

# EFFECT OF INTERPERSONAL RELATIONSHIP, RECOGNITION ON EMPLOYEES' PERFORMANCE OF HOTELS IN ABUJA, NIGERIA

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## Abstract

*Hotels in Abuja are undergoing rapid expansion due to a rise in tourism and business activities. However, this growth has intensified competition among hotels, making employee's performance crucial for success. Despite the industry's potential, many establishments face challenges such as high turnover rates, low employee's morale, and inconsistent service quality. These difficulties has resulted in decreased employee's performance, which in turn may negatively impact customer satisfaction. This study investigated the effect of recognition and interpersonal relationship on employees' performance of hotels in Abuja, Nigeria. This study used a cross-sectional survey design, with a population of 23 registered hotels with the Corporate Affairs Commission (CAC) in Abuja. The studied hotels have a total staff strength of 15,702 employees. The sample size of 390 was determined using Taro Yamane formula. Data for this study was collected from the employees of the studied hotels with the aid of a well-structured questionnaire. The data collected were coded and analysed using Partial Least Square Structural Equation Modelling (PLS-SEM). The study found that interpersonal relationship has positive and significant effect on employee performance of hotels in Abuja, while recognition was found to have positive and insignificant effect on employee's performance of hotels in Abuja. It is concluded that employees who enjoy cordial working relationships, mutual respect, open communication, and effective collaboration are more likely to be motivated, committed, and perform at higher levels within the organization. It was recommended that management should deliberately promote a workplace culture that encourages positive interpersonal relationships among employees. This can be achieved through regular team-building activities, effective communication channels, leadership training, conflict resolution mechanisms, and policies that discourage workplace hostility.*

**Key words:** interpersonal relationship, recognition, employee performance

## INTRODUCTION

Hospitality industry is a cornerstone of economic development and cultural exchange, playing a significant role in fostering employment and generating revenue worldwide. In Nigeria, and particularly in Abuja, this sector has experienced rapid growth due to an influx of tourists, business travelers. As the hospitality market becomes increasingly competitive, organizations are compelled to focus on optimizing their workforce to deliver superior service and enhance customer satisfaction.

Central to this optimization is the work environment, which encompasses both physical and psychological dimensions. A well-designed work environment can significantly impact employee performance, influencing factors such as job satisfaction, motivation, and overall productivity. Research has shown that employees who feel supported and engaged in their work environment are more likely to exhibit higher levels of performance, lower turnover rates, and greater commitment to their organizations.

The significance of employees in enhancing performance is crucial on a global scale. Improved performance is directly linked to the contributions of an organization's workforce, making employees the most valuable asset that any company needs to achieve better results (Nor, 2018). Whenever employees are used to their greatest capacity, business may attain limitless productivity, efficiency, and performance. All employees may not work in the same way since they have distinct working styles, their performances are however determined by their willingness and openness to complete their jobs which will in turn grow their productivity and subsequently contribute to improved performance (Raziq & Maulabakhsh, 2015).

Consequently, the work environment encompasses various factors, including organizational culture, physical environment, interpersonal relationships, recognition, and teamwork. These dimensions play a crucial role in shaping employee experiences and performance outcomes (Zainab, 2022; Amodu &

Adeniran, 2018). This study therefore adopts these aforementioned dimensions of work environment in this study since it covers the three-basic classification of work environment posited by Opperman (2002): human, technical and organizational environment.

Interpersonal Relationships within the workplace significantly impact employee morale and cooperation. Positive relationships among colleagues and between employees and management can enhance communication, teamwork, and overall job satisfaction (Bakker & Demerouti, 2007). In hotels, working environment interpersonal relationship plays a paramount role in developing and stimulating trust and positive feelings and images among workers. Thus, the relationship between supervisor and subordinate or among co-workers should be strengthened and stepped up for this situation brings about job satisfaction and improved performance (Solomon, 2019).

Recognition is another critical factor in the work environment. When employees feel valued and recognized for their contributions, their motivation and commitment to the organization increase (Brun & Dugas, 2008). In the competitive environment, recognition can enhance employee morale and lead to improved service delivery. Similarly, employee performance can be described as the ability of an employee, assigned to specific tasks, to carry out all those tasks in line with the expectations of the organization. The effectiveness of a leader, regardless of whether positive or negative, may be assessed through employee performance and organizational growth (Omogero & Okwutu, 2023).

Hotels in Abuja are experiencing rapid growth due to a rise in tourism and business activities. However, this expansion has intensified competition among hotels, making employee performance a vital element for success. Despite the industry's potential, numerous establishments struggle with high turnover rates, low employee morale, and inconsistent service quality, this challenging condition could lead to diminished employee performance, ultimately affect customer satisfaction. The absence of effective recognition and teamwork strategies can exacerbate feelings of disengagement among employees, hindering overall organizational performance. Since employee's performance accumulates to organizational performance, this study saw the need to examine the effect of work environment on employees' performance of hotels in Abuja, Nigeria.

Studies have been conducted to link work environment and employees' performance (Agus & Neneng, 2023; Mugwika & Kavale 2022; Hakami 2022; Angin, et al., 2021; Donley, 2021; Aisyah, et al. 2020; Badrianto & Ekhsan, 2020; Al-Omari & Okasheh, 2017; Awan, 2015; Chandrasekar, 2011). However, majority of these studies were conducted outside the geographical area of Nigeria while others focused solely on job satisfaction and not employees' performance. The research by Omigie and Egbon (2022), while conducted in Nigeria, did not specifically address hotels in Abuja or examine employee performance. This oversight has created geographical, sectoral, and contextual gaps that this study aims to explore. It will investigate how the work environment affects employee performance in Abuja's hotels, addressing significant gaps in current literature and offering practical insights for industry stakeholders. Ultimately, the study seeks to contribute to the creation of a more supportive and productive work environment that promotes employee engagement and boosts overall organizational performance.

### **Objectives of the Study**

The general objective of the study is to investigate the effect of Recognition, Interpersonal Relationships on employees' performance of hotels in Abuja, Nigeria. Specifically, the study set out to:

- i. examine the effect of Recognition on employees' performance of hotels in Abuja, Nigeria.
- ii. evaluate the effect of Interpersonal Relationships on employees' performance of hotels in Abuja, Nigeria;

## **LITERATURE REVIEW**

### **Interpersonal Relationships**

According to Eze and Okonkwo (2023), interpersonal relationships refer to the quality of social interactions, trust, communication, and mutual respect among employees, which collectively foster a

supportive work environment that enhances individual and collective performance. Similarly, Zhang et al. (2022) emphasized that strong interpersonal relationships, characterized by open communication, emotional support, and cooperation among coworkers, promote psychological safety and reduce work-related stress, thereby improving employee efficiency and output. Moreover, Abubakar et al. (2023) posited that positive interpersonal relationships create a sense of belonging and social connectedness, which not only enhances job satisfaction but also motivates employees to exert greater effort towards achieving organizational goals. Osei-Bonsu and Gyamfi (2021), argued that effective interpersonal dynamics contribute to knowledge sharing, teamwork, and conflict reduction, all of which are essential for sustained employee performance. Consequently, contemporary scholarship underscores that cultivating healthy interpersonal relationships within organizations is indispensable for optimizing employee performance and driving overall productivity.

According to Musa and Bello (2023), interpersonal relationships encompass the interactions and social exchanges between employees that foster trust, emotional bonding, and mutual understanding, which are essential for improving task execution and collaborative efficiency. In their study, Musa and Bello further demonstrated that employees who experience positive social connections at work exhibit higher levels of motivation, innovation, and discretionary effort. Likewise, Adebayo et al. (2022) highlighted that interpersonal relationships promote teamwork, reduce interpersonal conflicts, and enhance information flow, all of which contribute to higher levels of employee engagement and job performance. Furthermore, the findings of Mensah and Adusei (2023) revealed that interpersonal trust and respect among colleagues create a psychologically safe environment, encouraging employees to share ideas, take initiative, and resolve work-related challenges, ultimately improving their performance outcomes. The relevance of these relationships is also evident in the work of Smith et al. (2022), who emphasized that organizations with strong interpersonal dynamics experience fewer workplace tensions, greater cooperation, and enhanced employee effectiveness. Collectively, these studies underscore that fostering positive interpersonal relationships is not merely a social imperative but a strategic organizational priority for improving employee performance and achieving sustainable productivity.

### **Recognition**

According to Okonkwo and Eze (2023), recognition refers to the formal and informal acknowledgment of employees' contributions, achievements, and efforts, which reinforces desirable work behaviors and motivates individuals to maintain or improve their performance levels. In a similar vein, Bello et al. (2022) defined recognition as an expression of appreciation directed towards employees for their job-related accomplishments, which fosters a sense of value, belonging, and commitment, thereby enhancing overall performance outcomes. Furthermore, Mensah and Abdul-Rahman (2023) emphasized that recognition, when delivered consistently and aligned with organizational values, boosts employees' intrinsic motivation, increases their job satisfaction, and enhances task engagement, ultimately translating to improved performance. The study by Smith et al. (2022) also highlighted that recognition serves not only as a motivational driver but also as a mechanism for reinforcing organizational expectations and strengthening employees' psychological connection to their work roles, which contributes to higher productivity levels. These scholarly perspectives underscore that recognition, when effectively implemented, is a strategic human resource practice capable of enhancing employee morale, stimulating discretionary effort, and driving superior employee performance.

According to Adeyemi and Ogunleye (2023), recognition involves both tangible and intangible expressions of appreciation for employees' efforts, achievements, and contributions, which in turn foster increased motivation, job satisfaction, and performance efficiency. Similarly, Zhang et al. (2022) emphasized that recognition serves as an important psychological resource that strengthens employees' sense of value and belonging, thereby enhancing their willingness to exert greater effort and demonstrate higher levels of performance. In their empirical study, Mohammed and Lawal (2023) posited that recognition, when perceived as fair, timely, and sincere, plays a pivotal role in enhancing employee engagement and commitment, leading to improved task completion and overall organizational productivity. Furthermore, Ebrahim and Yusuf (2022) underscored that consistent recognition fosters a

positive organizational climate, reduces employee turnover intentions, and encourages discretionary behaviors that directly contribute to individual and team performance. Collectively, these scholarly definitions align in highlighting that recognition, beyond mere praise, is a strategic organizational practice essential for stimulating employee morale, fostering workplace commitment, and enhancing employee performance.

### **Employee Performance**

According to Adebayo and Salami (2023), employee performance refers to the efficiency, quality, and consistency with which individuals carry out assigned tasks, meet set targets, and exhibit behaviors that support the achievement of organizational goals. In the same vein, Zhang et al. (2022) defined employee performance as the observable outcomes and work-related behaviors that employees display, which directly influence overall productivity, service delivery, and organizational success. Furthermore, Mohammed and Lawal (2023) emphasized that employee performance encompasses both task performance, which relates to job-specific duties, and contextual performance, which involves discretionary behaviors such as teamwork, initiative, and organizational citizenship that collectively enhance workplace effectiveness. Similarly, Eze and Okonkwo (2022) highlighted that high employee performance is not solely determined by technical skills but also shaped by factors such as motivation, interpersonal relationships, and alignment with organizational culture. These scholarly perspectives collectively underscore that employee performance is a critical determinant of organizational competitiveness, sustainability, and growth, reflecting both the quality of individual contributions and broader organizational outcomes.

According to Musa and Bello (2023), employee performance is defined as the degree to which employees fulfill their assigned responsibilities, contribute to organizational objectives, and engage in behaviors that promote operational efficiency and innovation. Similarly, Agyeman et al. (2022) described employee performance as the measurable output resulting from an employee's efforts, competence, and commitment, which directly influences productivity, service quality, and organizational competitiveness. In line with this perspective, Mensah and Adusei (2023) emphasized that employee performance encompasses both task-related outcomes and extra-role behaviors such as cooperation, adaptability, and proactive problem-solving, which are critical in achieving sustainable organizational performance. Furthermore, Okafor and Edeh (2022) highlighted that employee performance is not solely limited to task execution but extends to the demonstration of organizational citizenship behaviors, creativity, and resilience, which enhance overall workplace effectiveness. These scholarly definitions collectively affirm that employee performance is a multifaceted construct that reflects not only technical competence but also discretionary effort, interpersonal collaboration, and alignment with organizational values, all of which are essential for long-term productivity and success.

### **Interpersonal Relationships and Employee Performance**

Adebayo and Salami (2023) conducted a study investigating the impact of interpersonal relationships on employee performance among staff in selected commercial banks in Lagos State, Nigeria. The study adopted a quantitative research design with a sample size of 312 employees drawn from five major banks. Data were analyzed using Structural Equation Modeling (SEM). The findings revealed that positive interpersonal relationships significantly enhanced employee performance by fostering effective communication, trust, and collaboration. The authors recommended that bank management should implement policies that encourage team bonding and interpersonal trust-building to sustain high performance levels. However, a critique of the study highlights its limitation to the banking sector, restricting the generalizability of its findings to other industries.

Eze and Okonkwo (2022) examined the relationship between interpersonal dynamics and employee performance in the Nigerian service industry, focusing on telecommunication firms in Abuja. The study utilized a cross-sectional survey design with a sample of 285 respondents. Multiple regression analysis was employed to test the hypotheses. The results indicated a strong positive relationship between healthy interpersonal relationships and enhanced employee performance, particularly in areas of teamwork,



information sharing, and task execution. The study recommended that organizations prioritize conflict resolution mechanisms and promote workplace social interactions to strengthen employee performance. Nonetheless, the study's reliance on self-reported data introduces potential bias, suggesting the need for longitudinal approaches in future research.

Musa and Bello (2023) explored the role of interpersonal relationships on job performance within selected public sector organizations in Kano State, Nigeria. Using a mixed-method approach, the study collected quantitative data from 250 employees and qualitative insights from 15 management staff through interviews. Quantitative data were analyzed using SPSS with regression analysis, while thematic analysis was applied to qualitative responses. The study found that strong interpersonal relationships positively influenced employee performance, particularly in enhancing cooperation, reducing workplace tension, and improving overall task efficiency. The authors recommended that public sector organizations invest in interpersonal skills training and foster inclusive work environments to maximize employee performance. A noted critique of the study is its geographic limitation to Kano State, which may not reflect the broader diversity of Nigeria's public sector organizations.

Okafor and Edeh (2023) conducted a study examining how interpersonal relationships influence the performance of employees in selected Small and Medium-sized Enterprises (SMEs) in Enugu State, Nigeria. The research adopted a quantitative survey approach with a sample size of 220 employees from 15 SMEs. Data were analyzed using Pearson correlation and regression analysis. The findings demonstrated a significant positive relationship between interpersonal relationships and employee performance, with effective communication, trust, and mutual respect emerging as key drivers of enhanced productivity. The authors recommended that SME owners and managers cultivate open communication channels and create platforms for social interaction among employees to strengthen workplace relationships. A major critique of the study is its narrow focus on SMEs in one state, which may not capture the diversity of employee experiences across Nigeria's broader economic sectors.

Abdullahi and Ibrahim (2022) explored the effect of interpersonal relationships on employee performance in the education sector, focusing on academic and administrative staff of selected tertiary institutions in Kaduna State, Nigeria. The study utilized a descriptive research design with a sample size of 350 respondents. Data were analyzed using Structural Equation Modeling (SEM). The results revealed that strong interpersonal relationships among employees positively influenced performance, particularly through improved teamwork, knowledge sharing, and conflict resolution. The study recommended that educational institutions implement relationship-building initiatives such as team retreats and interpersonal skills workshops to foster better collaboration and enhance performance outcomes. However, the study's cross-sectional nature limits its ability to establish long-term causal relationships.

Oladipo et al. (2023) investigated the influence of interpersonal relationships on employee performance in the Nigerian hospitality industry, specifically targeting hotels in Abuja and Lagos. Using a mixed-method approach, the study surveyed 280 employees and conducted in-depth interviews with 20 managerial staff. Quantitative data were analyzed using regression analysis, while qualitative data were subjected to thematic analysis. The findings indicated that interpersonal relationships significantly enhanced employee performance by improving communication, reducing workplace stress, and fostering employee engagement. The study recommended that hotel management adopt policies that promote social interaction, inclusiveness, and conflict management. Nonetheless, the study is limited by its focus on urban hospitality settings, which may not reflect the experiences of employees in rural or less formal hospitality establishments.

### **Recognition and Employee Performance**

Adebayo and Ogunleye (2023) investigated the effect of employee recognition on job performance in selected manufacturing firms in Lagos State, Nigeria. The study employed a quantitative research design with a sample size of 315 employees drawn from five large-scale manufacturing companies. Data were analyzed using multiple regression analysis. The findings revealed that both formal and informal

recognition practices significantly improved employees' performance, particularly in terms of task completion, innovation, and organizational commitment. The study recommended that manufacturing firms institutionalize structured recognition programs, including verbal appreciation, awards, and public acknowledgments, to promote high performance. A notable critique of the study is its exclusive focus on the manufacturing sector, which may limit the generalizability of the findings to other industries, such as the service sector.

Eze and Okonkwo (2022) conducted a study assessing the relationship between employee recognition and performance within telecommunication firms in Abuja, Nigeria. The researchers adopted a cross-sectional survey design with a sample size of 280 respondents. Structural Equation Modeling (SEM) was used to analyze the data. The study found that recognition, particularly when delivered in a timely, fair, and consistent manner, positively influenced employees' performance, with insignificant improvements in productivity, job satisfaction, and organizational citizenship behavior. The authors recommended that management adopt transparent recognition mechanisms and align recognition with organizational values to maximize its impact. However, the study's reliance on self-reported data raises concerns about potential response bias, suggesting the need for future research incorporating supervisor ratings or performance records.

Mohammed and Lawal (2023) examined the impact of employee recognition on performance in selected public sector organizations in Kano State, Nigeria. Using a mixed-method approach, the study surveyed 260 employees and conducted interviews with 20 managerial staff. Quantitative data were analyzed using regression analysis, while qualitative data were subjected to thematic content analysis. The results demonstrated that recognition practices such as public acknowledgment, performance bonuses, and verbal praise significantly enhanced employee performance by increasing morale, work engagement, and organizational commitment. The study recommended that public sector organizations integrate recognition policies into their human resource management frameworks to sustain high levels of employee performance. Nonetheless, a limitation of the study is its focus on public sector institutions within a single state, which may not reflect variations in recognition practices across Nigeria's diverse regions and organizational contexts.

Okafor and Edeh (2023) examined the effect of employee recognition on job performance in selected Small and Medium-sized Enterprises (SMEs) in Enugu State, Nigeria. The study adopted a quantitative research design with a sample size of 250 employees from 20 SMEs. Data were analyzed using multiple regression analysis. The findings revealed that both intrinsic recognition, such as verbal praise and acknowledgment, and extrinsic recognition, including awards and incentives, had a significant positive impact on employees' performance. The study recommended that SME owners institutionalize both formal and informal recognition mechanisms to encourage high-performing behaviors. However, the study is limited by its cross-sectional design, which restricts the ability to establish long-term causal relationships between recognition and performance.

Abdullahi and Ibrahim (2022) conducted a study investigating the influence of employee recognition on performance in tertiary institutions in Kaduna State, Nigeria. The research employed a survey design with a sample of 370 academic and non-academic staff from three public universities. Structural Equation Modeling (SEM) was used to analyze the data. The results showed that employee recognition, particularly public acknowledgment and performance-based incentives, significantly enhanced employees' task performance, job satisfaction, and engagement. The authors recommended that university administrators adopt consistent and transparent recognition practices to improve staff morale and performance. Nonetheless, the study's focus on public universities may limit the generalization of the findings to private educational institutions.

Oladipo et al. (2023) explored the impact of recognition on employee performance in the Nigerian hospitality industry, focusing on hotels in Lagos and Abuja. The study utilized a mixed-method approach, with quantitative data collected from 300 employees and qualitative interviews conducted with 25 hotel

managers. Regression analysis and thematic content analysis were applied. The findings revealed that recognition practices, including employee-of-the-month awards, public commendations, and team-based acknowledgments, significantly improved employee performance by enhancing motivation, reducing turnover intentions, and fostering organizational commitment. The study recommended that hotel management establish structured recognition programs as part of their human resource strategy. However, the study's focus on urban hotels limits its applicability to hospitality establishments in rural areas, where organizational structures may differ.

### **Resource-Based View (RBV) Theory**

The starting point of resource-based view theory is dated back to the era of Penrose, (1959) who suggested that resource possessed, deployed and used effectively would give more results than other industrial structure employed. The RBV analyze and interpret resources of the organizations to understand how organizations achieve sustainable competitive advantage. The RBV focuses on the concept of difficult-to-imitate attributes of the firm as sources of superior performance and competitive advantage (Barney, 1991; Prahalad & Hamel, 1990). Resources that cannot be easily transferred or purchased, that require an extended learning curve or a major change in the organization climate and culture, are more likely to be unique to the organization and, therefore, more difficult to imitate by competitors.

However, the theory has been criticized for vagueness of terminology, and the lack of commonality of terms (Rugman & Verbeke, 2002). Moreover, the RBV researchers also challenge the foundation of the theory, suggesting that the view appears to assume what it seeks to explain (Hoopes et al. 2003). In spite of these criticisms, the theory has heightened knowledge regarding the nature, characteristics and potential usage of resources in unique ways (Kiiru, 2015).

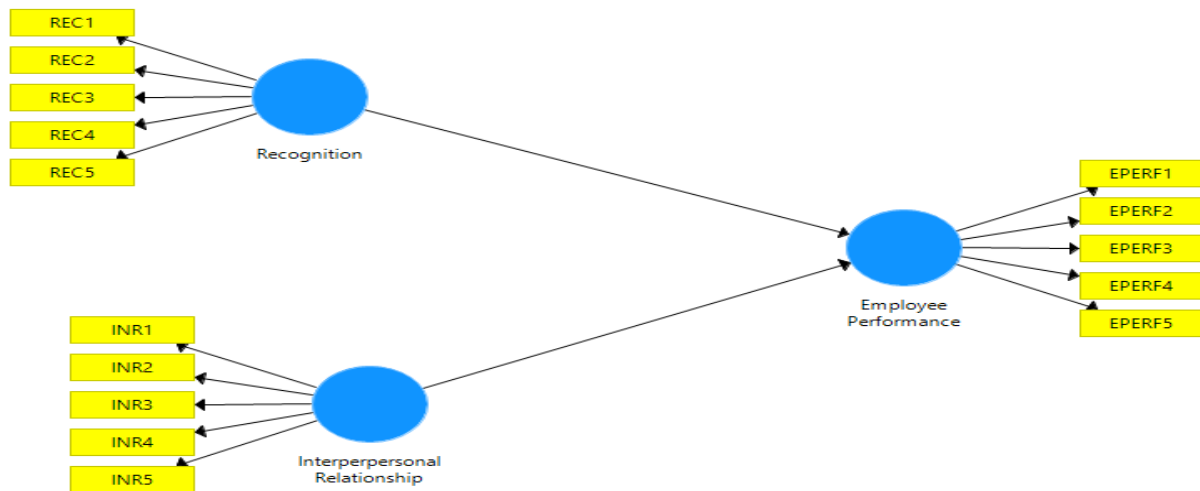
The RBV takes an 'inside-out' view or firm specific perspective on why organizations succeed or fail in the market place (Grant, 1991). Resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991) make it possible for businesses to develop and maintain competitive advantages, to utilize these resources and competitive advantages for superior performance (Wernerfelt, 1984). According to RBV, an organization can be considered as a collection of physical resources, human resources and organizational resources (Barney, 1991; Amit & Shoemaker, 1993). Resources of organizations that are valuable, rare, imperfectly imitable and imperfectly substitutable are main source of sustainable competitive advantage for sustained superior performance (Barney, 1991).

This theory relates to this study because employees are part of the intangible resources of an organization and therefore the organization should fully utilize the available resources which include financial, time and human capital to ensure that their employees are valuable, rare difficult to imitate and non-substitutable.

### **METHODOLOGY**

This study used a cross-sectional survey design, the population of this study comprises of all 23 registered hotels with the Corporate Affairs Commission (CAC) in Abuja. According to data obtained from the human resource department of the various hotels, the total number of employees of the 23 hotels is 15,702. The sample size for this study is 390 employees registered hotels in Abuja was gotten after applied Taro Yamin formular. However, additional 10% (39) was added as recommended by Singh and Masuku (2014) to allow for attrition bringing it to a total of 429. For the purpose of this study, only primary sources of information was used. This choice is driven by the desire to quickly and easily acquire reliable information from respondents utilizing a direct approach. It is an appropriate technique for obtaining data for investigations involving behavioural analysis. The study applied descriptive and inferential statistics to the data collected. The mean, and the standard deviation was use to analyse the survey's item responses, and SmartPLS's Partial Least Square Structural Equation Model (PLS-SEM) was utilized to evaluate the hypotheses that were put forth at the 0.05 level of significance.

The model for the PLS-SEM is pictorially depicted below



**Fig.1: Theoretical Model on Effect of recognition, Interpersonal Relationship Employee Performance of Hotels in Abuja**

## RESULTS AND DISCUSSION

Out of the four hundred and twenty-nine (429) distributed questionnaires, 409 were properly filled and returned giving a response rate of 95%. Subsequently, all further analyses were done using 409 responses data.

**Table 1: Descriptive Statistics**

Variable	Mean	Median	Min	Max	SDV	Kurtosis	Skewness
REC	4.7	5.00	1.00	5.00	0.96	-1.59	-0.09
INR	4.07	4.44	1.00	5.00	0.97	0.90	-0.98
EPERF	4.50	5.00	1.00	5.00	0.89	0.20	-0.68

**Source: SMART, PLS Output, 2025.**

Data on the study variables were described in Table 1 above in terms of the mean, minimum, maximum, standard deviation, skewness and kurtosis values. Recognition (REC) revealed an average value of 4.7 with a standard deviation value of 0.96. However, the minimum and maximum values stood at 1 and 5 respectively. Interpersonal relationship (INR) had minimum and maximum values of 1 and 5 respectively however, it showed an average of 4.07 along with a standard deviation of 0.97. Furthermore, employee's performance (EPERF) showed a minimum value of 1 and a maximum value of 5 with an average value of 4.50 accompanied with a standard deviation value of 0.89. All the skewness and kurtosis values were less than 1 which shows that there is a normal distribution of data.

## Assessment of Measurement Model

In assessing the measurement model, the researcher began by assessing the item outer loadings. As a rule, loadings above 0.708 are recommended, as they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (Hair, et al., 2019). However, Hair, et al., (2019) posited that low but significant indicator loading of 0.50 can be included hence justifying why indicators with loadings less than 0.708 and above 0.50 were not deleted from the model as seen in figure 2 below.



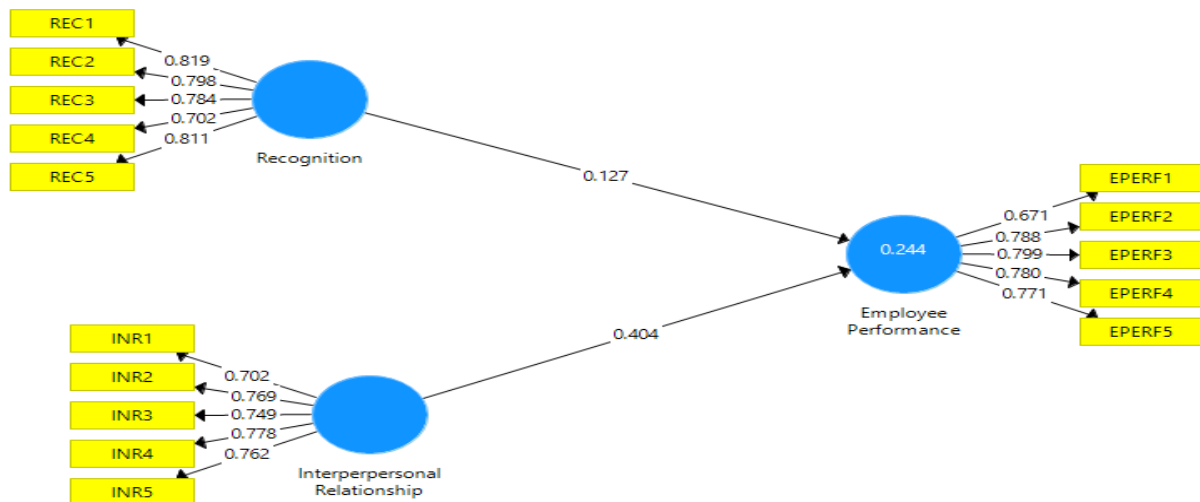


Fig 2: Indicator Loadings.

Table 2: Reliability of study scale

S/N	Variables		Factor Loadings	Cronbach Alpha	Composite Reliability	Average Variance Extracted (AVE)	No of Items
1	<b>Interpersonal relationship (INR)</b>	INR 1	0.702	0.809	0.867	0.686	5
		INR 2	0.769				
		INR 3	0.749				
		INR 4	0.778				
		INR 5	0.762				
2	<b>Recognition (REC)</b>	REC1	0.819	0.843	0.888	0.615	5
		REC2	0.798				
		REC3	0.784				
		REC4	0.702				
		REC5	0.811				
3	<b>Employees Performance (EPERF)</b>	EPER1	0.671	0.819	0.874	0.682	5
		EPER2	0.788				
		EPER3	0.799				
		EPER4	0.780				
		EPER5	0.771				

Source: SmartPLS Output, 2025

Composite reliability of Jöreskog's (1971) was applied to test for internal consistency of the study. All the values fall within the Hair et al. (2019) rating of good consistency. The Cronbach alpha value were above 0.60 which is the minimum threshold as recommended by Sekaran (2010). To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values greater than 0.50 which indicates that the constructs explain at least 50 percent of the variance of its items. According to Henseler, et al., (2015) the Fornell-Larcker criterion does not perform well when explaining discriminant validity, particularly when the indicator loadings on a construct differ only slightly. As a replacement, they proposed the Heterotrait-Monotrait (HTMT) ratio of the correlations which is the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct (Voorhees et al., 2016). Discriminant validity problems are present when HTMT values are high than 0.90 for structural models (Henseler, et al., 2015).

### Heterotrait-Monotrait Ratio (HTMT)

	Employee Performance	Interpersonal Relationship	Recognition
Employee Performance	0.763		
Interpersonal Relationship	0.485	0.753	
Recognition	0.385	0.641	0.784

Source: SmartPLS Output, 2025

The Variance Inflation Factor (VIF) was used to evaluate collinearity of the formative indicators. All the VIF values were less than 5 indicate the absence of critical collinearity issues among the indicators of formatively measured constructs (Hair, et al., 2019).

### Model Goodness of Fit (GoF)

Sequel to the need to validate the PLS model, there is a need to assess the goodness of fit of the model as Hair, et al. (2017) suggested. This study used the standardised root mean square residual's (SRMR). The choice of this index was based on the fact that the SRMR provides the absolute fit measure where a value of zero indicates a perfect fit. The study adopted Hu & Bentler (1998) suggestion that a value of less than 0.08 represents a good fit while applying SRMR for model goodness of fit. The study result indicates an SRMR value of 0.030. This indicates the model is fit.

### Assessing the Structural Model

Having satisfied the measurement model assessment, the next step in evaluating PLS-SEM results is to assess the structural model. Standard assessment criteria, which was considered include the path coefficient, t-values, p-values and coefficient of determination ( $R^2$ ). The bootstrapping procedure was conducted using a resample of 5000.

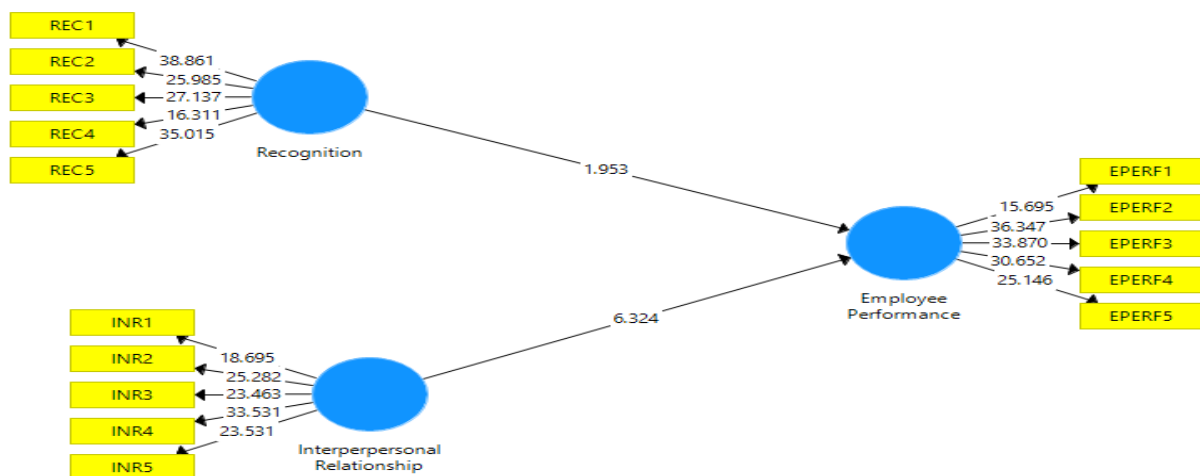


Fig. 3: Path Coefficients of the Regression Model.

R Square Table

	R Square	R Square Adjusted
Employees Performance	0.244	0.241

Source: SmartPLS Output, 2025

The R-square value stood at 24.4% indicating that interpersonal relationship and recognition are responsible for 24.4% variation in employees' performance. The remaining 75.6% variation could be explained by other factors not included in the study. Based on Hair, et al., (2019), the r-square is

considered week but does not jeopardize the result. The result of the path analysis is presented in the table below:

**Table 4: Path Coefficients**

Hypotheses Variable	Beta	T Statistics	P Values	Decision
Interpersonal Relationship -> Employee Performance	0.404	6.324	0.000	Rejected
Recognition -> Employee Performance	0.127	1.953	0.051	Accepted

Source: SmartPLS Output, 2025

The result from the analysis indicates that interpersonal relationship has positive and significant effect on employee's performance. The decision was reached based on the t-value of 6.231 which is greater than 1.964 and a beta value of 0.404 with a p-value of 0.000. This implies that when employees maintain healthy, supportive, and professional relationships with their colleagues, supervisors, and subordinates, they are more likely to be motivated, committed, and productive in their roles. This finding is in agreement with that of Abdullahi and Ibrahim (2022) who found interpersonal relationship has positively influenced employees' performance.

The result from the analysis indicates that recognition has positive and insignificant effect on employee's performance. The decision was reached based on the t-value of 1.953 which is greater than 1.925 and a beta value of 0.127 with a p-value of 0.054. This implies that there is need for management to re-evaluate the nature, consistency, and relevance of recognition practices to ensure they are aligned with employees' expectations and organizational culture to achieve more substantial performance outcomes. This finding agrees with that of Eze and Okonkwo (2022) who made similar findings about recognition and employees' performance.

## CONCLUSION AND RECOMMENDATIONS

It is concluded that employees who enjoy cordial working relationships, mutual respect, open communication, and effective collaboration are more likely to be motivated, committed, and perform at higher levels within the organization. It is also concluded that existing recognition practices may not be adequately structured, consistently applied, or aligned with employees' expectations to drive significant improvements in performance outcomes.

Based on the study's findings it recommends that management should deliberately promote a workplace culture that encourages positive interpersonal relationships among employees. This can be achieved through regular team-building activities, effective communication channels, leadership training, conflict resolution mechanisms, and policies that discourage workplace hostility. Also, it is recommended that organizational leaders and human resource managers should critically review and strengthen their recognition systems to ensure they are meaningful, transparent, and relevant to employee needs. Recognition should go beyond informal appreciation to include structured reward mechanisms that are fair, timely, and linked to measurable achievements.

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### Questionnaire

**Instruction:** Tick the column like this ☒ for the option which best address your answer

Please read each statement carefully and indicate your level of agreement on a scale of 1 - Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 - Agree , 5 - Strongly Agree

S/N	Items	SA	A	U	D	SD
	<b>Interpersonal Relationship (IR)</b>					
1	The organization facilitate the opportunity for employees to socialize					
2	I enjoy working on projects with my colleagues					
3	I feel comfortable expressing my ideas and opinions to my colleagues					
4	The organization encourages social committees at work place					
5	The organization have fixed schedules of staff get together programs					
	<b>Recognition (RN)</b>					
1	I always get credit for Job well done					
2	I'm praised regularly for my work					
3	My hard work is always acknowledged					
4	The organization cares about appreciating her employees					
5	I receive praise for every task I perform with good output					
	<b>Employees' Performance (EP)</b>					
1	I meet deadlines and deliverables in a timely manner					
2	I consistently produce high-quality work					
3	I consistently achieve the goals set for my role					
4	I am able to identify and solve problems effectively					
5	I ensure that my work is thorough and accurate					