

Employee Participation in Decision Making and Organizational Productivity: Case Study of Cross River State Board of Internal Revenue, Calabar

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Abstract

The study examined the relationship between employee participation in decision making and organizational productivity among staff in Cross River State Board of Internal Revenue, Calabar. Motivation theory and qualitative data collection approach were employed. The simple and purposive sampling techniques were used to obtain a sample of 80 respondents for study, the questionnaire consisting of 40 questions on the various employee participation scenarios and an interview were administered. Findings from the study indicated that when employees participate in decision making implementation becomes easy, and creates a good working environment, increases commitment and satisfaction on decisions taken and also increases employee's moral since they feel recognized and as part of the team in the organization and the direct consequence of all this improved productivity. The paper recommended that employees should be given the necessary skills and adequate training need in order to promote creativity and innovation in decision making and work attitude as this enhances organizational productivity.

Keywords: *Employee participation, Decision Making, Organizational Productivity, Cross River State, Board of Internal Revenue.*

Introduction

In today's turbulent environment and intense competition, organizations are forced to seek ways to be more flexible, adaptive and competitive as they are faced with competitive pressures and rapidly changing markets, (David 2005). Above all organizations are discovering that people really are the most important asset. Success depends on involving the workforce's entire capacity to generate new ideas and ways of working to outsmart the competitors. Employees must be involved if they are to understand the need for creativity and employee must be involved if they are to be committed to changing their behaviors in work, in new and improved ways. Employee involvement is one of the important aspects of organizational life to achieve increased organizational effectiveness and positive employee perceptions.

Through participatory decision making, productivity is expected to increase, since commitment by workers towards implementation of decisions enhances productivity and overall organizational goals will be high and help reduce agitations, misconceptions and lack of commitment on the part of employees.

Employee Participation Decision Making (EPDM) is the extent to which employers allow or encourage employees to share or participate in organizational decision making. EPDM has been recognized as a managerial tool for improving organizational performance by striving for the shared goals of employees and managers. This is actualized by way of allowing workers' input in developing the mission statement, establishing policies and procedures, determination, promotion and determining perks.

Decision making in many organization are done by top management team without considering the input of the employees at the lower managerial levels. It sometimes becomes difficult for some of the decision taken by top management to be implemented especially when it seems not to be favorable to the staff who are mostly the implementers. Somech, (2002) argues that decentralized authority structures carry the potential for achieving outcomes than traditional top down bureaucratic structures.

Several studies have shown that allowing employees to participate in decision making leads to increase in motivation, job performance and organizational growth, (Kim, Mac Duffie and Pil, 2010 and Levine 1990). However, many studies also have conflicting views on whether or not an increase in employee participation directly affects organizational performance. Some critics such as Sashkin, (1976) felt that participation is not only effective but that it is used by management as an ethical imperative. Locke, (1997) believed that workers participation is merely a managerial technique that can be used effectively in a certain situations. Generally, it has been observed among scholars in social sciences that it is better to involve the staff in decision making of the organization.

In his own view Imaga (1994) suggested that workers participation in management decision making will reduce industrial conflict, raise workers' productivity and motivate workers. In Nigeria, the institutionalization of worker participation within the nation's industrial relations system was championed by several scholars. However, it must be noted on developing countries like Nigeria, is still very scanty.

It is on this premise that, this study set out to examine the employee participation in decision making and organizational productivity in Cross River Board of Internal Revenue in Calabar, Nigeria.

Employee Participation in Decision Making: Problems

Many organizations have experienced lack of commitment by employees towards implementation of decisions taken by top management which undoubtedly has serious repercussion on organizational success. As a result of this many organizations are currently involving staff participation in decision making process. Even the Nigeria Labour Union has suggested it to the government the need for staff participation in public service organizations.

In most cases dissatisfaction emanating from decisions laterally taken by management has led to some negative actions by employees, such negative action includes loss of interest in the job and strike action. Research has shown that when employees are not made to participate in decision making process, its result or led to job dissatisfaction, lack of organizational commitment, low labour management relation which reduce productivity.

This study therefore seeks to investigate whether employee's participation in decision making has an effect on productivity and finding the effect of not allowing employees to participate in decision making process and measures to address them.

Conceptual Clarification Decision Making

According to Store and Freeman (1984) "decision making is the process of identifying and selecting a course of action to solve a particular problem". It can also be defined as a thought process of selecting a logical choice from the available option in decision making process.

Employee Participation

Employee Participation is generally defines as a process in which influence is share among individuals who are otherwise hierarchically unequal. Studies have showed that

employee participation is positively related to performance, satisfaction and productivity. According to Likert (1961) participation in decision making make employees gain self-actualization hence increases employee's motivation and job performance. Participatory decision making is when organization directly delegate to non-management a significant amount of decision authority, Hickey, (1998). Participative management involves management treating the ideas of employees with respect and consideration in decision making process. Some researchers believe that participative management needs to be implemented in most organization because it is necessary. Sashkein (1984), feels that the implementation of participative management scheme can satisfy all three basic human work needs which in his opinion are: autonomy, achievement and interpersonal contact in the context of work activities. Employee involvement has been conceptualized as the process of developing a feeling of psychological ownership among organizational productivity.

Productivity is an overall measure of the ability to produce goods and services. More specifically, productivity is the measure of how specified resources are managed to accomplish timely objectives as stated in terms of quantity and quality. Productivity may also be an index that measures output (goods and services) relative to the input (labour, materials, energy etc) used to produce the output. Therefore, a productivity measure describes how well the resources of an organization are being used to produce input.

Productivity is useful as a relative measure of actual output of production compared to the actual input of resources, measured across time or against common entities. As output increase for a level of input, or as the amount of input decreases for a constant level of output an increase in productivity occurs, (Konings 2009).

Forms of Employee Participation

According to Cotton et al (1998), six forms of participation were explain as follows:

i. Participation in Work Decision

It is the form of participation where employees have a high influence on the decision made. It involves formal and direct means where employees participate in decision concerning the organization directly. White and Robert, (1973), looked at participation in work decisions by surveying 2775 employees in six manufacturing plants in Midwest. They looked at general employee participation in work decisions, job involvement, motivation and personal identification within work group in the organization. The correlation between employee participation and job attitude were consistently positive and significant for the total sample within the six separate plants. The reports shows that employees are more involved, motivated with a higher degree of participation regardless of any difference in actual participation. This form of participation is noted to yield higher positive impacts since employees are directly involved in the decision making process.

ii. Employee Ownership

Employee ownership is one of the formal ways of making employees to be part of the financial owners of the organization usually through equity shares. Employee ownership as a form of participatory decision making serves as an intrinsic and extrinsic from of motivation. According to Klein (1987), there are three models of the psychological effects of employee ownership. The first is the "intrinsic satisfaction model" of employee's commitment and satisfaction which leads to positive impact on productivity. The second model is the "instrumental satisfaction model" of employee ownership. By this model employee ownership increases employee's influence in decision making which turns to increase the commitment level of the workers. The third model, is the "extrinsic satisfaction model" which suggests that

employee ownership increases organizational commitment and productivity thus employee ownership is financially rewarding to the employee.

Emotional attachment to financial ownership enhances commitment and increases productivity. According to Marsh, (1981), 1400 organization were surveyed on Employee stock Ownership plans (ESOP) during the years 1975-1976. It was observed that 229 organizations implemented the program, one-third stated that the quality of work was improved. Other results were on level of turnover. There was a smaller percentage improvement in lateness, absenteeism and employee grievances. Though the results were mostly positive, approximately five percent (5%) of the firms experienced levels employee and turnover and one percent (1%) decline in work quality whilst the majority of the companies surveyed felt that ESOPs had a positive influence in workplace.

iii. Representative Participation

Representative participation is where workers elect execute or some members to represent their interest in management meetings. With representative participation workers participate in decision through their selected executives. With this form of participation employees input and grievances are made known through their representation. This is indirect form of participation because not all workers involves directly in the decision making. Unions are the most used types of representative participation.

iv. Consultative Participation

Consultative participation is a formal means where employees can take part in decision making. This is usually done through the use of quality circles. Bradley (1987), defined quality circles as semi-autonomous work groups wherein employees can work together and participate in the decision making process. It can also be seen as group of employees from different levels of a company who meet regularly to discuss ways of improving quality and to resolve problems related to production. Consultative participation is seen to have positive impact on the success of an organization through job satisfaction, commitment, productivity and other array of a company.

v. Informal Participation

Informal participation takes place through interpersonal relationship between top and lower management. According to Stringer (2006), the strength of the relationship between subordinates and supervisor directly affects job satisfaction. His research shows that there is significant correlation between high-quality supervisor-employees relationships and job satisfaction which will improve organization efficiency. Though informal participation is not formally organizes, it shows good result and can effectively influence participation due to the amount of trust that exists between supervisor and subordinate relationship.

Dirks (2001), indicate that trust can play a huge role in satisfaction of employees and that the type of work environment determines whether or not trust will be expected to result in a positive outcome. He noted that high levels of trust results in more positive attitudes, higher levels of cooperation and superior levels of performance which shows trust within an organization results in positive work ethics and productivity.

vi. Short Term Participation

Short-term participation is seen as an informal participation which mostly consists of rare event in which an employee can participate. According to Steinheider et al (2006), though short-term participation is not widely used, it shows positive results with satisfaction which will enhance a positive impact on productivity.

Theoretical Assumption to the Study

The motivation content theories laid the foundation for the viewing of Employee Participation in Decision Making (EPDM) relatives to employee motivation. EPDM, as it relates to a higher level needs, draws from theorist like Abraham Maslow's need Hierarchy Theory that explicitly explain management views of employees and its impact. Useful frameworks for understating employee motivation in the work place can be provided by reviewing contribution of the Need Theory developed by this Theorist. In today's modern organization, this need theory imply that higher levels needs are responsible for motivating people and interestingly participating literature and research has identified EPDM to satisfy these needs (Lunjew, 1994).

Black & Gregersen (1997), argued that EPDM is an element vital to improving job satisfaction in an organizations. Workers participation had been proven as a management solution to increasing workers satisfaction.

According to Gibson, Ivamchevich et al (1992), three dimensions of participation in organization are as follows:

- i** An opportunity for employees to achieve their goals.
- ii** To seek ideas among the employees.
- iii** To assign responsibilities to employees.

Employee Participation is considered as key element in the successful implementation of new management strategies and plays an important role in determining the degree of job satisfaction. This, in turn, increases the commitment of the employee as well as their motivation.

On the other hand, Higgin (1982), argues that participation is a mental and emotional reflection that will lead to the fulfillment of individual and organization goals, especially if supported by the organization's climate. Brownell (1982), focuses on individual influence and said that participation is an organizational process, in which individuals are involved and have influence on relevant decisions that have effect on them. Therefore, participation is an organizational mechanism, giving employees the right to make decision and the matching amount of responsibility, so that they feel aware of contributing to organizational performance with the participation in hand, the motivation increases, which brings about both individual benefits and organizational effectiveness (Kim, 2002).

Furthermore, Davis & Newstrom (1997), argue that participation is a joint consultation between employees and managers that bring together to address problems and reach decision working together as a team. In consultative management, employees' involvement is emphasized, requiring employees to understand a recent problem and later make a decision on its solution. Rosidi (1991), states that participation plays a vital role in the decision making process, where all the workers actively participate in the decision making process with their individual goals being set, they internalize the organization goals.

Methodology

The study was designed to examine Cross River Board of Internal Revenue, Calabar that seek to collect income tax and some other direct taxes for the government. They operate in the geographical area and that has unique socio-economic and political conditions. Similarly, they are controlled by the government board in terms of all financial requirements or regulations. The organization was chosen conveniently out of others because of their peculiar performance. The focus of the study was to find out how participatory decision making policies were handled in the organization.

The boarder purpose of the study is to explore the relationship of employee participation in decision making and organizational productivity. To solicit opinions of the respondents from

the organization on the matters that bother on participatory decision making a qualitative technique was employed which essentially involved in-depth interviews. Considering the total population of the organization and the working environment, a population of one hundred (100) samples was made.

A sample of eighty (80) respondents out of the 100 employees was used in the study. The sample random sampling technique was used to obtain a sample of 80 employees for the study. The method was used to enable everyone have the equal chance of being selected. The technique was chosen because it is simple to carry out and eliminate personal bias. The purposive sampling was to select respondents for in-depth interview on the effects of employee participation in decision making. The information used for this research was gathered from primary and secondary sources.

Presentation, Analysis and Discussion of Findings

Table 1: Gender of respondents

Out of the 80 respondents, 54 were males and 26 were females, representing 67.5% and 32.5% respectively. This is represented in the table below:

Gender	Frequency	Percentage
Male	54	67.5
Female	26	32.5
Total	80	100

Source: Fieldwork report (2018)

Table 2: Age distribution of respondents

From the research, out of the 80 respondents, 31 employees representing 38.8% were between 20-29 years, 39 representing 48.8% were between 30-39 years, 8 respondents representing 10% were between 40-49 years, whilst 2 respondents representing 2.5% were between 50-59 years. This is represented in the table:

Age	Frequency	Percentage
20-29	31	38.8
30-39	39	48.8
40-49	8	10
50+	2	2.5
Total	80	100

Source: Fieldwork report (2018)

Table 3: Education level of respondents:

Out of 80 respondents, 12 people representing 15% had Master's Degree, 35 people representing 43.8% had First Degree, 9 respondents representing 11.2% were HND, 5 respondents representing 6.2% were OND, whilst 19 respondents representing 23.8% were SSCE/WASSCE holders. This is represented in the table below:

Educational	Frequency	Percentage
Master's Degree	12	15
First Degree	35	43.8
HND	9	11.2
OND	5	6.2
SSCE/WASSCE	19	23.8
Total	80	100

Source: Fieldwork report (2018)

Table 4: Participation in Work decisions

According to the questions posed and the responses, all the 80 employees testified that meeting where all employees views can be heard are important and the respondents noted that allowing all workers to participate in decision making process will enhance productivity. The table 4 below summarizes the responses on participation in decision making.

Question	Yes Frequency	Percentage	No. Frequency	Percentage
Organization of formal meeting	80	100	0	0
All employees participation in decision making best	74	92.5	6	7.5
Influence on job decisions	67	83.75	13	16.25
Positive effect on productivity	67	83.75	13	16.25

Source: Field reports (2018)

Findings

The study revealed that EPDM is an effective mechanism to increase productivity. The research revealed that allowing all employees to participate in decision making is the best and help increases commitment level of workers as well as promoting creativity and innovation in the organization. Workers were of the view that they want to be part of the team in the organization even though the time involve for the participation of them is limited, they feel motivated since they are recognized. In some instance, employees are rewarded for their work which boost their moral to work harder towards productivity. Employee ownership was also seen as one of the major tools to enhance EPDM in work decisions. Respondents were of the view that they become committed towards productivity and eliminate laziness and absenteeism of work since the eagerness of them to receive higher returns strives them to work harder towards productivity.

From the study, though 12 people were of the view that representative participation does not enhance positive impact on productivity, majority of the respondents were of the view that in decision making where all employees cannot participate, representative participation is best and has positive impact on productivity since their grievances and views will be channeled through their representatives. Informal participation was seen as a good medium to increase productivity since it provides a good working environment and also allows for the flow of information. Workers were of the view that the good relationship with their supervisors makes it easy in consulting them on their job when faced with challenges. They noted that the friendly relations even outside the working environment motivate them to give off their best towards productivity. It was observed from the study that in order for employees to have the right knowledge and skills to participate in decision making, they should be trained to enable them participate effectively.

Recommendations

On the basis of the findings from the study, it is recommended that employees must be made to participate in decision making so as to promote creativity and innovation:

- Workers should be given the necessary skills needed on specific matters of which decision are to be made to enhance quality decision making process. This will help them to execute their responsibilities without any difficulty.
- To make workers feel part as owners and stakeholders of the organization, they should be encouraged to own shares in the firm which will promote good attitude towards work to enhance productivity.
- Relationship between supervisors and employees should be good to enhance easy consultation and free flow of information in the organization.
- Regular meeting should also be held to solicit the views of all workers to make them feel part of the firm.

Benefit for Implanting EPDM to Enhance Performance and Productivity

A common misconception by management is that participation in decision involves simply asking employees to participate or make suggestions. In order for good decisions to be made by employees during decision making process, effective programs must be undertaken to ensure efficient and effective decision. For organization to have effective participatory decision making by employees, managers need to approach the method with an open minds. With this mechanism, even though not all suggestions or ideas will be agreed upon, it however, paves way for creativity and innovation.

Management or managers who want to practice participatory decision making must provide workers with the necessary training, information or knowledge so that they can make effective and efficient decision. Most researchers such as Colombo (2008), Sepulveda (2005), and Konings (2009) shows that training is a fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives resulting in higher productivity.

Helms (2006), explains that through training, development opportunities and information sharing, employees can acquire the conceptual skills needed to become effective managers and also increases the commitment of workers to the organization and the decisions they make.

EPDM leads to harmony in the organization; it also improves staff moral and support. It increase job satisfaction, motivation, innovation and decreases inefficiency. According to Kanter (1982), he explains that a participatory work environment is theoretically more effective at enhancing innovations than traditional bureaucratic top down structures because it promotes the sharing of product knowledge between managers and workers who are closest to the products being done and therefore more likely to develop strategies and suggestions for better quality items.

Conclusion

In this article, it is argues that the non-participation of the employees in decision making has failed to bring about the need results in the organizational setting. Accordingly, future decision making in the firm should make the workers the focus of attention, as it is them alone who can make development possible in the organization.

It is therefore, becomes important that they be involved in the design and implementation of decision making.

The goals of participation and involvement of the employees should not just be that of seeking their support in decision making, rather participation must be seen as a right with the aim to initiate mobilization for empowerment and institution building. Decisions makers in the

organization should encourage and ensure broad based participation in all spheres of economic, social, political and regulatory environment that would enable them to benefit from the ensuring development opportunities. All these call for human capital development to promote initiative, strengthen participation and enhance sustainability of decision making, process, projects and programmes. By putting trust in the people, they may begin to assume responsibilities for their thought and action. When people feel that they have the freedom to think, act and relate to each other, they take on a lot of responsibility, Burkey (1993).

It can be concluded from the research that 76 respondents out of 80 representing about 95% were of the view that EPDM affects productivity positively. When they workers are made to involve in decision making, it makes them feel more responsible for their action and see themselves as stakeholders of their firms.

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