

**EMPLOYEES' PARTICIPATION IN MANAGERIAL DECISION AS A DETERMINANT OF FORMATION
OF EFFICIENT WORKFORCE AND GROWTH OF THE COMPANY**

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ABSTRACT

This study was to assess the employees' participation in managerial decision and formation of efficient workforce and growth of the company. Descriptive survey research design was adopted for the study. The study was conducted in Calabar. The population of the study comprised of all the staff of System Metal Industries Limited, Calabar. They are four hundred and twenty-seven (427) according to the nominal roll of the company. The sample size of the study was determined from the population through the use of the Taro Yamen's formula. Simple random sampling technique was used to select 207 respondents that constituted the sample size used for the study. This means that every 2nd name on the nominal roll was picked as respondent. The questionnaire was first subjected to a pilot study with thirty (30) respondents using test and re-test method within a gap of two weeks between the two test administrations. The test scores were collated and subjected to Pearson Product Moment Correlation Analysis using SPSS. The result yielded Cronbach Alpha coefficient of 0.75. The instrument was therefore, accepted to be reliable in producing accurate results. Pearson Product Moment Correlation was used in testing the various research hypotheses to ascertain the relationship that exist between the identified variables. The study concluded that employees' participation in decision making is therefore inherent in the superior/subordinate relationship. Employees will become more creative, exhibit greater initiative, and become more responsible when given the opportunity to express themselves and share in the decisions affecting them and their working environment. Finally, it was concluded that there is significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company. Also that, there is significant relationship between employees' participation in managerial decision and growth of the company. One of the recommendations made was that employees should be given opportunity to participate in decision making in order to ensure the implementation of the decision made.

KEYWORDS: Employees' Participation, Managerial Decision, Formation of Efficient Workforce and Growth

Introduction

Employees' participation does not only involve group processes reflecting democratic values, it is also a reflection of the extent and manner in which responsibilities and tasks are delegated to subordinates. Employees' participation, therefore, is inherent in the superior/subordinate relationship. It has been suggested in several quarters that when workers are involved in the decision-making process of their organizations, they become committed to the attainment of the organizational goals. In a divergent view, Beach (2005) observes that decentralization of authority could also lead to wider participation, which will ultimately result in both increased productivity and higher morale. However, in recognition of the importance of workers' participation in decision making, Armstrong (2009) notes that people will use their energy to subvert the ends sought by the firm if management fails to recognize their existence. While supporting this proposition, Davis (1981) declares that the extent to which a person is committed to any action is a function of his involvement in the planning; and that workers' separation from the planning of organizational objectives would lead to lower overall performance. In other words, when workers are denied the opportunity to participate in the decision-making process that would affect them, their attitude to work will change automatically, and the obvious consequence is low productivity. Hewitt (2002) contends that employees will become more creative, exhibit greater initiative, and become more responsible when given the opportunity to express themselves and share in the decisions affecting them and their working environment. They said that employees' participation in decision-making will facilitate the development of internalized motivation and serve to increase human satisfaction and morale in the organization. Therefore, it is the integration of the employees into the "administrative caucus" that will certainly lead to a better understanding between both parties' management and employees.

Statement of the problem

Over the years, as democratic values permeate nearly every culture, the issue of employee engagement in managerial decision-making has become a major source of concern for numerous companies. Employees in the economic sector face the conundrum and irony of dealing with authoritative management in the workplace while living in a democratic society. One of the key reasons for the challenges that modern employees face on a daily basis has been highlighted as the denial of workers' active participation in decision-making. However, it has been suggested that when an employee realizes that his work does not provide him with the opportunity to realize his full potential through participatory management, he tends to engage in negative behaviours like a lack of an efficient workforce and low growth in the company.

Objective of the Study

1. To find out the relationship between employees' participation in managerial decision and formation of efficient workforce by the company.
2. To ascertain the relationship between employees' participation in managerial decision and growth of the company.

Research Questions

1. To what extent does employees' participation in managerial decision relate with the formation of efficient workforce by the company?

2. What is the relationship between employees' participation in managerial decision and growth of the company?

Research Hypotheses

1. There is no significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company.
2. There is no significant relationship between employees' participation in managerial decision and growth of the company.

Literature Review

Effect of Participatory Decision Making on formation of efficient Workforce by the company

Participation in workplace decision making may have positive effects on employees' attitudes toward their work; however, it may have less impact on employee performance. In addition, the cost of implementing participatory management systems may far exceed the actual return (James, Debra, & Laurie, 2006). However, the commentators provide numerous professional examples to suggest that participation in workplace decision-making in a government setting not only improves employees' attitudes toward work but also increases their performance and makes them more efficient. Changes in the nature of organizations and task environments, employees' desires to participate in workplace decision making, as well as rapid advances in technology facilitating such exchanges, may make participation an even more important determinant of performance in the future. Participation tends to improve motivation because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction, and cooperation with management may also improve. The results are often reduced conflict and stress, more commitment to goals, and better acceptance of change. Turnover and absence may be reduced because employees feel that they have a better place to work and that they are more successful in their jobs. According to Newstrom and Davis (2004), the act of participation in itself establishes better communication as people mutually discuss work problems. Management tends to provide workers with increased information about the organization's finances and operations, and this sharing of information allows employees to make better-quality suggestions.

Emran (2001) revealed that the extent of workers' participation in public sector industries is yet to be limited. The study identifies steps necessary for an increase in worker participation in management of the public sector industries, particularly in the Khulna Newsprint Mills Ltd. In the practice of decision-making and meeting management, there is agreement that everyone engaged in a decision process or meeting should understand his or her role. The ladder of decision-making helps to define that role. The ladder provides a way to articulate who makes the decision and offers employees more certainty about how their input, which consumes their time and resources, will be used. From these benefits, the ladder offers the even greater benefit of improving the quality of decisions by incorporating employee values, information, and alternatives to the decision. It also increases the potential for decisions to be implemented as employees help make and "own" the decisions. And the ladder offers the possibility of reducing employee skepticism about executive decisions and executive efforts to engage in employees' number one issue, time and resources. At Weaveco, the management provided a model of partnership where management actively constructed a collective voice strategy which

was less reliant on the trade unions. This was an attempt by the management to provide communication channels beyond union channels through a disclosure of partnership and teamwork. Weaveco replaced its traditional quarterly union-centered JCC with monthly departmental meetings. Other companies that followed the same system include Southern Shoe and EWC. The company came up with a strategy that allowed the management to communicate effectively with the employees directly rather than through the union. The direct meeting with employees resulted in low levels of absenteeism, better staff retention and productivity improvement (Ackers, Marchington, Wilkinson, & Dundon, 2004). The next section will briefly discuss the obstacles to effective employee involvement in an organization.

Effect of Participatory Decision Making on the organizational growth

According to Dale and Karolyn (2003), some companies are generally known for their high motivation of workers, and the resultant effect is that the workers should pay back by way of high productivity, which brings about tremendous organizational growth. But this is not so in all cases, as some workers cannot remain faithful and committed to their work. From time to time, organizations find it useful to summarize employees and to find out how the employees can best contribute to the growth of the organization. Organizations need to know who their best performers are. Within the context of formal performance appraisal requirements, rating means evaluating an employee or group performance against predetermined standards in an employee's performance plan and assigning a summary rating of record. The rating of record is assigned according to procedures included in the organization's appraisal program. It is based on work performed during an entire appraisal period. Daniels (2001) explains the rating of record as having a bearing on various other personnel actions, such as granting within-grade pay increases and determining additional retention service credit in a reduced workforce. It is pertinent to note that although group or individual performance may have an impact on an employee's summary rating, including his/her effort on organizational growth. Employees' participation in decision making as part of performance management ensures that organizational goals are consistently being met in an effective and efficient manner. It can focus on the performance of an organization, a department, an employee, or even the processes to build a product or service.

Dale and Karolyn (2002) submit that employee participation in decision making is very expedient in organizational growth and development. Performance gaps are identified during the employee performance management process. Ideally, performance gaps are addressed by performance improvement plans. Performance improvement plans through decision-making are sometimes a last-ditch effort to help a person improve his/her performance (Henemen & Courtney 2005). Ideally, the performance problem is addressed through ongoing feedback and adjustments during regular one-on-one meetings. In these plans, goals are established to improve performance and may include, for example, increased effort on the part of the employee, support from his/her supervisor, and certain training and resources to assist the person in his/her development. There is open and honest dialogue between individuals, managers, and project leaders who need to have frequent, clear, open, and fair conversations with each other about the level of performance they are achieving and also how they work together. According to Glasscock and Kimberly (2008), there should be clear, open, and honest conversation about learning, needs, aspirations, and opportunities for growth and development, as well as agreed plans. Where an individual's performance and/or behavior are

not to the required standards, the manager will discuss this promptly with the individual and will work with him/her to address this. The supervisor plays a key role in helping staff to develop their potential. Growth goals, changing and challenging job assignments, responsibilities, and cross-training contribute to the development of a more effective staff member. Help to create an environment where the employee is leaving. This feedback will help the company retain valued staff.

Methodology

Descriptive survey research design was adopted for the study. The study was conducted in Calabar. The population of the study comprised of all the staff of System Metal Industries Limited, Calabar. They are four hundred and twenty-seven (427) according to the nominal roll of the company. The sample size of the study was determined from the population through the use of the Taro Yamen's formula. Simple random sampling technique was used to select 207 respondents that constituted the sample size used for the study. This means that every 2nd name on the nominal roll was picked as respondent. The questionnaire was first subjected to a pilot study with thirty (30) respondents using test and re-test method within a gap of two weeks between the two test administrations. The test scores were collated and subjected to Pearson Product Moment Correlation Analysis using SPSS. The result yielded Cronbach Alpha coefficient of 0.75. The instrument was therefore, accepted to be reliable in producing accurate results. Pearson Product Moment Correlation was used in testing the various research hypotheses to ascertain the relationship that exist between the identified variables.

Results

Data Presentation

The copies of the questionnaire administered on the respondents and their rate of response are shown in Table 1

Table 4.1: Questionnaire Administration

Respondents' Gender	Number of Questionnaire Administered	Number Returned	Percentage (%) of Return
Male	135	135	65**
Female	72	72	35*
	207	207	100%

Hypothesis One

The null hypothesis states that there is no significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company. In order to test the hypothesis, Pearson Product Moment correlation analysis was performed on the data (see table 3).

Table2: Pearson Product Moment Correlation analysis of the relationship between employees' participation in managerial decision and formation of efficient workforce by the company.

Variable	$\sum X$	$\sum X^2$	$\sum XY$	r
	$\sum Y$	$\sum Y^2$		
Employees' participation in managerial decision(X)	2449	29417	38364	0.87*
Formation of efficient workforce by the company (Y)	2578	32576		

***Significant at 0.05 level; df = 205; N=207; Critical r-value = 0.138**

The above table 2 presents the obtained r- value (0.87). This value was tested for significance by comparing it with the critical r-value at 0.05 levels with 205 degree of freedom. The obtained r- value (0.87) was greater than the critical r-value (0.138). Hence, the result was significant. The result of the data analysis therefore means that there is significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company.

Hypothesis Two

The null hypothesis states that there is no significant relationship between employees' participation in managerial decision and growth of the company. In order to test the hypothesis, Pearson Product Moment correlation analysis was performed on the data (see table 3).

Table 3: Pearson Product Moment Correlation analysis of the relationship between employees' participation in managerial decision and growth of the company

Variable	$\sum X$	$\sum X^2$	$\sum XY$	r
	$\sum Y$	$\sum Y^2$		
Employees' participation in managerial decision(X)	2449	29417	42592	0.69*
Growth of the company (Y)	2578	32576		

***Significant at 0.05 level; df = 205; N=207; Critical r-value = 0.138**

The above table 3 presents the obtained r- value (0.69). This value was tested for significance by comparing it with the critical r-value at 0.05 levels with 205 degree of freedom. The obtained r- value (0.69) was greater than the critical r-value (0.138). Hence, the result was significant. The result of the data analysis therefore means that there is significant relationship between employees' participation in managerial decision and growth of the company.

Discussion of the Findings

The result of the data analysis in table 2 was significant due to the fact that the obtained r-value (0.87) was greater than the critical r-value (0.138) at 0.05 level with (205) degree of freedom. This result implies that there is significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company. The significance of the result is in agreement with the findings of James, Debra, and Laurie (2006) who reported that while participation in workplace decision making may have positive effects on employees'

attitudes toward their work, it may have less impact on employee performance. In addition, the cost of implementing participatory management systems may far exceed the actual return. However, the commentators provide numerous professional examples to suggest that participation in workplace decision making in government setting not only improves employees' attitudes toward work, but also increases their performance and make them more efficient. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

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Conclusion

The study concluded that employees' participation in decision making is therefore inherent in the superior/subordinate relationship. Employees will become more creative, exhibit greater initiative, and become more responsible when given the opportunity to express themselves and share in the decisions affecting them and their working environment. Employees' participation in decision making as part of performance management ensures that organizational goals are consistently being met in an effective and efficient manner. It can focus on the performance of an organization, a department, an employee, or even the processes to build a product or service. Finally, it was concluded that there is significant relationship between employees' participation in managerial decision and formation of efficient workforce by the company. Also that, there is significant relationship between employees' participation in managerial decision and growth of the company.

Recommendations

1. Employees should be given opportunity to participate in decision making in order to ensure the implementation of the decision made.
2. The employees should be motivated by the Management in order for the former to give their best; thereby raising the company's achievement to the formation of efficient workforce and rapid growth.

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