

## **EMPLOYEE PARTICIPATION IN DECISION MAKING AND ORGANIZATION PRODUCTIVITY IN PRODA AND INNOSON, EMENE, ENUGU STATE**

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### **Abstract**

*Employee participation in decision-making has become recognized as a managerial tool for improving organizational performance and enhancing competitiveness. In Nigeria, it is reported that the extent of employee participation in decision-making is unclear and hardly prioritized. This study examines the level of employee participation in decision-making and how that has impacted organizations' productivity in PRODA and INNOSON Group of companies in Enugu State. This study employs the quantitative approach and adopts a simple random sampling method to identify respondents. Questionnaire instruments will be distributed to the respondents on the basis of 44% for INNOSON Group of companies and 56% for PRODA with the consideration of staff strength. The data collected are coded and analyzed using the Statistical Package for the Social Sciences (SPSS). The analysis was conducted using Chi-square and binary regression analysis. The data gathered from the study provide answers to the extent of employee participation in decision-making in INNOSON and PRODA. It provides further information on how participation in decision-making has impacted workers' productivity. The findings will inform future research on employee participation in decision-making and guide policymakers, also address industrial disputes emanating from workers' alienation from decision making in an organization.*

**Keywords:** Employee participation, Participation in decision-making, organization productivity, Organizational performance.

## **Introduction**

It is argued that in the present scenario of high competitiveness among companies and public establishments, employee participation in decision making has become recognized as a managerial tool for improving organizational performance and enhancing competitiveness (Moshen & Sharif, 2020). It has been observed in the past years, that organizational management practice demand that employer/management would anticipate that workers will do the work that is put before them. Although this was perfectly a typical method of getting results through others in the early days of assembly line and scientific management, it is no longer accurate of today's business (Ezennaya, 2011). The trend has changed to the extent that management expects more from its employees than doing merely what is placed before them. It has also changed in that workers expect that more can be gotten from them than by simply working according to the direction of the boss.

According to Irawanto (2015), “many organizations are now trying to transform from the old custom of authoritarian organizational style to a way of working which is democratic and participative”. In this sense, managements are allowing their employees to contribute opinions and some are beginning to involve employees more in the process of making organizational decisions (Alsughayir, 2016). This is called participation or participatory management (Gresely, 2015).

There is a consensus among scholars that certain logic supports the opinion that an organization benefits from their managers and employees collaborating, and that there is a close link between organizational and individual effectiveness (Moshen & Sharif, 2020; Nwoko & Emerole, 2017; Alsughayir, 2016 & Irawanto, 2015). As a management tool, employee participation in decision making is believed to enhance the achievement of the shared goals of employee and managers (Nwoko & Emerole, 2017). Alsughayir, (2016) posited that if employees are to understand the need for creativity and commit to changing their work behaviors in new and improved ways, they must be involved in taking decisions. It therefore implies that involvement of employees in decision making is seen as essential to their effectiveness. Employee participation in decision making has therefore become a significant topic in Human Resource Management (HRM), and is regarded as one of the major avenues of employee voice, which many management scholars have observed to be a growing management concept (Brinsfield, 2014). Although there has been much debate over whether or not employees should be involved

in managerial decision making ( Adewumi, 2017), there seem to be a consensus that the best managerial approach is employee participation in the decision making process (Moshen & Sharif, 2020; Nwoko & Emerole, 2017). Saha and Kumar (2017) contended that workers participation involves creating opportunity under suitable condition for people to influence the decisions that affect them. It is a special case of delegation in which the subordinate gains control, and has greater freedom of choice with respect to bridging the communication gap between the management and workers. This serves to create a sense of belonging among the workers, as well as a conducive environment in which the worker will voluntarily contribute to management efforts.

Employee participation in decision making can be classified in terms of three properties. These are formal-informal, direct-indirect and amount of influence (Ojokuku & Sajuyigbe, 2014). the authors went further to explain that formal participation has a system of rules to be followed, while informal participation can be casual like a conversation with a supervisor. Direct participation involves some sort of employee representation. Whatever is the form of participation, it is believed that involving the employees in decision making ensures that individuals are given the chance to carry job responsibility and partake in joint decision making for the overall welfare of the firm (Management study guide, 2016).

The need to get employees to participate fully in decision making in organizations is the root of the strategic management model know as Management by Objectives (MBO), (Hayes, 2021). MBO was first outlined by Peter Drucker (1954), in his book, *The Practice of Management*, and it is aimed at improving the performance of an organization by clearly defining objectives that are agreed to by both management and employees. This model holds that having a say in goal setting and action plans encourage participation and commitment among employees as well as align objectives across the organization (Kyriakopoulos, 2012). MBO is based on the argument that if employees themselves are involved in setting goals and deciding their course of action, they are more likely to fulfill their obligations. in Nigeria sadly, Oyebamiji (2018) observed that the concept of employee participation is still at infancy stage and went further to state that this is evidenced by incessant industrial conflicts and worker agitation in both the private and public sectors in the country. Allowing employee to participate in decision making leads to an increase in motivation, job performance, and organizational growth (Moshen & Sharif, 2020; Nwoke & Emerole, 2017). This study intends to examine the level of employee participation in decision making and how that has impacted on

organization productivity in PRODA and INNOSON Emene, Enugu state. Considering the usual management/labour conflict that has characterized establishments in Nigeria and the low productivity that has become the hallmark of such establishments in the country as well as the debate over the practice of participation management or not, in the country's industrial sector, it becomes necessary to examine the level of employee participation in decision making in PRODA and INNOSON as part and parcel of government and private establishment respective in Nigeria. To ascertain how this affects its productivity.

## **Review of Empirical Literature**

Isichei and Godwin, (2015) conducted a research on decision making and the hospitality industry in Nigeria, a study of selected hotels in the federal capital territory in Abuja. The study adopted descriptive method and data were sourced through primary means with the help of questionnaire. It used multiple regression method of analysis to generate result. The findings from the result showed that employee participation in decision making had great impact on the performance of hotels in Nigeria.

Abdulrahman (2016) examined employee participation in decision making (PDM) and firm performance. The study employed descriptive survey design; and its data were collected through validated piloted questionnaire which were administered through mail to three hundred and forty-one (341) manufacturing firm. The result of the study revealed that there is a positive significant relationship that exist employee participation in decision making and firm performance. Muindi (2019) examined the relationship between participation in decision making and job satisfaction among academic staff in public University of Nairobi. The findings indicate that a significantly strong positive correlation was found to exist between job satisfaction and participation in decision-making ( $\rho=0.888$ ).

Abdulrahman (2016) examined the influence of employee participation in decision-making on firm performance in Saudi Arabia's manufacturing sector. The author who used Regression analysis and Z-test (approximated by the independent samples t-test) for the study found that a significant positive relationship exists between Participative Decision Making(PDM) and firm performance, thus suggesting that PDM is an essential component influencing firm performance.

Dede (2019) examined employee participation in decision making and organizational productivity: case study of Cross River State Board of Internal Revenue, Calabar. The qualitative data collected approach was employed by the researcher of this study which is the use of primary data with the help of questionnaire. The result showed that employees participate in the decision making of the organization becomes easy and creates a good working environment, increase workers' commitment and satisfaction on decisions taken and also increase employees moral since they feel recognized and part of team players in the organization and direct consequences of all these increase productivities within the organization.

Chukwuemeka (2020) conducted a research on employee participation in decision making and organizational performance in public organizations in Anambra State. The study adopted cross-sectional survey design and used the questionnaire as instrument for data collection. The sample size for the study was 357 employees and data was presented using descriptive statistics while the formulated hypotheses were tested using Multiple regression analysis. The study revealed that employee consultations; employee engagement and employee commitment had a significant positive effect on organizational performance.

Nwanah, Abomeh, Okafor. & Mba (2019) studied participatory decision making and organizational goal attainment. The study found out that: Employee participation in decision making significantly improves job performance ( $X^2_{cal} = 2.554 > X^2_{0.5} = 0.6763$ ); employee participation in decision, making relates to employee motivation ( $F_{c-test} = 21.56 > f_{t1} = 2.01$ ); the policy of employee participation in decision-making is significant in organizational goal attainment ( $X^2_{Cal} = 1.887 > X^2_{0.5} = 0.6763$ ).

## **Methodology**

### **Study participants**

The study population is made up of six hundred and seventy-five (675) workers of both PRODA and INNOSON Group of Companies Located in Emene Enugu East LGA, Enugu state. Enugu state is one of the five states that make up the Southeast geopolitical zone in Nigeria. The state has 17 Local Government Areas (LGA) According to the Federal Republic of Nigeria official Census (2006), the state has a population of 3,267,837. Out of this population, the male constitutes 1,596,042 while the female

constitutes 1,671,795 with a population density of 262 people per square kilometer. It accounts for 2.3% of Nigeria's total population.

### **Sampling technique:**

A Simple random sampling is an extensively used sampling method in scientific research. Simple random sampling makes sure that every person in a population has an equal probability of being chosen as a response through balloting. Two organization were randomly selected (private and public) a total of 10 staffs each from different departments will be selected randomly to be pretested on the questionnaires in order to establish a baseline of response

### **Instrument and data collection**

The major instrument for data collection in this study will be the questionnaire. This questionnaire will be pretested on Ten (10) staffs of both organizations before data collection to ensure that the questions administered will provide the desired responses and needed data. This will provide primary baseline data collection technique for the study. The questionnaire will be used to gather quantitative data. In the questionnaire, Section A covering information on the demographic questions while Section B focus on specific issues of the study.

**Data analysis:** To achieve a holistic analysis, this study will employ quantitative and qualitative methods of data analysis. In doing this, the quantitative data from the questionnaire were coded, computer processed and analyzed using Statistical package for social sciences (SPSS). Data collected from questionnaires were sorted out, coded and drawn into tables for easy understanding and systematic analysis. Bar charts, pie charts, frequency tables and percentages were used in assessing and determining the proportions of responses to different issues. Chi-square test statistic was used to test the hypothesis while regression analysis was used to determine the level of relationship between variables. Qualitative data was analyzed manually using thematic method with focus on the interpretation and description of what was said by the interviewees. In going through the transcription, phrases with special connotations will be noted and pulled out as illustrative quotes to complement quantitative data. This will enhance the understanding of the responses of the respondents.

## **Findings:**

This study will examine and provide data on the following:

1. Determine how decisions are made in PRODA and INNOSON, Enugu.
2. Ascertain if employees participate in decision making in PRODA and INNOSON, Enugu.
3. Ascertain the extent of employee participation in decision making in PRODA and INNOSON, Enugu.
4. Identify how employee participation in decision making affect productivity in PRODA and INNOSON, Enugu.
5. Identify the factors that affect the participation of employees in decision making in PRODA and INNOSON, Enugu.
6. Determine what can be done to enhance employee participation in PRODA and INNOSON, Enugu.

## **Conclusion**

This study, through its findings, will contribute to an existing body of knowledge on the topic and to other areas of study relating to decision making and organizational productivity in PRODA and INNOSON. The study will generate enough information that would build up the literature on the need for full participation of employees in decision making and the approaches to be adopted in realizing it, and also great help to students and researchers who may want to carry out further research on employees' participation, decision making and organizational productivity as well as provide empirical data to test the relevance of some existing theories on employee participation in decision making and organizational productivity. It will be very good reference material as well as a basis for further research.

In practical terms, this study reveal more on the various decision-making strategies open to organizations as they strive to compete favorably with others in the same line of business as well as identify factors which affect participation of employees in organizational decision making. This study is useful to PRODA, INNOSON and other corporate bodies in updating and improving their strategies regarding employee participation and decision making to achieve the desired objectives of the organization.

In essence, this study will aid governmental and non – governmental organizations in determining appropriate means of making decisions in their establishments that would lead to enhanced productivity. This research also helps organizations with knowledge on

enhancing a work environment that would eliminate or reduce industrial relations conflict to the barest minimum. For the government, this study is of significance in that it will assist the government in identifying those areas where employee participation in decision making will be of assistance in making establishments more effective and efficient.

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