Employee Participation In Organizational Decision Making As A Motivational Factor For Building High Performance Work System In An Organization

Prof Zang Zhi  
Nabil Bello Abba  
Department of Business Administration, Hunan University

Adam Abbas Hamid  
Department of Economics and Development Studies, Federal University of Kashere, Gombe State

Abstract: Employee participation in organizational decision making (also known as industrial democracy), is increasingly recognized as additional value to workplace performance, productivity and effectual service delivery. The study investigated employee participation in decision making as a motivational factor for building high performance in the organization. Data were generated by means of a Five (5) points modified Likert scale questionnaires; distributed to 120 employees of three (3) manufacturing companies in Nigeria. Responses from the survey were statistically analyzed using multiple regression analysis and statistics of percentages to answer the research questions; and correlation coefficient and multiple regression analysis to verify the assertions of the hypotheses. The results of the study indicated a statistically substantial relationship between employee involvement in decision making and motivation for high performance in the workplace. The study concludes that management should identify the circles of decisions: (Forms, Stages and Levels); determine the scope of employee involvement, and encourage employees in participative management to enhance organizational performance.

Keywords: Participative Management, Employees, Decision-making, Motivation, Performance.

I. INTRODUCTION

Participative Management also called industrial democracy is not really new; yet it is not widely practiced in many organizations in Nigeria. The Federal Government of Nigeria in 1977 democratized Industrial Proprietorship by promulgating the Nigerian indigenization decree, which provides "that 10 percent total equity shares of any enterprise on schedule, 2 and 3 should be reserved for workers". This encourages participation and gives them a sense of belonging. Such involvement of employees in decision making is aimed at motivating workers; leading to positive work attitude and high productivity, (Noah, 2008). A modern and progressive business exploits the talents of employees, (Hewitt, 2002); and the organization benefits from such collaboration between managers and employees. Studies abound that allowing employees to participate in decision making leads to increase in motivation, job performance and organizational growth, (Levine 1990).

According to McGregor, (1960), participative management provides opportunity for every member of the organization to contribute his brains and ingenuity as well as his physical efforts for the improvement of organizational effectiveness. In the opinion of Cotton, Vollrath et al., (1988), scholars have long argued over the years that there is a close relationship between organizational effectiveness and individual effectiveness. Such connection, if constrictively applied to employee involvement in decision making, a productive work environment can be achieved; in which both the management and the workers voluntarily contribute to strong industrial relations (Noah, 2008).

Although employee participation in organizational decision making is increasingly utilized by modern managers, it is important to measure the latent magnitude of motivation this management practice brings the employees; and highlight
the prospects of their implementation within the workplace. Somerch, (2002) contends that decentralized administrative arrangements have the prospect of achieving better outcomes than the traditional bureaucratic structures. When decisions are exclusively taken by top management without input from the employees, it occasionally becomes difficult to be implemented particularly, when it is unfavorable to the employees who implement the decisions. But employee involvement in organizational decision-making, increases productivity since the employees will be committed to the implementation of decisions they were involved in making; and this lessens disputes and ensures commitment in the work environment.

With the economic meltdown, and the desire of companies to maintain market share and remain relevant, organizations are actively exploring new ways of involving employees to participate actively in decision making. The employees have better concepts of how work can be accomplished easily, better and faster. With the intense competition in business; therefore, organizations must learn to be more flexible to remain competitive as they are faced with intense pressures in the fast changing marketplaces. This entails that to achieve managerial goals, managers must treat their employees equitably. Employee involvement in organizational decision-making may be challenging, but it increases their motivation (Ladd &Marshall 2004). Therefore, to motivate and increase employee commitment and build high performance workplace system, managers need to allow a substantial employee involvement in organizational decision making.

II. LITERATURE REVIEW

Participative Management as a management strategy ensures that employees are dynamically involved in organizational decision making process. Employee involvement in decision making is also termed participative decision making (PDM). It is characteristically about shared decision making in the workplace (Mitchell, 1973). This form of management adopted by organizations is in consideration of the fact that, it is the employees that deal directly with the customers in order to satisfy their wants. They are closest to the customers and a central element in the entrepreneurial process (Li et al., 2006). It has been proved that employee participation in decision making increases workers’ satisfaction and enhances organizational performance (Cotton, Vollerth et al., 1988). British Airways and Toyota have been using suggestion systems and employee involvement processes for over a decade. This is in the belief that employee participation in decision making helps organizations to attain corporate goals in the process of service delivery, and stay ahead of the competition.

Pyman, (2015) infers that involvement of employees in organizational decision making not only motivates them, but enables them to contribute more effectively and efficiently to the organization. According to Kuye and Sulaimon, 2011, employee participation in decision making imply that power is shared with subordinates by superiors in the workplace. This is in variance with the traditional belief that decisions come from the top and tends to ignore the contributions of those at lower levels (Woodworth, 1986). Participation of workers in decision-making process has resulted in positive value creation in many organizations. It has been identified as a way of mitigating problems that manifest in the working lifecycle of employees (Barg et al., 2014). In the views of Singh (2009), employee participation in decision making is among the current forms of employee involvement in the workplace to increase workforce commitment and to democratize the workplace with the intention of improving work performance and organizational accomplishments.

A. THEORETICAL OUTLINE

Social Exchange Theory is one of the most significant conceptual models for understanding workplace behavior, like Employee Participation in Decision Making Process. The fundamental tenets of Social Exchange Theory are that, through mutual commitments, trust and loyalty, relationships evolve. The employer and employees must abide by the rules of exchange adopted by the participants in an exchange relation (Emerson, 1976). Therefore, the use of social exchange theory in models of organizational behaviour is hinged on the basis of the rule of exchange. According to Balain and Sparrow, (2009), social exchange theory suitably outlines employee participation because of the tenets of loyalty, mutual commitment and trust; which are all means of complementation or exchange by virtuous employees to a worthy employer.

Armstrong, (2012) accentuates that the relationships involve exchange or repayment, in such a manner that the action of one participant leads to the response of the other participant. According to Saks, (2006), employee participation as explicated by social exchange theory, commitments are initiated when employers involve employees in decision making process.

B. CONCEPT OF PARTICIPATION

The concept of employee participation in decision making is applied in organizations that recognize the importance of human intellectual capacity and creativity, and seek ways to build a strong relationship with its employees. Vroom, (1974), describes participation as involvement. Locke and Schweiger (1979) define it as ‘joint decision making’ between managers and subordinates. Emamgholizadeh et al., 2011, term employee participation in decision making as sharing decision making with subordinates to achieve organizational objectives. Noah (2008) explains that it is delegation of authority in which the subordinate gains greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. In this circumstance, it is important that employees who are usually affected by corporate decisions, are involved in their formulation, enactment and implementation. This processes involving employee inclusion in organizational goals; through employee participation, communication and decision-making leads to what is now popularly called industrial democracy.

Murew (1967) is of the opinion that participation applies in allowing employees have a voice in shaping policies,
III. TYPES OF EMPLOYEE PARTICIPATION

Participation of workers in decision-making process has resulted in successful value creation in many organizations. Though, the extent to which employees should participate in organizational decision making is still a matter of debate. Some say that workers’ union should participate with management as equal partners, while others believe in restricted or bounded participation, that is, participation of employees or workers to a limited extent. However, there are a number of ways through which employees can participate in decision-making process of any organization.

A. PARTICIPATION THROUGH OWNERSHIP

Employee ownership is a recognized ways of making employees part of the owners of the organization, typically, through buying of equity shares. Employers offer loans to enable employees buy equity shares of the company. This sort of participation serves as an essential kind of motivation.

B. PARTICIPATION AT THE BOARD LEVEL

This is a significant way of protecting the interests of employees. The employees participate in decisions at the board level through their selected representatives or executives of the Union. This form of participation permits the input of employees; and workers’ requests are communicated through their representatives and addressed. The representatives can guide the board and management on best practices to motivate employees.

C. PARTICIPATION THROUGH COMPLETE CONTROL

In this system, the workers through the union constitute the management and take full control of the administration of the company. This is referred to as self-management. The union acts as management and directly deals with administration and industrial matters.

D. PARTICIPATION THROUGH COLLECTIVE BARGAINING

This system provides understanding between the employer and employees, set an established range of participation through collective agreements. This system is reliable in ensuring employee participation in managerial decision making processes.

E. PARTICIPATION THROUGH QUALITY CIRCLES

In this system, management creates Groups of a few persons numbering about ten or less of experts in different fields within the company; who meet regularly to identify, evaluate and solve the problems emanating from the respective areas of operation.

F. PARTICIPATION THROUGH JOB ENRICHMENT

This style creates a reward system, as a motivation for employees who exploit their knowledge and creativity, in the discharge of their daily corporate responsibilities and positively contribute to the performance of the organization.

G. PARTICIPATION THROUGH SUGGESTION SCHEMES

This system emboldens employees to bring forth suggestions to management on useful areas such as service delivery, cost-saving, reward system, industrial safety and corporate social responsibility.

IV. BENEFITS OF EMPLOYEE PARTICIPATION IN DECISION MAKING

✓ EMPLOYEE SATISFACTION AND MOTIVATION

Employee participation in decision making empowers and increases the benefits and stakes of workers in their organization. It motivates the employees, increases job satisfaction and enhances productivity.

✓ IMPROVED SERVICE/PRODUCT QUALITY

Because of the integration of the concepts and information contributed by employees productivity and product quality usually improve. The suggestions provide corrective measures for improving the efficiency of the process

✓ MEETING PRODUCTION TIMELINE

Production deadlines are easily met due to improved communication between the managers and the employees; as well as between the employees themselves across board. Such understanding at the workplace increases the possibility that set goals will be successfully implemented at a given time.

✓ ABILITY TO WORK WITH LESS SUPERVISION
There is greater ability in self-management by employees and less need of supervision. Hence, the resources required to supervise employees is greatly minimized and cost of administration reduced.

✓ EASY RESOLUTION OF INDUSTRIAL DISPUTES

Participation in organizational decision making strengthens information flow and better communication between the employer and employees. This paves way for reduced cases of workplace disputes and easy resolution. It is common knowledge within the industrial circles, that if employees are adequately informed about matters concerning them; and are offered the opportunity to make decisions relevant to their welfare and work, there will be accruals for both the organization and the employees.

V. RESEARCH METHODOLOGY

To investigate the relationship between employee involvement in decision making and the high performance of the organization, a cross-sectional survey design was employed for data collection from a defined population. The research focused on the manufacturing sector of the Nigerian economy and specifically covered three firms with high financial and productive capacity. This research method helps in predicting behaviour (Bordens & Abbott, 2002). Data were analyzed using appropriate statistical tools of analysis (standard deviation, mean, regression analysis, chi-square).

Sample of the population of the manufacturing firms was drawn. Also a sample of respondents was taken from the population of the employees in these firms. These samples were drawn using appropriate sampling techniques and procedures. The employees in these organizations are socially and culturally diverse; and the industrial indexes of the various companies, make them appropriated for the study.

The population of the study consists of the management staff and employees of the three manufacturing firms selected. Borg and Gall formula for sample size determination, developed in 1973, was used to determine the sample size for this study as follows:

\[ n = (z_{0.05})^2 \times \frac{\pi (1-\pi)}{e^2} \times [N] \]

Where:
- \( n \) = Sample size to be determined
- \( N \) = entire population of interest
- \( e \) = acceptable error margin
- \( \pi \) = significance level (0.05)
- \( z \) = confidence level (1.960)

Substituting in the formula we have:

\[ n = 1.960^2 (0.05) [2059] \]
\[ = 0.8416 \times 143.01 \]
\[ = 120.3572 \]
\[ \therefore n = 120 \text{ Nearest whole number.} \]

Consequently, the sample size for the study is 120 staff drawn from the following organizations; Dangote Group Nigeria Plc, Flour Mills of Nigeria Plc and Dufil Prima Foods Nigeria Plc and distributed as captured in Table 1 below:

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
<th>MANAGERS</th>
<th>EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dangote Nigeria Plc.</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Dufil Prima Nigeria PLC.</td>
<td>4</td>
<td>36</td>
</tr>
<tr>
<td>Flour Mills Nigeria</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11</td>
<td>109</td>
</tr>
</tbody>
</table>

Table 1: Distribution of Sample

Table 1 shows the distribution of the samples size of 120: Dangote Nigeria Plc has 5 Managers and 45 Employees representing 41.7 %, Flour Mills of Nigeria Plc has 4 Managers and 36 Employees representing 33.3%, while Dufil Prima PLC has 2 Managers and 28 Employees representing 25%.

Data for the Research was obtained by means of two instruments: a five-point Likert Scale survey questionnaire and semi structured interview. This formed part of the sources of the primary and secondary data. Copies of the questionnaire were distributed to selected members of the management and employees of the organizations. The scores on the questionnaire items were computed to determine the mean index of employee involvement in decision making in the organizations. The interviews were focused on establishing whether managers consult with subordinates, allow employees to discuss alternative ideas with Managers or discuss problems being faced by the organization.

Data was analyzed using the IBM Statistical Software for Social Science (SPSS) version 20. Summary Statistics of Percentages were used to answer the research questions while Pearson product moment correlation coefficient and multiple regression analysis were used to conduct the test of hypothesis. Decision components were analyzed to identify the basic decisions variables and levels of involvement in the organizations; while percentages and inferential statistics were employed to make conclusions on the study.

VI. ANALYSIS, EMPIRICAL RESULTS AND FINDINGS

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>N</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>20-29</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>30-35</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>36-45</td>
<td>35</td>
<td>29.2</td>
</tr>
<tr>
<td></td>
<td>46-55</td>
<td>22</td>
<td>18.3</td>
</tr>
<tr>
<td></td>
<td>56 and above</td>
<td>9</td>
<td>7.5</td>
</tr>
<tr>
<td>Gender</td>
<td>MALE</td>
<td>89</td>
<td>74.2</td>
</tr>
<tr>
<td></td>
<td>FEMALE</td>
<td>31</td>
<td>25.8</td>
</tr>
<tr>
<td>Education</td>
<td>High School</td>
<td>46</td>
<td>38.3</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>37</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s Degree</td>
<td>28</td>
<td>23.3</td>
</tr>
<tr>
<td></td>
<td>Master’s Degree</td>
<td>8</td>
<td>6.8</td>
</tr>
<tr>
<td></td>
<td>Doctoral</td>
<td>1</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Table 2: Demographic Profile of the Sample

The demographic profile of respondents in Table 2 discloses that respondents between 20 to 29 years make up 20% of the entire respondents; 30 to 35 years make up 25%; 36 to 45 years - 29.2%; 46 to 55 years - 18.3%; while 56 and above years and above constitute 7.5%. Majority of the respondents were males, constituting 74.2% of the respondents, and females – 25.8%. In education, 0.8% represents holder of Doctoral degree, 6.8% Master’s Degree;
6.8%, 23.3% Bachelor’s degree, 30.8% Diploma and 38.3% High school certificate.

<table>
<thead>
<tr>
<th>Types of Participation</th>
<th>Dangote Group Plc</th>
<th>Flour Mills of Nigeria Plc</th>
<th>Dufil Prima Foods Nigeria Plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
<td>%</td>
</tr>
<tr>
<td>Ownership</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Board Level</td>
<td>5</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Complete Control</td>
<td>5</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Collective Bargaining</td>
<td>5</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Quality Circles</td>
<td>5</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Job Enrichment</td>
<td>5</td>
<td>39</td>
<td>4</td>
</tr>
<tr>
<td>Suggestion Schemes</td>
<td>5</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 3: Managers’ Perception of Types of Participative Management

Table 3 illustrates how Managers perceive the practice of employee participation in decision making in their respective organizations. Flour Mills of Nigeria PLC is rated highest with 15% in employee ownership, through acquisition of equity shares in the company. Dangote Group PLC is rated lowest with 4%. None of the Companies has employees at the Board level. There is no self-management or complete control in any of the companies. Flour Mills of Nigeria PLC is scored highest with 45% in collective bargaining; while only Flour Mills of Nigeria and Dufil Prima Foods Nigeria PLC sketchanalytical practice quality circles at 11% and 8% respectively. Dangote Group PLC leads with 39% in job enrichment, followed by Flour Mills of Nigeria PLC with 28%. On suggestion schemes, Flour Mills of Nigeria PLC is scored highest with 26% while Dangote Group PLC is the lowest with 12%.

<table>
<thead>
<tr>
<th>Options</th>
<th>Dangote Group Plc</th>
<th>Flour Mills of Nigeria Plc</th>
<th>Dufil Prima Foods Nigeria Plc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
<td>%</td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>30</td>
<td>12</td>
</tr>
<tr>
<td>Disagree</td>
<td>30</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 4: Is the Level of Employee Participation Enough to Motivate Employees Towards High Performance?

Table 4 shows that 15 employees out of 50, representing 30%, agree that employee participation in decision making in the organization is enough to motivate employees towards high performance, while 30 respondents representing 60% disagree. 5 respondents constituting 10% are neutral. In Flour Mill of Nigeria PLC, 12 respondents out of 40 representing 30% agreed that the level of employee participation in decision making in the organization is enough to motivate employees towards high performance; while 25 respondents, representing 62.5% disagree, and 3 respondents representing 7.5% are undecided. 20 respondents in Dufil Prima Foods Nigeria PLC, constituting 66.7% disagree that employee participation in decision making in the organization is enough to motivate employees towards high performance; 6 respondents representing 20% agree, while 4 respondents constituting 13.3% are neutral. From the outcome of the research, 75 respondents out of 120, constituting 62.5% of the sample under study, are of the opinion that the level of participation in decision making in the organizations is not enough to motivate employees towards high performance.

<table>
<thead>
<tr>
<th>Variables</th>
<th>High Participation (%)</th>
<th>Moderate Participation (%)</th>
<th>No Participation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>15.6</td>
<td>25.2</td>
<td>59.2</td>
</tr>
<tr>
<td>Communication</td>
<td>13</td>
<td>21.6</td>
<td>65.4</td>
</tr>
<tr>
<td>Empowerment</td>
<td>24.3</td>
<td>28.5</td>
<td>47.2</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>12.8</td>
<td>32.5</td>
<td>54.7</td>
</tr>
<tr>
<td>Dignity</td>
<td>46.7</td>
<td>29.4</td>
<td>23.9</td>
</tr>
</tbody>
</table>

Table 5: Employee Overall Rating of Decision Components in the Organizations

Table 5 shows that from the overall rating of all the variables listed as decision making components, No Participation is highest; accept under Dignity with 46.7%. The summation is that, there is low (Shallow) employee participation in decision making in all the three organizations under study.

VII. CONCLUSION AND RECOMMENDATION

Since the Federal Military Government of Nigeria promulgated a decree in 1977, reserving 10% of total equity share of any enterprise for the employees, no further potent policy of government has provided further encouragement to involve employees in organizational decision making. Efforts ought to have been made to promote this management practice by means of labour committees in the national assembly and joint committees of trade unions and relevant stakeholders. If pursued over the years, this would have endeared grander development of participative managerial practice in Nigeria.

The study reveals that employee involvement in decision making in the organizations under survey is low. The research has proved that there is positive correlation between employee participation in decision making, motivation and high performance in the workplace. Involving employees in cogent aspects of decision making makes implementation of those decisions not only possible, but effective; and increases their motivation. Participative management accomplishes organizational goals and objectives through employee commitment, loyalty and trust. It has been proved in the study that organization with high employee involvement in decision making have higher performance than those with low employee involvement. Therefore, a robust employee involvement in decision making process is a credible criterion, for enhancing the performance of organizations, in the turbulent and competitive marketplace.

The study recommends that organizations should identify and establish a scope and level of employee participation in decision making. This should underscore collective bargaining and adequate recognition of employees through job enrichment, to influence organizational commitment. The study also recommends that organizations should use quality circles to regularly meet, identify, analyze and resolve problems developing in the workplace. Employee suggestion
schemes should be encouraged to offer quality decision inputs into organizational policy formulations and strategies.

REFERENCES


