

## EFFECT OF EMPLOYEES' RELATIONSHIP AND KNOWLEDGE SHARING ON EMPLOYEES' PERFORMANCE: EVIDENCE FROM LUBCON OIL PLC, ILORIN

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### Abstract

*The problem among Nigerian organisations today are not on how to find the knowledge information, but how to manage then. Therefore, the most important challenge for organisations is how to process knowledge and to make it profitable in the recent knowledge-driven economy. This study therefore assessed the effect of employees' relationship and knowledge sharing on employees' performance in Lubcon Oil Plc, Ilorin. Simple random sampling technique was used for the study and a sample size of 110 employees was drawn from all the departments of the organisation. Data were obtained through self-administered questionnaire. The hypotheses formulated for the study were analysed with the use of simple linear regression. The finding revealed that employees' relationship had positive effect on employees' performance while knowledge sharing had significant impacts on employees' performance. The study concluded that cordial relationship among employees which is supported by the management of the organization, is very essential for exchanging their job related knowledge which helps them in improving their performance and commitment within the organisation. The study therefore recommend that management should try to create a more responsive interactive session that will bring employees together for dialogue so as to share the needed knowledge among themselves.*

**Keywords:** *Employees' Relationship, Knowledge, Knowledge Sharing, Employees' Performance*

### Introduction

Employees in any organisation are very important resources and most valuable assets. The nature and amount of work performed by them have direct impacts on the performance of an organisation. Hence, maintaining healthy employees' relationship in an organisation is a pre-requisite for any organization to achieve its growth and success. As the business environment is not stable, a successful company must be flexible enough to adapt to the new environmental challenges and utilising dynamic organizational strategies (Teece, Pisano & Shuen, 1997). An

organisations' competitive position stems from its internal capabilities (Amit & Schoemaker, 1993). In the light of globalisation and modernization, companies are exposed to the challenges posed by unpredictable and complex competitive environment. The globalised business environment is characterised by change in business conditions, market liberalisation, high production, information and communication technology, flexible organisational structure of companies and partnership development. In such an environment, the competition among companies will be high in the market (Novicevic & Jelenic, 2008). Companies are forced to innovate and develop new techniques for improving the quality and functionality of products, reduce costs and, of course, answer to the increasingly sophisticated customers' demands in order to survive in the market places.

Those who are fast enough to keep themselves with the pace of changing world can survive in global market. So there is a constant need for organisations to keep themselves updated about the fluctuations happening in the business environment through increasing the organisational learning opportunities and practices (Koupahi, Fakhri & Ghanimat, 2013). It is obvious that knowledge is becoming the most important factor of production for many businesses (Babcock, 2004). Knowledge as an important factor of production provide new experiences and information for business purpose. Knowledge is increasingly being recognised as the new strategic imperative of organizations. The most established example is that knowledge is power (Bellinger & Becerra-Fernandez, 2004). Therefore, one has to manage it and keep it to oneself to achieve competitive advantage. The common attitude of most employees which is a challenge to organisation is to hold on to one's knowledge. Even though some forms of intellectual property are transferable, internal knowledge is not easily copied. This means that the knowledge anchored in employees' minds can get lost if they decide to leave the organization; The key objective of management is to improve the processes of acquisition, integration and usage of knowledge. Therefore, after discovering, acquiring and developing knowledge by an individual or organisation, relationship between employees is required, as knowledge has to be shared within an organization in order to enhance the performance of the employees in that organization.

The problem among Nigerian organisations today is not on how to find the knowledge information, but how to manage it. Therefore, the most important challenge for organizations is how to process knowledge and to make it profitable in the recent knowledge-driven organisation (Sallis & Jones, 2002). For this reason, organisations are viewing knowledge sharing as a critical success factor in today's dynamic environment.

**The Objectives of this Study are to:**

- i. examine whether employees' relationship have significant effect on employees' performance
- ii. determine the impact of knowledge sharing on employees' performance

**Hypotheses of the Study**

- HO<sub>1</sub>: Employees' relationship does not have significant effect on employees' performance
- HO<sub>2</sub>: Knowledge sharing does not have significant impact of employees' performance

**Literature Review****Employees' Relationship**

Employees' relationship is the interaction or relationship shared among employees in an organisation. Gennard and Judge (2002) define employee relationship as a study of the rules, regulations and agreements by which employees are managed both as individuals and as a collective group. The priority given to the individual as opposed to the collective relationship varies from company to company depending on the values of management. As such it is concerned with how to gain people's commitment to the achievement of an organisational business goals and objectives in a number of different situations.

Employees' relationship refers to the relationship between employees and management as a framework of organisational justice consisting of organisational culture and management style as well as rules and procedural sequence for grievances and conflict management (Chege, 2011). The objective of employees' relationship is to achieve harmonious employees' relations and minimise conflicts in an organisation. The concept of employees' relationship and industrial relations are used synonymously but industrial relations is the relationship between employers and employees in order to create an harmonious organisation through collective bargaining, dispute resolution and grievance' management.

**Knowledge**

According to Oxford Advanced Learner's Dictionary (2010), knowledge is the information, understanding and skills that one gains through education or experience. Thus, Bollinger and Smith (2001), described knowledge as the understanding, awareness, or familiarity acquired through study, investigation, observation, or experience over the course of time. As defined by McNerney (2002), knowledge is the awareness of what one knows through study, reasoning, experience or association or through various other types of learning. While knowledge is an active endeavour, it is used for solving problems and making decisions (Davenport & Prusak, 1998). However, knowledge is what makes employees an important assets to an organisation because of what is known to them as knowledge make them different in terms of problem solving and decision making within an organisation.

**Types of Knowledge in Organisation**

Knowledge from organisation perspective, is basically divided into two according to Filemon, (2008) which are: Tacit and Explicit knowledge.

***Tacit Knowledge***

Tacit knowledge is personal knowledge that is stored in the head; It is accumulated through study and experience and it is developed through the process of interaction with other people. Tacit knowledge grows through the practice of trial and error and the experience of success and failure. Tacit knowledge, therefore, is context-specific (Polanyi, 1998). It is difficult to formalise, record, or articulate. It includes subjective insights, intuitions and conjectures. As intuitive knowledge, it is difficult to communicate and articulate.

Since tacit knowledge is highly individualised, the degree and facility by which it can be shared depend to a great extent, on the ability and willingness of the person possessing it to convey it to others (Nonaka, 1994).

***Explicit Knowledge***

As stated by Brown and Duguid (1998), explicit knowledge is codified. It is stored in documents, databases, websites, emails and the like. It is knowledge that can be readily made available to others and transmitted or shared in the form of systematic

and formal languages.

Explicit knowledge comprises anything that can be codified, documented and archived. These include knowledge assets such as reports, memos, business plans, drawings, patents, trademarks, customers lists, methodologies, and the like. They represent an accumulation of the organisation's experience kept in a form that can readily be accessed by interested parties and replicated if desired. In many organisations these knowledge assets are stored with the help of computers and information technology (Gamble & Blackwell, 2001).

### **Knowledge Sharing**

Knowledge sharing involves providing others with explicit knowledge (such as formulas, processes, and routines) as well as tacit knowledge (sharing experiences and know-how) to help others accomplish goals, collaborate with others to solve problems, develop new ideas, or implement policies or procedures (Nonaka & Takeuchi, 1995; Pulakos, Dorsey & Borman, 2003; Cummings, 2004). Knowledge sharing is an important mechanism that will turn individual knowledge into group organisational knowledge. Three aspects of knowledge sharing can be distinguished. Firstly, knowledge sharing is a process, and therefore involves a sequence of events, actions and activities, that evolve with time. Secondly, knowledge sharing asks for at least two parties or roles, played by individuals or groups: the role of bringing (offering, showing, teaching etc.) and the role of getting (acquiring, learning, etc.) knowledge. Thirdly, knowledge sharing is typified by the characteristics of knowledge that is shared. According to Ipe (2003), knowledge sharing is basically the act of making knowledge available to others within the organisation. However, knowledge to be shared within an organisation should be useful and needed knowledge that will be helpful in improving employees' performance in the organisation.

### **Reasons why employees are reluctant to share their knowledge**

In spite of much advantages attributed to knowledge sharing in an organisation, there are reasons why employees are not willing to share their knowledge voluntarily. According Michailova and Husted (2003), there are five reasons why employees are reluctant to share knowledge.

The reasons include;

The fear of decreased personal value;

Cost involved;

Uncertainty of how the receiver will use the shared knowledge;

Accepting and respecting a strong hierarchical and formal power; and

Actual negative consequences of sharing knowledge with subordinates.

### **Employees' Performance**

According to Business Dictionary (2009), employees' performance is any job related activities expected of a worker and how well those activities are executed. Many business personnel directors assess employees' performance of each staff on an annual or quarterly basis in order to help them identify suggested areas for improvement. It is also the ability to perform effectively on the job, understand a complete and up-to-date job description, understand the job performance requirements and standards expected to meet. Employee performance can be measured in terms of responsiveness, morale, quality and quantity of production, customers' satisfaction, effectiveness and efficiency (Ali & Opatha, 2008).

### ***Social Constructivist Theory***

Social Constructivist Theory was developed by Berger and Luckmann (1966); The theory stated the need for collaboration among learners. They identified that learners develop their skills through problem-solving in collaboration with more capable peers. Knowledge sharing and knowledge construction can be enabled by active participation, interaction, and dialogue through collaborative learning (Johnson & Johnson, 2005). The theory suggested that learning is more effective when employees are willing to share their perspectives with their colleagues. Learning and development are social and collaborative activities. In the learning environment, discussion boards provide a means for dialogue, discussion, and debate which lead to social construction of knowledge. Learners vary in terms of their abilities and willingness to learn collaboratively within the learning environment. Learners work together on a common purpose, especially in virtual teams. The extent to which those members work with, relate and communicate with each other leads to effectiveness of teamwork. The outcome of this theory can be examined in an organisation by two variables such as employees' relationship and knowledge sharing. If a employee feels that sharing knowledge with his or her colleague can generate more new ideas, expand interpersonal relationships, or give them a sense of accomplishment, then he or she will be more willing to engage in the knowledge sharing practices.



Empirical Review

Chege (2011) conducted a study on employees' relationships on organisational performance in Tororo Cement Factory, Uganda. The research design used for the study was cross sectional, explanatory and descriptive research design. A sample of 25 respondents was selected. Both primary and secondary data were used. Data was collected using questionnaires, interview guides, surveys and observations. Data was analysed using pearson correlations and multiple regressions to determine relationship between variables. The study revealed that there was strong relationship between employees' relationships and organisational performance.

Rohana and Razak (2013) conducted a study on the Effect of Knowledge Sharing on Workers' Performance in Small and Medium Enterprises. *Convenience sampling techniques was used for manufacturing and services industries of SMEs where questionnaire was used to derive data. Data was analysed using regression analysis to see the impact of knowledge sharing on workers' performance. The findings revealed that Knowledge sharing had strong influence on workers' performance. It was also recommended that it is important for SMEs to invest and focus on knowledge sharing activity as it would create a platform for innovation, thus enhances their performance.*

Methodology

The study employed a simple random sampling technique for drawing the sample. The sample for the study consisted of 110 employees of Lubcon Oil Plc from the total population of 522 staff. Data was collected with the aid of self-administered questionnaire from the respondents and 110 copies of questionnaire weretaken across all the departments of the organisation where 108 were returned and used for analyses. The questionnaires were designed to generate responses from respondents on questions relating to employees' relationship and knowledge sharing for the purpose of the study. The respondents were requested to assess each of the items on five point Likert scale used for each statement. Regression analysis was used to test the hypotheses of the study.

Results and Discussion

Table 1: Demographic Characteristics of Respondents

Characteristics	Percentages (%)
<b>Gender</b>	
Male	62.5
Female	37.5
<b>Age group</b>	
20-30	20.5
31-40	50.6
41-50	21.4
Above 50	7.5
<b>Marital Status</b>	
Single	35.8
Married	64.2
<b>Educational Qualification</b>	
O' Level	5.0
OND	19.0
HND/ BA/ B.Sc	60.8
Postgraduates	15.2

Source: Author's Computation, 2018

The table 1 shows employees' responses to demographic variables of the respondents such as gender, sex, marital status and educational qualifications. The table shows that the proportion of male was higher (62.5%) compared to female (37.5%), implying that majority of the respondents were male. The second distribution indicated the age group of the respondents where those of age (20-30) were (20.5%), 31-40 years with higher proportion of (50.6%), 41-50 years (21.4%) with and lastly, those above 50years were (7.5%). This implied that majority of the respondents were within the age of 31-40years. The third distribution shows the marital status of the respondents; The respondents who were single accounted for (35.8%) and those who had marriedwere made of higher proportion 64.2%,indicatingthat many of the respondents were married.Lastly, the distribution of the respondents on educational qualifications where those with O' Level were 5.0%, OND 19.0%, HND/ BA/ B.Sc had the highest number of respondents with 60.8%, where those with Postgraduate Certificates were 15.2%. This implied that



majority of the respondents were HND/BA/B.Sc holders.

### Hypothesis 1

$H_{01}$ : Employee relationship does not have any significant effect on employees' performance.

**Table 2** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765 <sup>a</sup>	.586	.584	.980

Source: Author's Field Survey, 2018

- a. Predictors: (Constant), Management of the organisation creates room for employees' relationship in the organization.

Table 2 revealed the value of R-Square and adjusted R-Square model. The R-Square shown in the table was 0.586 (58.6%) and the adjusted R-Square was 0.584 (58.4%). This meant that the management of the organisation created room for employees' relationship in the organisation by 58.4% adoption. This meant that employees' relationships have effects on employees' performance.

**Table 3** ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	329.623	1	329.623	343.522	.000 <sup>a</sup>
	Residual	233.168	243	.960		
	Total	562.792	244			

Source: Author's Field Survey, 2018

- a. Predictors: (Constant), Management of the organisation creates room for employees' relationship in the organization.
- b. Dependent Variable: Organisational consists of activities such as team work, group discussion and social activities which are directed towards the improving employees' relationship.

**Table 4** Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.562	.215		16.540	.000
Management of the organization creates room for employee relationship among employees in the organization.	.138	.057	.267	2.435	.002

Source: Field Survey, 2018

- a. Dependent Variable: Organisational consists of activities such as team work, group discussion and social activities which are directed towards the improving employees' relationship. Table 3 showed F-statistics of 343.522 with P-value 0.000 which was less than the significant value (0.05). Therefore, the null hypothesis which stated that employees' relationship have no effect on employees' performance is rejected, while alternative hypothesis would be accepted. The table 4 above showed the significant value of  $0.00 < 0.05$ , therefore, we rejected the null hypothesis which state demployees' relationship have no significant effects on employees' performance, while the alternative hypothesis which stated that employees' relationship have significant effect on employees' performance was accepted.

### Hypothesis 2

$H_{02}$ : Knowledge sharing does not have any significant impact on employees' performance

**Table 5** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865 <sup>a</sup>	.746	.743	.308

Source: Author's Field Survey, 2018

- a. Predictors: (Constant), Knowledge sharing is a tool for improving my performance while on work

Table 5 revealed the value of R-Square and adjusted R-Square model. The R-Square shown in the table was 0.764 (76.4%) and the adjusted R- Square was 0.74.3 (74.3%). This meant that knowledge sharing was a tool for improving employees' performance while on work by 74.3% adoption. This meant knowledge sharing have impact on employees' performance.

**Table 6** ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	68.722	1	68.722	41.695	.002 <sup>a</sup>
	Residual	400.519	243	1.648		
	Total	469.241	244			

Source: Author's Field Survey, 2018

a. Predictors: (Constant), Knowledge sharing is a tool for improving my performance while on work

b. Dependent Variable: Enjoyment in sharing of knowledge with colleagues

Table 6 depicted value of F- statistics 41.695 with the P-value of 0.002 which was less than the significant level (0.05). Therefore, the null hypothesis which states knowledge sharing have no impact of employees' performance was rejected, *while alternative hypothesis which stated that knowledge sharing have impact of employees' performance was accepted.*

**Table 7** Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.330	.525		2.536	.002
	Knowledge sharing is a tool for improving my performance while on work	.689	.126	.528	5.453	.000

Source: Author's Field Survey, 2018

a. Dependent Variable: Enjoyment in sharing of knowledge with colleagues

The table 7 above showed the significant value of  $0.02 < 0.05$ , therefore, we rejected the null hypothesis which stated knowledge sharing have no impact of employees' performance, *while the alternative hypothesis which stated that knowledge sharing have impact of employees' performance was accepted.*

### Discussion of the Research Findings

In order to achieve the objective of the study, two hypotheses were formulated and tested. The following result were revealed:

From hypothesis one tested for the study, it was revealed that employees' relationship have significant effect on employees' performance. This implied that there were cordial relationships among employees in the organisation which led to improvement in performance on their jobs. This outcome was line with the study conducted by Chege (2011) one effect of employees' relationships on organisational performance in Tororo Cement Factory, Uganda, where the outcome showed that there was a strong relationship between employees' relationship and organisational performance.

The second hypothesis tested for the study revealed that knowledge sharing among employees have significant impact on employees' performance. This meant that exchange of knowledge among employees facilitated and enhanced their performance. This finding synthesised with the work of Rohana & Razak (2013) on the effect of Knowledge Sharing on Workers' Performance in Small and Medium Enterprises and the study *revealed that knowledge sharing had strong influences on workers' performance.*

### Recommendations and Conclusion

The study examined that impact of employees' relationships and knowledge sharing on employees' performance in Lubcon Oil Plc, Ilorin, and the study concluded that a successful knowledge sharing effort need more focus. Many of the activities to be undertaken need to focus on structuring and implementing the arrangement in a way that bridges both existing and potential relationship issues among employees, and examining the form and location of the knowledge to ensure its complete transfer. The study also conclude that cordial relationships among employees which should be supported by the management of the organization, are essential in exchanging their jobs related knowledge to improve their performance and commitment's.

The following recommendations are necessary to ensure effective relationship among employees and sharing of knowledge for organisational growth:-

- i. Management should create room for employees' training, both on- the- job and off- the- job trainings in order for the employees to gain more knowledge.
- ii. Management should try to create more responsive interactive session that will bring employees together for dialogue so as to share the needed knowledge among themselves.
- iii. Management should create effective tools such as; recognition, provision of incentives and job security for knowledge sharing among employees.

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