalization, digital transformation, and intense competition, the success of any organization is no longer determined solely by its tangible assets, advanced technology, or strategic policies. Rather, it is profoundly influenced by the quality of human interactions and the inter-personal dynamics that exist among employees, teams, and leaders. Organizations are social systems where individuals work interdependently to achieve common objectives. Therefore, understanding how people interact, communicate, and influence one another has become a central concern of modern organizational behavior and management studies.

Inter-personal dynamics encompass the psychological, emotional, and social interactions between individuals within the workplace. These include verbal and non-verbal communication patterns, mutual trust, empathy, collaboration, power relations, conflict resolution mechanisms, and emotional intelligence. Effective interpersonal dynamics foster an environment of openness, respect, and cooperation—where employees feel valued, motivated, and aligned with the

organization's goals. Conversely, poor interpersonal relationships often lead to communication breakdowns, mistrust, reduced morale, and lower productivity, ultimately hindering organizational effectiveness.

Over the past decade, organizations have witnessed a paradigm shift from hierarchical command-and-control structures to team-based, participative, and collaborative systems. This transformation underscores the importance of interpersonal relationships in building cohesive teams and creating a supportive organizational culture. In a knowledge-driven economy, where innovation and adaptability are key differentiators, interpersonal skills are no longer soft attributes but strategic competencies essential for sustaining competitive advantage. Leaders who demonstrate emotional intelligence, empathy, and open communication can influence group cohesion, motivation, and performance far more effectively than those who rely solely on positional authority.

Furthermore, globalization and workplace diversity have introduced new dimensions to interpersonal dynamics. Modern organizations are now composed of individuals from varied cultural, linguistic, and social backgrounds. Managing such diversity requires advanced interpersonal competence—sensitivity to cultural differences, active listening, and inclusiveness in communication. A failure to manage these dynamics can lead to conflicts, misunderstandings, and disengagement, whereas positive interpersonal synergy can enhance creativity, innovation, and problem-solving capacity.

Research in organizational psychology has consistently highlighted that interpersonal relationships significantly affect job satisfaction, employee commitment, and organizational citizenship behavior (OCB). Studies by Goleman (1998) on emotional intelligence and Robbins (2009) on organizational behavior reaffirm that the ability to understand and manage interpersonal relationships effectively has a direct bearing on overall organizational health. Yet, despite growing recognition, empirical investigations into the direct relationship between interpersonal dynamics and measurable organizational effectiveness—particularly within the Indian context—remain relatively scarce.

Hence, the present study seeks to explore the multi-dimensional influence of interpersonal dynamics on organizational effectiveness, with a focus on communication, trust, teamwork, leadership behavior, and emotional intelligence. By analyzing these interrelated factors, the study aims to contribute valuable insights into how organizations can strategically leverage interpersonal relations to enhance productivity, innovation, and long-term sustainability.

In essence, this research emphasizes that interpersonal relationships are not merely about “getting along” at work—they represent the core mechanism through which organizational strategies are executed, cultures are shaped, and goals are achieved. Understanding and improving these dynamics is therefore essential for any organization aspiring toward holistic effectiveness and resilience in the 21st-century business landscape

## **2. 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 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.

### **3. 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.

### **4. 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.

### **5. 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.

### **6. 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.

### **7. 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.

### **8. Research Methodology**

**Hypothesis**

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

**H1-** There is no significant relationship between Intra-organizational conflict and Employee Productivity.

<b>Table 1: Research Methodology adopted for the study</b>	
<b>Research Design</b>	Descriptive Research Design (the study involves surveys and investigations to gather required data for studying the current situation in the identified company. )
<b>Sample Size</b>	132 employees from the identified company
<b>Data collection method</b>	<b>Primary:</b> Observation, structured questionnaire and survey, wherever required.  <b>Secondary:</b> Research articles pertaining to the topic under study.

**9. 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 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.

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. From the literature, the relevant concepts were identified and thus the interview schedule was designed.

**10.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.

**11. 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.

**12. 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.

**13. 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 Bhubaneswar 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.

**14. 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).

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

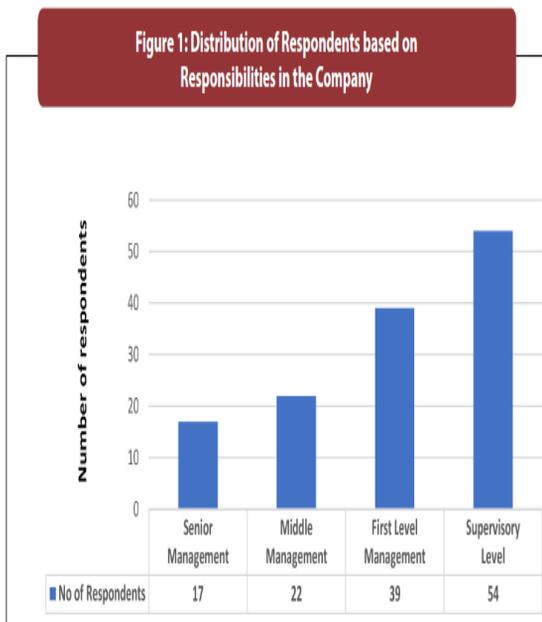
To ensure a holistic view for determining the objectives, employees from different managerial levels were chosen for the study.

**15. To test the hypothesis**

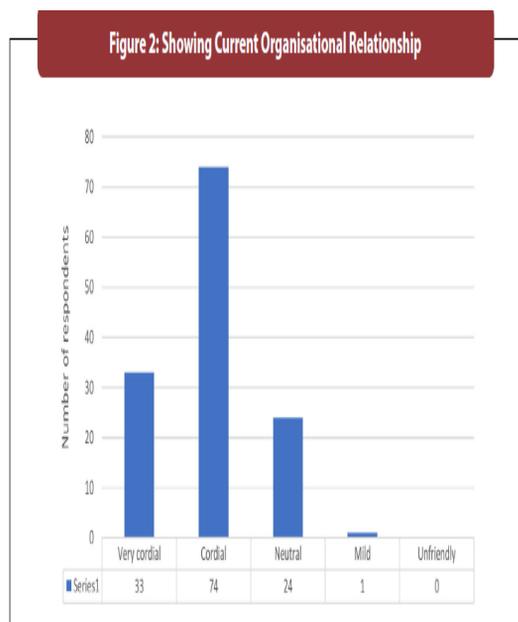
**H0-** There is no significant relationship between the Intra-organizational conflict and Employee Productivity.

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.



Source: Survey Data



Source: Survey Data

<b>Table 3: Hypothesis Test Summary</b>				
	<b>Null Hypothesis</b>	<b>Test</b>	<b>Sig.<sup>a</sup></b>	<b>Decision</b>
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.**

<b>Table 4: One-Sample Chi-Square Test Summary</b>	
Total N	132
Test Statistic	24.788 <sup>a</sup>
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

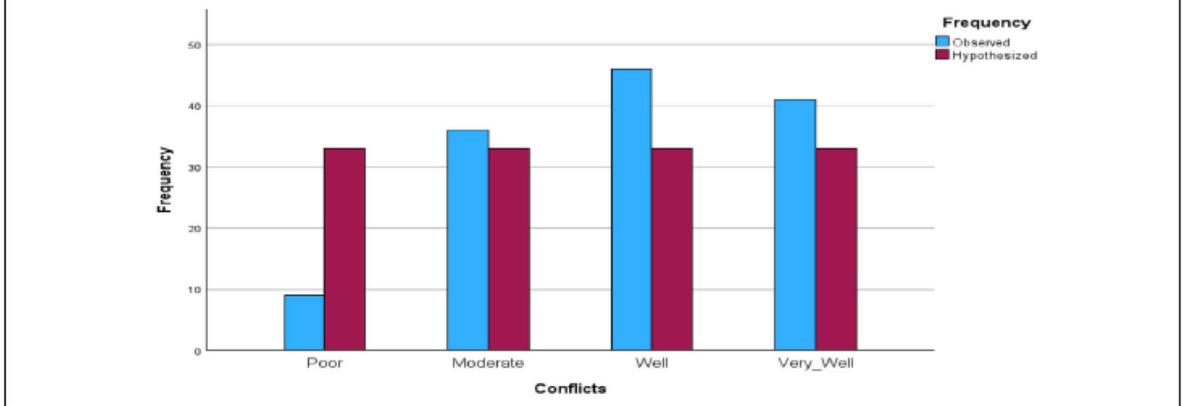
<b>Table 5: One-Sample Chi-Square Test Summary</b>	
Total N	132
Test Statistic	92.167 <sup>a</sup>
Degree Of Freedom	4
Asymptotic Sig.(2-sided test)	<0.001
a. There are 0 cells (0%) with expected values less than 5. The minimum expected value is 26.400.	

Source: Survey Data

<b>Table 6: One-Sample Chi-Square Test Summary</b>	
Total N	132
Test Statistic	68.182 <sup>a</sup>
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.	

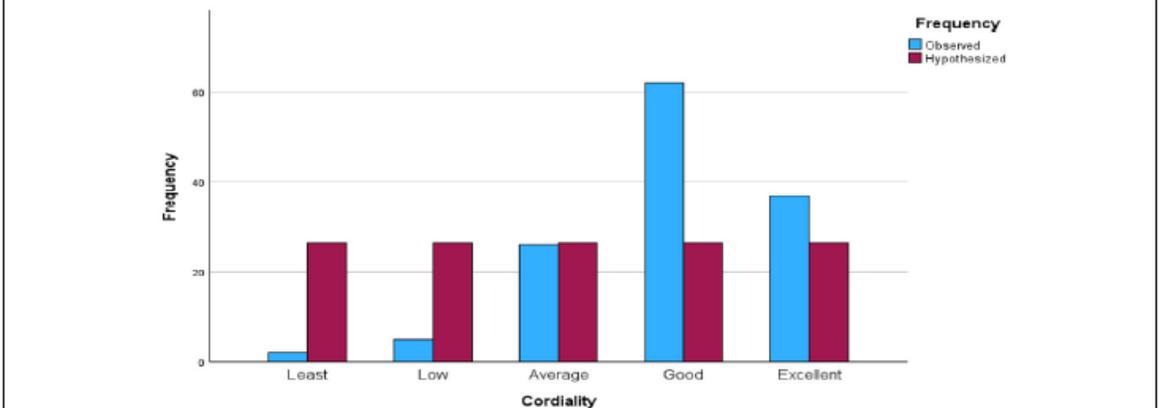
Source: Survey Data

**Figure 3: One-Sample Chi-Square Test Summary**



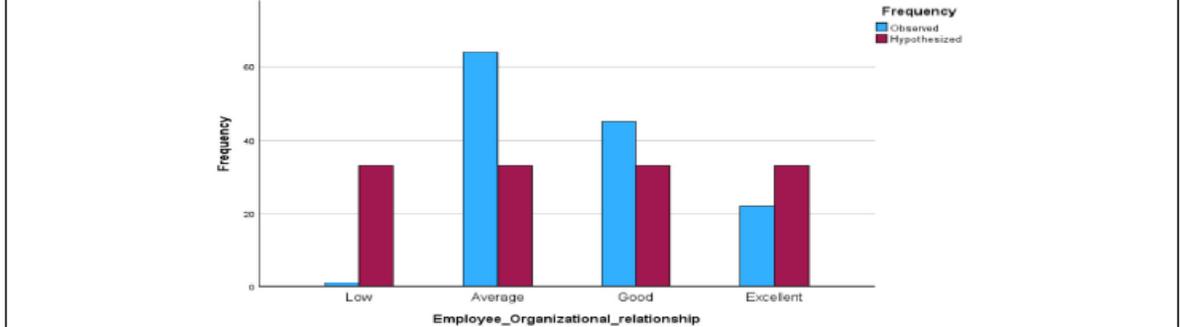
Source: Survey Data

**Figure 4: One-Sample Chi-Square Test Summary**



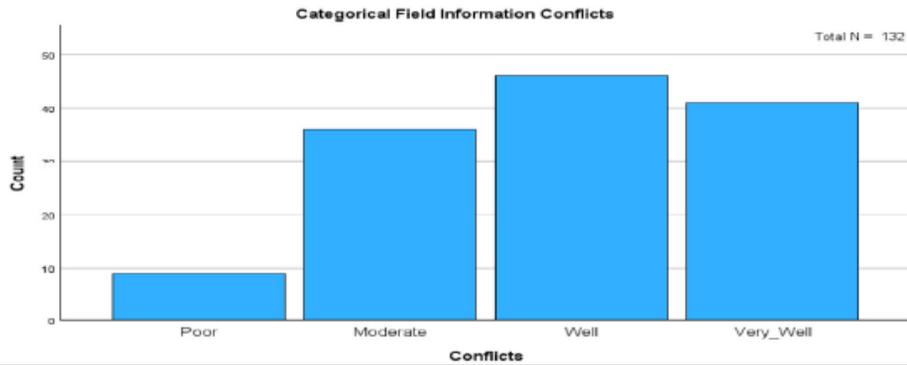
Source: Survey Data

**Figure 5: One-Sample Chi-Square Test Summary**



Source: Survey Data

**Figure 6: Conflict Management in the Company**



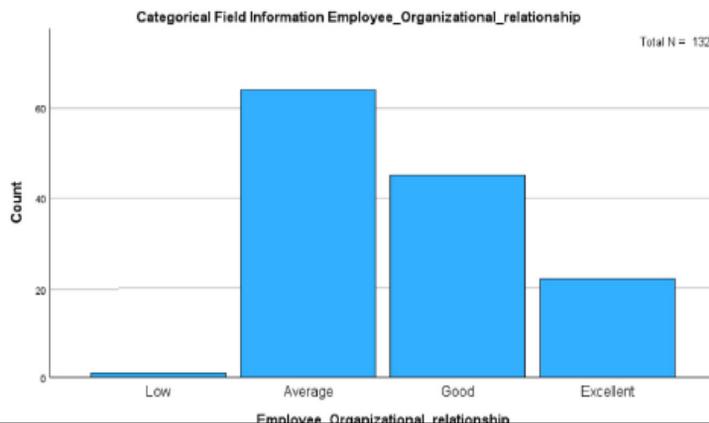
Source: Survey Data

**Table 7: Test Statistics**

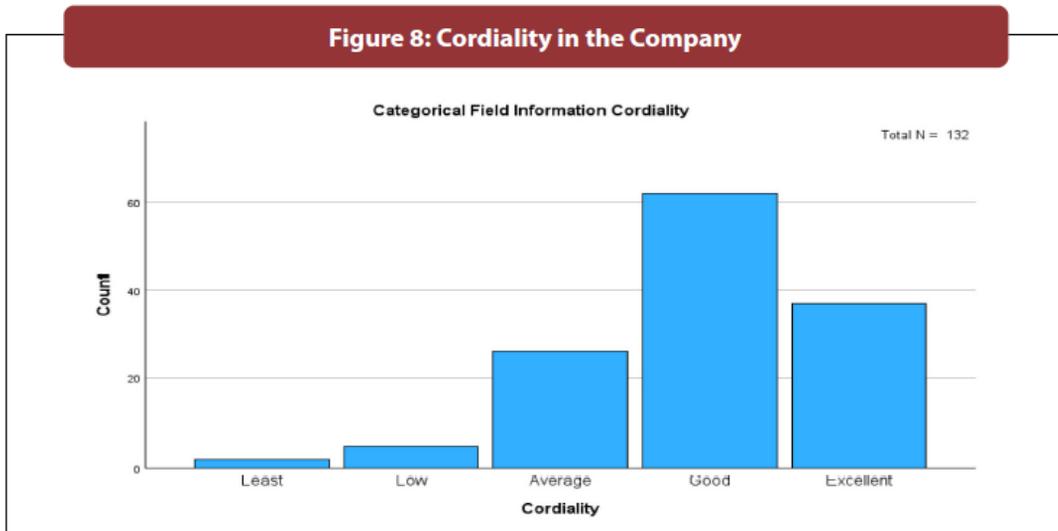
		Conflicts	Cordiality	Employee_Organizational_relationship	
Chi-Square		24.78	92.16	68.18	
df		3	4	3	
Asymp. Sig.		<0.001	<0.001	<0.001	
Monte Carlo Sig.	Sig.	<0.001	<0.001	<0.001	
	99% Confidence Interval	Lower Bound	0.000	0.000	0.000
		Upper Bound	0.000	0.000	0.000

Source: Survey Data

**Figure 7: Employee-Organization 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.

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.

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

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