



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF PUBLIC ADMINISTRATION AND  
DEVELOPMENT MANAGEMENT**

**Employee Participation in Organizational Decision Making Process and Its  
Effect on their Performance:  
The Case of Ethiopian Construction Works Corporation**

**A Research Paper Submitted To the School Of Graduate Studies Of  
Addis Ababa University in Partial Fulfillment of the Requirements for the  
Award of the Degree of Master Public Administration & Development  
Management (PADM)**

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ADDIS ABABA**

## **DECLARATIONS**

I, Asmamaw Alemayehu, declare that this work entitled “Employee participation in Decision making and its effect on organizational performance in the Case of ECWC” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the research advisors.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of master’s in Public Management and Policy.

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Signature\_\_\_\_\_

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This is to certify that the thesis prepared by **Asmamaw Alemayehu**, entitled: **“Employee participation in Decision making and its effect on organizational performance in the Case of ECWC”** and submitted in Partial Fulfillment of the Requirements for the degree of Master of Arts in Development Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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This is to certify that a Thesis entitled “Employee participation in an organizational decision - making process and its effects on organizational performance in the Cased of ECWC ” was carried out by Mr. Asmamaw Alemayehu, under my Supervision and Supposed to fulfill the minimum requirement for partial fulfillment for the award of Master’s of Public Administration and Development Management.

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## **Abbreviations**

ECWC	Ethiopian Construction Works Corporation
KPIs	Key Performance Indicator
CSF	Critical Success Factors
PDM	Participative decision making
PSRRC	Public Service Review and Reorganization Commission
GDP	Government Development Plan
IMF	International Monetary Fund

## ABSTRACT

*The study assessed employee participation on organizational decision making process in the case of ECWC. To achieve, the overall objective of the study specifically focused to address major basic research questions area such as, assessing organizational strategy to participate employee in decision making, assess level of employee participation, assess the effect of low level of employee participation, and measured organizational performance. To address the area relevant data were collected from the organization employee using structured questionnaire. Regarding the sample size of sample population, the study considers 88 employees using purposive sampling technique. Based on this the study were analyzed the collected data using descriptive data analysis method. Accordingly, the major finding implied that, Regarding employees perception, the finding implied that, even though large proportion of employee perceived participation in organizational decision making improve both employee and organizational performance, however, there were also employees that didn't have positive attitude on employee participation of the organizational decision making process; some of them believed participating on organizational decision making create additional burden on employee, while some of them also perceived that, participating on organizational decision making weaken management practice. The study also found that, there are few employees represented on top level of management on decision making process, while the proportion increase slightly to the middle and lower level of management, however, most of the employee didn't participate in any of the management level. Regarding employee's opinion and feedback, the finding implied management didn't actively encouraged employee to give their opinion and feedbacks, before they decide organizational activities. Regarding the organizational culture and environment, the study had found that, there were lack of organizational commitment and strategies to participate employee in several decision making process, there were also lack of clear rule and regulation how to participation on the organizational different types of activities. Based on the findings the study recommends that, management should encourage employee using different managerial techniques, management should increase employee on major issues of management decision making.*

**Key Words:** *Employee, Participation, decision, performance*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

There is growing evidence that firm performance rests increasingly on the involvement of workers in decision making. Scholars have argued that employee involvement contributes to organizational efficiency because it has the capacity to enhance the quality of decision making by increasing the inputs and promotes commitment to the outcomes of the decision making process in the work place (Holtzhausen, 2002).

Employee participation is considered a key element in the successful implementation of new management strategies and plays an important role in determining the degree of job satisfaction; and this, in turn, increases the commitment of the employee as well as their motivation (Chang, and Lorenzi, 2003. Furthermore, Davidson, and Hannan, (2004) argues that participation is a mental and emotional reflection that will lead to the fulfillment of individual and organizational goals, especially if supported by the organization's participative environment.

In organizational leadership and management operations, decision making has emerged as one of the most dynamic, ongoing, challenging, and active areas of leadership investigations (Ledingham, 2003). leadership is not only about the individual or groups of individual's formal position, power, authority, behavior, personality trait, a set of important objectives, inspiration, delegation, and charisma; instead it must be all inclusive, ongoing, strategic, systemic, productive, positive, as well as influential and goal oriented by including in all activities and decision of employee of the organization (Stine, 2011).

Employee participation in work place in the area of decision making is essential to motivate the employees. Broad participation in decision making ensures high performance of employee and organizational productiveness. This participative process increases capacity of employees in problem solving and commitment to the organization's success. The underlying logic is that by involving workers in those decisions that affect them and by increasing their autonomy and

control over their work, employees can be made more motivated and more committed to the organization, more productive and more satisfied with their jobs (Deluga, 2010). Giving employees' decision making authority increases their control over the tasks for which they are responsible for. Participation tends to improve motivation because employees feel more accepted and involved in the situation.

Employees' participation in management has attracted quite a number of researches in recent times, such as, the study Chang, and Lorenzi, (2003) states that, involving and Participating employee in the decision making of organizational activities improve motivation of employee and sense of belongingness, because employees feel more accepted and involved in the situation. Their self-esteem, job satisfaction and cooperation with management may also improve intern productivity of company increased.

Similarly the study took place by Davidson, and Hannan, (2004) implied that participating employee on organizational decision making process, often reduced conflict and stress, more commitment to goals, better acceptance of change and decrease employee turnover, because employees feel that they have a better place to work and that they are being more successful in their jobs. Ledingham, (2003) in its study also implied that, management that tends to provide workers with increased information about the organization's finances and operations, and other related activities increased on employee confidence on their organization transparency and this sharing of information allows employees to make better-quality suggestions (Chang, and Lorenzi, 2003).

The above reviewed literatures on the importance of involving and participating employee on organizational decision making point out that, employees active involvement should be considered in most decision making of organizational activities, this is because employee are interested to implement the organization project if they are one part of the decision what they will expected to implement. Therefore, Organizational leaders and managers should create a participative climate by sharing the information and involving the employees in decision making.

There are also studies confirmed the importance of participating employee on organizational decision making and its benefit, such as, a study conducted by Apostolou (2000) wrote that employee involvement and empowerment is a long term commitment, a new way of doing

business, a fundamental change in culture. He said employees who have been trained, empowered and recognized for their achievements see their jobs and their companies from a different perspective. Vanderberg (2005) also state that an organization may have well-written policies concerning involvement, and top management may even believe it is being practiced, but these policies and beliefs are meaningless until the individual perceives them as something important to his or her presence in the organization. Markowitz (1996) also asserted that giving employees decision making power boosts their morale and commitment to the organization, which aids productivity; everybody benefits. Richard (2006) also proves that, more decision making responsibility, enhance teamwork, and organizational performance.

Accordingly, this study tried to investigate; employee participation in organizational decision making processes and its effects on organizational performance on the case of Ethiopian Construction works Corporation (ECWC). The organization is responsible implementing many of the country infrastructural projects such as, building freshwater dams, roads construction, irrigation and other necessary infrastructure including development of project design. However, the company complained by its ineffective activities such as, time delay, quality challenges, budget utilization challenges and other related problems. A successful implementation and operation of a project needs different categories of human resources, management staff and workers with sufficient skills and experiences. The availability of managerial staff and skilled labor collaborative decision making participation is a critical factor for success of an organizational performance. A manager or supervisor of any firm should be equipped with the appropriate qualification and experience for the success of an organization. In this regard the organization should have well efficient management bodies, and employee that equally participate on organizational decision making process. However, lack of employee participation on organizational decision making may results adverse effect on the organization employee motivation and performance the organization (ECWC, 2016). Therefore, it is important investigating the effect of employee participation on organizational decision making process and its effect on organizational performance.

## 1.2 Statement of the Problem

In order to increase the workers commitment, and organizational performance organizational leaders need to permit a high degree of employee participation and involvement in the organization decision making practice. Thus, the participation of workers in decision making is considered as a tool for inducing motivation in the workers leading to positive work attitude and high productivity (Stine, 2011).

Artur, (2005) also Acknowledge When employees are given the opportunities of contributing their ideas and suggestions in decision making, increased firms' performance may result since deep employee involvement in decision making maximizes viewpoints and a diversity of perspectives.

In addition to the above idea Aldoory, and Toth, (2004) contend that there is much less research evidence for the value of employee participation and involvement on decision making globally. Scholars have also argued that employees' involvement and participation in decision making may primarily serve to make them feel good about their jobs and in turn increase firm's organizational performance.

Similarly this study confirmed also that, there is no sufficient research results in Ethiopia with related to employee participation and involvement on decision making of organizational activities. This is one of the encouraging factor or research gaps that initiated the researcher to investigate on the area, specifically, taking one of the large public organizations known as Ethiopian Construction works Corporation (ECWC), as a case study.

According to Ethiopian labor Authority (2007), among several problems that affect organizational performance of public organizations is lack of employee participation at organizational decision making process. Even though, the problem on the sectors more complained by employees and other concerned bodies, but still, there are no sufficient studies of the area. In premises to the problem when the study back to the case area of Ethiopian Construction works Corporation (ECWC), the organization is responsible in implementing many of the country infrastructure such as, building freshwater dams, roads construction, irrigation and other necessary infrastructure, however, the organization didn't accomplished projects on time,



challenged by budget utilization, quality problem and other related problems. Those organizational challenges may come through several factors, however, the study tried to assess the effect of employee participation on organizational performance. This is because an organization which encourage employee participation on several decision making process before the implementation of the projects may help to create well preformed organizational employee. This is because employee can contribute a lot of information on the projects, they may fell responsibility, develop motivation and sense of belongingness. Therefore, this study focuses to investigate the effect of employee participation on organizational decision making and its effect on organizational performance.

In premise to employee participation on organizational decision making process the study assess several studies conducted on the area. However, studies conducted on the area were very few; such as, there were a study conducted by Demse (2001) on the impact of female participation in decision making at senior management level of Yeka- Sub City, in this study he was tried only to indicated the impact of females participation on organizational leadership, there were also a study conducted by Birhanu, 1996 on the topic “factors affecting employee participation of decision making process on public service”, the study were focused in identifying major determinate factors affecting employee participation on organizational decision making. Though both of the studies have been tried to investigate lack of women participation on administrative decision making and identified major determinate factors, however the study were not implied the effect of employee participation on organizational performance. Therefore, attempt will be tried to fill this research gap.

### **1.3 Objective of the Study**

The general objective of the study is to assess employee participation in organizational decision making process and its effect on organizational performance in the case of Ethiopian Construction works Corporation (ECWC),

### **1.3.1 Specific Objective of the Study**

The specific objectives of the study are:

1. To investigate the organization strategy how participate its employee in decision making process.
2. To examine status and level of employee participation in the organization.
3. To investigate employee level of satisfaction and commitment associating their decision making activities.
4. To examine the effect of employee participation on decision making of organizational performance.

### **1.4 Research Question**

To achieve the overall objectives of the study the following research questions will be addressed

1. How the organization Strategies affect employee participating and involvement its employee on the Activity Decision Making?
2. What is the present status and level of employee participation in the organization?
3. What is the effect low level of employee participation on employee commitment?
4. How organizational performance affected by employee participation of decision making?

### **1.5 Scope of the Study**

It may be useful to study further industries related to the proposed organization however, large scale of study require large financial resources, time and human power. Therefore, this study is delimited only to assess one of the public organizations known as ECWC. The study also specified on the issues which were discussed such as, assessing the organization strategies to participate employee, assess the present status and level of employee participation in the organization, and measure organizational performance.

### **1.6 Limitations of the study**

The study had faced some limitation; for instance some of the respondents were not interested to give their time and full attention to fill the questionnaire and interview part; as a result there were

questionnaire that was not incorporated in the analysis part. In addition as the enterprise were incorporated with several types of organization in one system, it was difficult to find summed up reports that indicate performance of the enterprise as a result the study were totally depend on the opinions of employee worked at several departments. .

### **1.7 Significance of the Study**

The study will helps in identifying the existing factors affecting organizational participation and involvement of employee and its effect on organizational performance of Ethiopian Construction works Corporation (ECWC). By identifying the major constraints, the main findings of the study will expect to indicate the strategic intervention areas that might be improved the problems. Furthermore, the out- put of the study will help all of management bodies to take lesson on the benefit of participating employee in organizational decision making practice. The study also helps to widen the academic experience for the researcher and used as a reference materials for the studied organization.

### **1.8 Organization of the study**

This research organized in to five chapters. The first chapter deals with introduction of the study, background of the study area, statement of the problem, , objective of the study, significance of the study, delimitation of the study, limitation of the study and definition of key terms. The second chapter introduces review of related literature in the area. The third chapter deals with the research design and methodology. The forth chapter presents the analysis and the fifth chapter contain summary of the major findings, conclusion and recommendation of the study. Finally list of references and appendix were annex at the end of the page.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Employee Participation in Decision Making**

Employee participation entails the involvement of the employee in as many facets of his/her work life as possible; this may occur either directly or indirectly through, which are the representatives of the employees (Bendix, 2001).

It is widely believed that employee participation may affect an employee's job satisfaction, productivity, commitment, which can create comparative advantage for an organization (BhattiandQureshi, 2007). High performing, effective organizations have a culture that encourages employee involvement, since employees are willing to get involved in the decision making process, goal setting and problem solving activities, which then results in higher employee performance (Slocum and Woodman, 1998, cited in BhattiandQureshi, 2007).

Employee participation can either be direct or indirect. In direct participation employees are involved in the activity or process. In the case of indirect participation, their involvement occurs through which are the employees' representatives (Bendix, 2001). In the same vein Kester (2007:45) states that indirect participation is a situation where employees share in some oral decisions that are made in the workplace via their representatives. The following are some of the reasons for employee participation: Employee involvement in decision making sometimes referred to as participative decision making (PDM) is concerned with shared decision making in the work situation (Barringer, 2013).

Aldoory, and Toth, (2004) define it as 'joint decision making' between managers and subordinates. According to Noah (2008), it is a special form of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. It refers to the degree of employee's involvement in a firm's strategic planning activities. A firm can have a high or low degree of employee involvement. A high degree of involvement (deep employee involvement in decision making) means that all categories of employees are involved in the planning process. Conversely, a low degree of involvement (shallow employee involvement in decision making)

indicates a fairly exclusive planning process (Davidson, J and Hannan, G. 2004) which involves the top management only. A deep employee involvement in decision making allows the influence of the frontline employees in the planning process. These are the people who are closest to the customer and who can facilitate new product and service recognition, a central element in the entrepreneurial process (Li et al., 2006).

The attitudes that organizational results come from the top, that effective cultures are derived from the upper echelon, often tend to ignore the power and the contributions of those at lower levels. This ignores the importance of employee involvement in decision making. Power distance signifies how individuals regard power differentials within the society or firms. It influences the degree to which participation is practiced. In high power distance culture, decision making is perceived as a privilege of management, and participation is considered as an infringement to management prerogative. Hence, employees are not involved in decision making. In contrast, in low power distance culture, everyone is perceived to have the potential to contribute to the decision making process; in fact, everyone is assumed to have equal rights. As such, employees consider it their right to participate in decisions that concern them (Chang and Lorenzi, 2003).

On the other hand, individualism collectivism helps identifying the person or group involved in making decisions. The individualism-collectivism continuum is the extent to which an individual defines himself either an independent agent or a part of the collective. Cultures high on individualism (or low in collectivism) emphasize the welfare, interests, and goals of the individual and his family (Hixson, 2008).

According to Northouse (2004), Employee Participation in Decision Making (EPDM) is rooted in the “theory Y” perspective of management. He therefore suggests that employees are fundamentally interested in performing well at work and will be more attached and committed to a work organization if their seniors value their contributions in making decisions that affect the nature of work. Although the effects of EPDM may vary with the nature of participation, higher levels of EPDM have been found to be positively related to higher levels of organizational commitment, lower employee turnover, and higher employee productivity. EPDM may also lead to better labor-management relations, stronger employee attachment to organizations, better quality decisions, and improved productivity (Elele and Fields, 2010) EPDM as a Human

Resource practices acts as a signal to the employees that their contribution is valued by the management. In their review of review of employee participation, Eleland Fields (2010) noted that employees most often will have more complete knowledge of their work than even their senior or supervisors. Decisions made in consultation with employees will be made with more information. Employees who are involved in decision making subsequently are better equipped to implement such decisions. Employees may also perceive their managers as valuing their contribution or that the managers are recognizing that employees are intelligent. This can lead to employee satisfaction and subsequently greater productivity.

Cotton et al. (1988) categorized EPDM as: direct employee participation with management in making work-related decisions, consultative participation where employee opinions are considered by managers in making decisions, employee partial ownership of the organization, and representative participation through a union or staff association. However this study concentrated on employee direct participation and not indirect participation through representatives. Employee direct participation in decision making can cover a broad spectrum ranging from briefing groups to board level representation. Involvement can be direct where employees participate direct in discussion or indirect through representatives. It can take the form of suggestion schemes, joint consultation, project teams, empowerment through delegation, staff meetings, partnership schemes and the share option/profit related pay (Cole 1997). The study investigated whether there was a relationship between employees' direct participation in decision making and employee organizational commitment.

## **2.2 The Role of Employee participation in Organization Decisions making**

Organizational commitment generally means attachment and loyalty to an organization. It refers to the relative strength of the individual's identification with, and involvement in a particular organization. Employees' commitment especially affective commitment has been considered an important determinant of dedication and loyalty. Affectively committed employees are seen as having a sense of belonging and identification that increases their involvement and their desire to remain with the organization (Rhoades and Wiesenberger, 2001). Staff commitment is important because committed employees are less likely to leave for another job and are more likely to perform at higher levels. According to a study conducted by Mathieu and Zajac (1990), the

outcomes with the greatest correlation with commitment (in order) were intention to search, intention to leave, and actual turnover. One of the models that have generated most research on organizational commitment is that developed by Meyer and Allen (1990). They labeled them: affective commitment (desire to stay), continuance commitment (perceived costs of leaving) and normative commitment (perceived obligation to stay) to distinguish the various types of commitment. According to them, more than one of each type of commitment may be present in an individual employee.

When a person has an affective commitment, he or she has the desire to follow a course of action. It refers to employees' emotional attachment to identification with, and involvement in the organization. An employee who has continuance commitment wants to continue the relation with an organization, because the costs of leaving the organization are too high. It may also happen that he or she has no alternatives. The third is normative commitment which according to Meyer and Allen (1990) means that people feel the obligation to follow a certain course of action because of the much the organization has invested in them. Employees with strong affective commitment would be motivated to higher levels of performance and make more meaningful contributions towards the organization than employees who express continuance or normative commitment. This study adopted Meyer and Allen's (1991) multidimensional organizational commitment because an employee's relationship with the organization can reflect varying degrees of all the three dimensions (Kipkebut, 2010). The applicability of Mayer and Allen model was tested in the Kenyan situation and was found to be applicable. This was done by Kipkebut (2010) in a study involving three public and three private universities among academic and administrative staff.

The participation of employee can add organizational performance. High performance work systems claim to increase organizational performance. It is crucial therefore to analyze whether or not these systems actually achieve the simple purpose they were devised to fulfill. There is a substantial and growing body of research which claims to show that enormous economic returns can be obtained through the implementation of HPWS (Pfeffer and Veiga, 2009). There are many indicators other than pure financial figures that indicate an increase in organizational performance (Huselid, 2010). One such indicator is the actual behavior of employees, through the way they affect turnover and labor productivity (Huselid, 2010). Eliciting superior employee

performance, which in turn increases organizational performance, comes from HPWS in the form of developing individuals to their “full” potential and motivating these individuals to apply their skills and abilities to their work-related activities (Way, 2002).

### **2.3 Advantage of Direct and Indirect Employee participation**

Two forms of employee participation can generally be identified, namely direct and indirect

Participation (*Nel et al.*, 2005:291).

#### **Direct Employee Participation**

According to Kester (2007:45), direct participation occurs when employees share in some or all decisions that are made at an enterprise level by them. Direct participation “...customarily entails that the subordinates participate, speak for themselves about work or matters related to work. It is regarded as a process of job enrichment and enlargement where the employee is offered the possibility of extending the depth and width of his work tasks, but without any control over organizational planning or goal setting” (*Nelet al.*, 2005:291).

Direct participation also includes the sharing of financial rewards, which result from increased productivity; the provision of all information relevant to a job; consultation about changes that may affect the employee; and personal involvement of employees in the decision making process (*Nelet al.*, 2005:292). According to Sako (1998:5), direct participation refers to mechanisms, which enable individual employees to influence their day-to-day operations. Summarily, direct participation is concerned with face-to-face contact between managers and their subordinates (Du Toit and Oosthuizen, 1999:214). Examples of direct participation include: face-to-face meetings, or one-on-one meetings between management and employees, exchange of emails, and questionnaires.

#### **Indirect Employee Participation**

Indirect participation is a situation where employees share in some or all decisions that are made in the workplace via their representatives (Kester, 2007:45). According to Fennimore (2006:197), the indirect participation of employees in decision making is one where by employees participating through. According to Anstey (1997:4), collective bargaining (CB) is an indirect form of employee participation in decision making, and it is the most common form of



employee participation worldwide. CB is a vehicle used by employee representative TU(s) to regulate work place behaviors, production, wages and substantive conditions of employment through the process of negotiation between TU (s) and employers' representatives (Anstey, 1997:4). Similarly, Bendix (2010:708) states that CB is an indirect form of employee participation indecision making, particularly because the process of CB allows TU(s) and employers representatives to engage in the joint regulation of workplace-related issues, whilst they may jointly solve problems, which may arise.

## **2.4 Levels of Employee Participation**

Levels of participation refer to the extent, which employees or their representatives' influence decision making in an enterprise. This can range from employees simply being informed about management decisions through two-way communication, and up to a stage where employee shave joint or full control over decision making in an enterprise (Du Toitand Oosthuizen,1999:214).A distinction is usually drawn between three levels of participation within an organization (Neletal., 2005:292).

### **Low Level Participation**

At this level of participation, management makes an effort to improve communication and attitudes, but still views employees as relatively passive (Du Toit and Oosthuizen, 1999:214).Here participation of employees is usually via staff bodies. For example in public HE institutions, the participation of employees at the level of their department (Departmental Meeting) is a low-level participation.

### **Mid Level Participation**

This takes place when an employee participates in the decision making processes of the plant or establishment, concerning, for example, the way in which the company's rules, regulations, and disciplinary procedures should be applied and executed (Nelet al., 2005:293). According to DuToit and Oosthuizen (1999:214), at this level management seeks to actively involve the employees in productivity and cost management. An example of mid-level participation in public HE institution is participation at the level of a Faculty (Faculty Board Meeting).

## **Top Level Participation**

At this level management views the employees as partners in the enterprise and rewards efforts through gain sharing or profit sharing schemes (Du Toit and Oosthuizen, 1999:214). Here, top management and the representatives of employees decide on issues of strategic importance for the organization as a whole (Nelet *al.*, 2005:293). An example of top level participation in public HE institution is participation at the level of the institution (Senate).

## **2.5 Objectives of Employee Participation**

Employee participation is generally seen to satisfy ethical/moral, political, social and economic objectives of employees (Venter, 2003:441).

### **✓ Ethical / Moral Objectives**

Workplaces are not only a source of employment and income, but also have an impact on the health, wellbeing, security, happiness, and self-esteem of employees. Therefore, the participation of employees in decision making is an ethical and moral imperative (Cassar, 1999:57). It seems employee participation can boost the morale and wellbeing of employees in the work place.

### **✓ Political Objectives**

Political democracy in its basic form refers to government for the people by the people and with the people (Bendix, 2010:707). If employees are entitled to influence those issues, which impact them politically through a democratic process, it follows that they should have an equal say on issues, which have an impact on them economically (Venter, 2003:441). Engaging employees in decision making is an extension of the principle of democracy in the workplace, where employees can exercise greater influence over decisions, which affect their lives at work (Davis and Lansbury, 1992:231); (Lessing, Schepers and Valoyi, 2000:32). Since 1994, increasing pressure has been placed on South African workplaces to introduce processes and structures that will allow employees to participate in decision making at all levels of an organization (Venter, 2003:442).

## ✓ **Economic objectives**

The main economic purpose of employee participation is that cooperation is seen as bringing about greater commitment, performance and motivation on the part of employees, which will result in higher productivity (Bendix, 2010:707). Cabrera, Ortega and Cabrera (2003:44) believe that employee participation increases effort, which subsequently improves efficiency, and productivity, while it also reduces the cost of monitoring employees and it leads to increased commitment. Cook (2008:20) adds that organizations that have higher levels of employee commitment and engagement outperform their competitors in terms of performance, productivity and profitability. To link this to public HE, any public HE institution that engages its employees in decision making, will render services of good quality to the students than institutions which do not engage their employees.

Employee participation can result in a higher rate of outputs and increased quality of products owing to greater personal effort and attention on the part of employees (Massarik and Tannenbaum, 1999:293). In the case of public HE, employee participation will result to the delivery of quality services to the students and this will improve the number of graduates (productivity). Shelley (2000:5) expands on the views of Massarik and Tannenbaum (1999:293) by stating that employees may work harder if they share in decisions that affect them, while the enterprise will then also operate more efficiently. Engaged employees give more of what they have to offer, and they are more productive. Improving employee engagement is the most powerful force used by most organizations to increase organizational effectiveness and efficiency (Macey, Schneider and Barbera, 2009:2).

## **2.6 Ascend and descend employee participation**

Employee participation can either be ascending or descending (Venter, 2003:447).

### **Ascending Participation**

This refers to extending employees' influence beyond CB into areas of managerial prerogative in order to protect the interests of employees (Venter, 2003:447). Ascending participation is an effort by individuals at a higher level within an organization or institution to provide direct opportunities for individuals at lower levels in the organization to have a greater voice in the

decision making process (Perry, Mesch, and Paarlberg, 2006:508). Senior lecturers are involved in ascending participation. They interact with management at the Faculty Board and some at the Senate which the largest decision making body at any HE institution. One can deduce that ascending employee participation in decision making is an effort by management to provide employees with opportunities so that they may contribute to the management of an organization as opposed to indirect participation, which is done by employees' representatives (TUs) through the process of CB

### **Descending Participation**

This refers to participative structures that are initiated by management, which voluntarily transfer power from management to employees. It is usually introduced to motivate employees, and to encourage identification with the goals and objectives of the organization (Venter, 2003:447). Perhaps it is for this reason that Putz (1991:9) states that the largest unexplored opportunity for an organization to achieve its goals and to improve its effectiveness efficiency and productivity, is via the effective use of its people.

## **2.7 Conditions Necessary for Successful Employee Participation**

In order for employees in an organization to effectively engage in decision making, the following conditions must be met: effective engagement of subordinates; management commitment; management style; an appropriate organizational culture; training; and trade union support (Venter *et al.*, 2009:488).

### **Effective engagement by subordinates**

In order for participative structures to be maximally effective, the support and commitment of subordinates is an absolute requirement (Venter *et al.*, 2009:493). An organizational environment where subordinates are involved in planning or implementing changes can help to reduce resistance to new change efforts, encourage subordinates' commitment to the changes, and enable subordinates to cooperate with management in order to achieve the goals of the organization (Weber and Weber, 2001:291). For instance, in the Institution and Faculty for this study, engaging the subordinates in decision making will improve service delivery to students and productivity.

## **Management commitment**

Management commitment can be defined as “engaging in and maintaining behaviors that help others achieve their goals” (Cooper, 2006:1). The introduction of participatory initiative presupposes the full commitment of management for it to be successful. This is because management is responsible for leading and motivating the workforce; for creating the requisite supportive culture; and for creating the policy framework, which is necessary for the effective implementation of employee participation in decision making (Venter *et al.*, 2009:488). According to Macey and Schneider (2008), cited in Bishakha, Ganapathy and Malavika (2010:84) it is the organization’s responsibility to create conditions that sincerely engage the work force. The disclosure of business and financial information to employees by management is a critical requirement for effective employee participation in decision making, and is a true test of management’s commitment to the process (Venter *et al.*, 2009:488).

Employees are better able to make more informed decisions, as well as a greater impact in the decision making process if they have the right information at their disposal. If employees have the right information at their disposal, they will be able to identify more strongly with the aims, objectives and vision of the organization. The South African government has, since 1994, created an environment that is more conducive to information sharing. for example Section 32(a) of the Constitution of South Africa.

## **Management style**

According to Du Toit and Oosthuizen (1999:216), management style is a strong predictor of degrees of participation. Management has the prime responsibility of initiating structures for appropriate communication, information sharing and setting the right procedures for employee participation in decision making. Employees should perceive these structures as desirable and effective (Cassar, 1999:59).

Ainsworth and Brown (2000:3) add that management style is a key variable for the effectiveness and success of employee participation. Work relationships between managers and their subordinates depend on power distance. If the power distance is low, the distance between managers and employees will be small, and there will be cooperation because the contacts are

direct. If the power distance is high, which is a management style that is often used by autocratic managers; employees will hardly have any say in decision making (Hofstede, 2005:55-56, cited in Bialas, 2009:107). Employee participation in decision making is more acceptable in a low power distance management style rather than in a high power distance style of management (Porter and Rees, 1998:168). In the Faculty for this study, one can say that there is a low power distance since there are a lot of platforms through which the staff can chip in their inputs. This is just the norm in any HE institution. According to Cooper and Xu (2011:399), management style is a key antecedent of employee engagement. Autocratic management, which vests power, authority, and decision making in management, is deemed to be incompatible with employee participation in decision making for a number of reasons, which are outlined below.

- Autocratic managers are traditionalists, and usually believe that organizations will only work effectively if employees are closely monitored and controlled. If employees become Too involved in decision making, they will likely neglect their work and thus not meet their different targets. According to autocratic managers, therefore, employees should be told what to do, and how, when and where to do it;
- Autocratic managers are inflexible and are often threatened by change, particularly if the change involves a direct challenge to their managerial prerogatives. Managers might feel that their jobs are threatened by employees who participate in decision making, since the reality is that employees are often more creative and innovative, and might well come up with better ideas and solutions;
- Autocratic managers lack the capacity, skill and expertise in communication and teamwork to engage effectively in participative management; and
- Autocratic management is often based on the belief that employees have neither the skills nor the inclination to participate in decision making (Venter *et al.*, 2009: 490). Conversely, in a democratic style of management, managers acknowledge the value of employee input; foster a culture of information sharing; promote cooperation; and encourage employees to participate in decision making (Venter *et al.*, 2009:490). The above idea is supported by McLagan and Nel, 1996:16, cited in Du Toit and Oosthuizen (1999:213).

They state that in an authoritarian style of management, managers think and employees do. In contrast, in a participative style of management, people in different positions think at the same time about the same thing, but not in the same way.

### **Organization Set of Core value**

Organizational culture can be defined as a set of core values and behavioral norms; behavioral patterns, which govern the way that people in an organization interact with each other and place effort in their jobs and the organization at large (Van Muijen *et al.*, 1992:250, cited in Hartog and Verburg, 2004:58). In this regard, Berry (2004:2) states that organizational culture refers to a pattern of basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal investigation, which has worked hard enough to be considered valid, and be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Cultural context plays an important role in a decision making process. In high power distance culture, the superior is the person who more often takes decisions without subordinates' participation, and gives subordinates precise instructions on how to execute decisions. Conversely, in low power distance culture, employees participate in making decisions (Bialas, 2009:107). Organizational culture affects the way in which people set personal and professional goals, consciously and sub consciously think; make decisions; perform tasks; and administer resources to achieve them that the participation of employees presupposes and organizational culture. (Lok and Crawford, 2003:323).

## **2.9 Types of Employee Participation**

Employee can involve in the organizational decision making practice as well as participate in the day to day activities of the organizational activities through different types of interactive ways.

With related to this concept Barringer, (2013) states some of the methods as follow:

### **Face-to-Face PDM:**

The combination of high individualism and low power distance gives way to face-to-face interaction. Face-To-Face PDM is a direct superior-subordinate interaction; thus, the employees rather than their representatives are involved indecision making process. However, employees who are necessarily involved are those who possess the needed knowledge and information not

possessed by the superior. In other words, managers provide opportunities for participation on the basis of one's.

### **Collective PDM**

Low or medium individualism in combination with low or medium power distance gives rise to collective PDM. It signifies an indirect involvement of employees in the decision making process through consultative committees, work councils, or even the trade unions. Thus, it is an institutionalized involvement of workers in decisions that are relevant to labor management relations.

### **Paternalistic PDM**

It emphasizes high power distance and low individualism. The paternalistic approach represents the relationship between a superior and his subordinate which is likened to the relationship between a father and child. The (superior) father figure' is assumed to know what is best for the subordinate. He is trusted and expected to make the right decisions, which would be to the benefit of the subordinates. The subordinates believe that the superior acts as their representative by taking their well-being and protection in to consideration in the decision making process. This implies that employees rarely take part in the work decisions. If they do, participation is typically restricted to senior employees.

### **Pseudo-PDM:**

Pseudo-PDM develops in a high individualistic and high power culture. This form of participation implies a directive management covered with a mask of participation. Directive managers pretending to be participative cannot earn the employees' trust; rather, organization members are fully conscious of the disparity between the official democracy and actual dictatorship.

## **2.9 Benefit of Employee Participation in Decision Making**

There is an assumption held by many scholars and managers that if employees are adequately informed about matters concerning them and are afforded the opportunity to make decisions relevant to their work, then there will be benefits for both the organization and the individual



(Shadur et al., 1999). Hence, the following are the benefits of employee involvement in decision making:

- It increases employee's morale or job satisfaction and enhances productive efficiency
- It provides employees the opportunity to use their private information, which can lead to better decisions for the organization.
- As a result of the incorporation of the ideas and information from employees, organizational flexibility, product quality, and productivity may improve.
- It contributes to greater trust and a sense of control on the part of the employees
- Through employee involvement, resources required to monitor employee compliance (e.g., supervision and work rules) can be minimized, hence reducing costs.
- When employees are given the opportunities of contributing their ideas and suggestions in decision making, increased firms' performance may result since deep employee involvement in decision making maximizes viewpoints and a diversity

According to Deluga, (2010) identifies four corresponding outcomes of employees' involvement or participation in decision making:

1. Quality Improvement. Better information flow- and use- can clarify tasks goals, and bring about qualitatively better decisions.
2. Increase in employees' commitment and acceptance of decisions through a sense of "ownership" (having been involved in decision making). This outcome increases the likelihood that goals will be effectively implemented.
3. Support of the participative approach and continuance of its effects overtime, due to learning through behavioral practice; this represents the behavioral process effect.
4. Increase adaptive capacity of the organization. Development of shared norms and values may result into more effective use of inter-dependency relations among organization members, through an organizational process based on collaboration, as opposed to win-lose conflict.

## **2.10 Relationship between Employee Participation in Decision Making and Firms Performance**

There is growing evidence that firm performance rests increasingly on the involvement of workers in decision making. Scholars have argued that employee involvement contributes to organizational efficiency because it has the capacity to enhance the quality of decision making by increasing the inputs and promotes commitment to the outcomes of the decision making process in the workplace (Miller and Monge, 2006). According to Spreitzer et al. (1997), workers who have greater choice concerning how to do their own work have been found to have high job satisfaction and consequently high performance. A significant relationship between frequency of employee's consultation and organization commitment has also been established (Noah, 2008).

While employee involvement may reside at the core of many contemporary practices and research, the extent to which organizational level performance gains are actually achieved through decentralizing decision making authority to lower level employee remains unclear (Richardson et al., 2002). Latham et al. (1994) contend that here is much less research evidence for the value of employee involvement on quality decision making. Scholars have also argued that employees' involvement in decision making may primarily serve to make them feel good about their jobs and organizations but do little to increase firm's performance (Wagner, 1994).

Organizational commitment generally means attachment and loyalty to an organization. It refers to the relative strength of the individual's identification with, and involvement in a particular organization. Employees' commitment especially affective commitment has been considered an important determinant of dedication and loyalty. Affectively committed employees are seen as having a sense of belonging and identification that increases their involvement and their desire to remain with the organization (Rhoades and Eisenberger, 2001). Staff commitment is important because committed employees are less likely to leave for another job and are more likely to perform at higher levels. According to a study conducted by Mathieu and Zajac (1990), the outcomes with the greatest correlation with commitment (in order) were intention to search, intention to leave, and actual turnover. One of the models that have generated most research on organizational commitment is that developed by Meyer and Allen (1990). They labeled them: affective commitment (desire to stay), continuance commitment (perceived costs of leaving) and

normative commitment (perceived obligation to stay) to distinguish the various types of commitment. According to them, more than one of each type of commitment may be present in an individual employee.

There is increasing evidence indicating that employee involvement enhances job performance since it has the ability to improve quality decisions making by rising the inputs (Miller and Monge; Markey 2006). Employee performance improvements linked to worker involvement range from improved quality as well as higher productivity to lower scrap rates as well as higher level of consumer satisfaction (Tamkin, 2003).

The Gallop Organization (2004) studied employee involvement in departments in organizations. The study findings evidenced that employee involvement was directly related to job performance in a several areas such as productivity, profitability and customer satisfaction (Harter, Schmidt and Hayes, 2002). Correlations between employee involvement and job performance and effectiveness were noted by Harter et al (2002) and Patterson et al (2004). Harter et al studied employee involvement initiatives encompassing job performance affecting 8,000 business units in 36 companies.

The researcher noted that increased employee involvement was directly linked to improved performance and consequently higher profits. Equally in a related study of organizations by Patterson et al (2004) noted that employee involvement was directly related with enhanced employee performance and resulted in increased company productivity in the subsequent year. In similar manner, a research of financial institutions in the United Kingdom showed that for every 10 per cent increase in employee involvement levels corresponds to a four per cent increase in product sales (Young, 2007). Corporate Leadership Council, (2004) conducted a study of 50,000 and the finding indicated that the most involved and committed employees perform 20% higher than their counterparts. Sonnentag's (2003) study of employees from six state owned corporations in the United Kingdom showed that high levels of employee involvement at work was critical in motivating employees to learn skills related to the work and also take initiatives to find solutions to work related problems.

In another study, Watson Wyatt's (2007) researched on 946 organizations in 22 countries. The findings showed that involved employees who are more likely to perform better than employees

who are not involved. However, Balain and Sparrow (2009) contends that employee involvement relationship to job performance is over simplified as it implies that higher levels of employee involvements results in higher job performance but rather they contend that the correlation between employee involvement and job performance is rather complex to be explained through performance and that studies only indicate and measure the outcomes of performance rather than the underlying issues and causes

The goal setting theory (Locke and Latham, 2002), was selected to guide this aspect of the study. The literature below explains the linkage between decision rights and employee performance. Decision rights allow greater involvement of employees in deciding on issues that affect their work. So workers have a say in defining the right Key Performance Indicators (KPIs) and establish Critical Success Factors (CSFs) concerning their job responsibilities. Armstrong, (2006) observes that employees are most likely to meet or exceed performance goals when they are empowered with the authority to make decisions and solve problems related to the results for which they are accountable. This is in line with Hewitt, (2002) who argues that the contributions of individuals and teams are a starting point for enumerating the results for which workers are accountable.

According to Michelle, (2007) and Helmut, (2002), the most important decisions in an organization affect not only the decision maker but also other members of the organization. The allocation of decision rights according to Helmut (2002); Jensen and Mechelle (2007) can resolve the problem of externalities that may have impact on other stakeholders when important decisions concerning them are made without their participation. According to Osterman, (1994), around 45% of workers decide the mode of doing their job. Aghion, and Tirole, (1997) support the view when they observe that as interests between management and employees become more aligned, delegation of decision making rights motivates employees to improve their performance without causing severe disruption to the decision making process. Juliette and Jeff (2005) however argue that there are certain circumstances (such as sensitivity and nature of the matter) under which the employer may reserve authority over decision rights.

Michelle, (2007) observes that employee involvement in decision making sometimes referred to as participative decision making (PDM) is concerned with shared decision making in the work situation. In support of the argument, Hewitt (2002) notes that there are certain individual

contingency factors which may support participative decision making. For example, when the sets of choices are clear and employees show greater desire for job involvements, it is healthier to let them participate in the decision making process. Participative decision making in organizations may also be necessary when developing greater individual job responsibility.

## **2.11 Factor Affecting Participatory Decision Making**

According to Balain and Sparrow (2009) certain prerequisite conditions are necessary for participation to succeed in any organization. Some of these conditions exist in the environment while some actually occur in the individual. These conditions as stated by Davis (2011) are as follows:

1. There must be adequate time to participate before action required for participation is hardly appropriate in emergency situations.
2. The subject of participation must be relevant to the employee environment; otherwise employees will look upon it merely as busy work.
3. The participants should have the ability such as intelligence and knowledge to participate. For example, it is unreasonable to ask security men in a product manufacturing organization to participate in mapping out marketing plans for their products.
4. The participants must be able, mutually, to communicate (to talk each other's language) in order to be able to exchange ideas.
5. There should be no feeling of threat to either party. If workers think their status will be adversely affected they will not participate. Similarly, if managers feel that authority is threatened, they will not allow participation.
6. The potential benefit of participation should be greater than its cost. Participation should not be done at the expense of the organization's work.
7. Participation can take place within the area of job freedom. Job freedom for an individual or a department is its area of discretion after all restraints have been applied. Restraints in this context include the framework within which the group makes decisions and such decision cannot violate policy.

## **Education**

In the past pros and cons of employee participation, many preconceived ideas exist on this issue, and these fears need to be identified so that they can be resolved. The executives will ultimately need to support the attitude change, and they need to be as committed as possible to the concept to achieve these commitments, they must be educated about what to expect, and in particular, cautioned not to count on changes in a matter of few weeks. They must be advised that there will be more money spent in training, dramatic increases in the number of meetings and many frustrated managers and employees along the way (Joseph and Pool 2005).

## **Willing Subordinates**

The manager can gain from the subordinates who are willing to co-operate and contribute. Before turning decision making responsibility over to a subordinate group the manager should consider group effectiveness that is how effective its members work together as a unit. Feldman (2013) indicates that participative management is most useful where subordinates expect that they will have an opportunity to participate in the decisions affecting them or in setting their own goals. And on the other hand, where subordinate managers already have shown themselves to be independent temperament, such people will expect to participate in establishing their goals. It is on this note that summer (1999) says that a person's job assignment and the strength of this identification with his department or his company strongly affect his response to an opportunity to participate on a given problem. But if an alert and self confident person is merely indifferent rather than subjective to a motivational deadlock, participation may kindle his interest in a problem.

## **Stable Environment**

In a turbulent environment where things change too frequently (government, competition, economy and consumers) participatory management is derived only in a stable environment where participants are with relevant knowledge, information experience and willingness to participate. Mary et al notices that in Nigeria, the benefits of participatory management cannot be fully derived because of constant changes in economic policies and frequent industrial disputes which has characterized the Nigerian employee management relations in recent times.

## **Wide Communication Practice**

Bulletin, boards, newsletters, meetings and other attention getters all help to reinforce the message that participative management is important. All parts of an organization should know what is being done in various other areas to improve the operation as a whole. Recognition for special contribution is also important. If company problem on the other hand are shared withal through open and honest communication efforts, employs will see for themselves that issues need their immediate attention.

## **Participative Management**

Social scientists have done extensive research in the subjects of leadership, organization, and communications. Some of their discoveries have been widely hailed as breakthrough in management, or new patterns that will eventually supplant existing methods of managing. Most of this work has been extended to the prescriptive conclusion that participative decision making is better than non participative decision making. Perhaps the leading exponent of participative decision making has been Douglas McGregor. In describing how management by objectives works he says “Genuine commitments seldom achieved when objectives are externally imposed. Passive acceptance is the most that can be expected, indifference resistance are the more likely consequences” McGregor (2014).

The participative style of leadership has been recommended in the management literature dating back to the early say 2015s. Many organizations today are achieving good results with participative management. A case in point as noted by William (2001 P.332) is Cipher Data Products. He says within one year of implementing participative leadership throughout the firm, the company experienced a 10 percent increase in customer-quality acceptance in every product line. However Cipher used participative leadership styles effectively through careful planning, including a training program and frequent monitoring of results. Participation I can say leads to better decisions because it encourages a spirit of co-operation among those participating but the effect on morale should be regarded as a by-product. Unless the primary aim of a manager in using participation is improved decision making his sincerity will be challenged and the long-run effect on morale may be harmful rather than helpful. Participative management as seen by the researcher creates a work environment where less resistance to new methods may result and the

problem solving process may produce innovation, technical skills and increased flexibility are equally developed both in the managers and subordinates. Some specific advantages of participative management as advanced by Onuoha (2001) et al include the followings.

- **Auditing in implementation:** Since employees have influenced on corporate decision, they are happy to implement to the core and there are less resistance to management action
- **Elevation of Employee Morale**  
The workers morale and drive to work towards attaining organizational goals are elevated with participating management in practice.
- **Personnel Development**  
Employees are afforded adequate training and opportunity to rise when need arises.
- **Correction of Underemployment**  
Workers potentials are fully tapped when forum for expressing their views are provided. This occurs mostly in a brainstorming session.
- **Facilitation of Effective Control**  
Managers as directors are guaranteed when participatory management is in place.
- **Improved Communication**  
The free movement of information is ensured between management and employees. Management is opportune to know what is going on in the lower levels. Finally, since research evidence shows that participative management probably does no harm, and often helps, especially in managing people from middle class background and similar value systems, the appeal that there may be long run social value in participation has not fallen on deaf ears. In this essence, much business managers lead the social scientists in their confidence in the values of participative management, even though they may doubt its efficacy as an infallible spur to productivity.



## **2.12 Empirical Studies**

A study Conducted Verplanken and Holland (2002) on Indonesian Public Sector Employee Decision making practice employees' participation in the decision making process and his/her contributions, are appreciated, with the minor contributions being highly appreciated, as well. This is expected to increase work motivation. Employees who enjoy decision making participation also feel secure in their jobs and were indirectly motivated to provide the best possible performance in their job, which reflects their pride and loyalty towards the organization. This indirectly shows their commitment towards the organization. The study concludes that, in Indonesia, where most organizations are highly structured bureaucracies, including state-owned enterprises, participation, initiated by employees was considered a sensitive topic and remained invisible until the early 1997.

Cotton (2000) stressed that organizational size was positively related to consultative participation yet negatively related to delegate participation. Employee involvement in decision making is found in any type of organization explained that putting decision making power as close to the point of delivery as possible makes implementation of those decisions not only possible, but successful. This statement can be correlated to this study, emphasizing participation program where employees will feel secure, when involved in the decision making process. The participation program, analyzed in this study, was bringing staff and supervisors/employees and mid-level managers closer to decision making power. Not only did work motivation increase, but some respondents stated that the decision taken would be successful because they felt involved and emotionally secure. The results show that, the more employees are involved in discussion on recent issues, the more they are aware of the decision making. This result is in line with studies, conducted by Phillips (1989) and Wang and Noe (2010).

Moreover, a study by Ladd and Marshall (2004) stated that participation in decision making was important to employees and, along with job satisfaction and affective organizational commitment, is valued by them. Employees believe they are better off, because of participation in decision making and the organization also gains through positive impact on carrying out tasks and performance effectiveness. These research finding supports the position that participation achieves positive results in organizational commitment. The limitation of this study is the small number of studied participation programs.

Employees are aware of the participation in decision making, e.g. when they discuss recent issues with their peers, they feel secure and the communication flows without boundaries and formal arrangements. Wood and de Menezes (2011) conclude that high involvement management program contributes to the employees' well-being. The findings from the study prove that when any type of participation program introduced in decision making, employees feel that by being involved in this participation program, their motivation increases as well.

Watson Wyatt's (2007) researched on 946 organizations in 22 countries. The findings showed that involved employees who are more likely to perform better than employees who are not involved. However, Balain and Sparrow (2009) contends that employee involvement relationship to job performance is over simplified as it implies that higher levels of employee involvements results in higher job performance but rather they contend that the correlation between employee involvement and job performance is rather complex to be explained through performance and that studies only indicate and measure the outcomes of performance rather than the underlying issues and causes.

### **2.13 Summary and Gaps Filled By the Study**

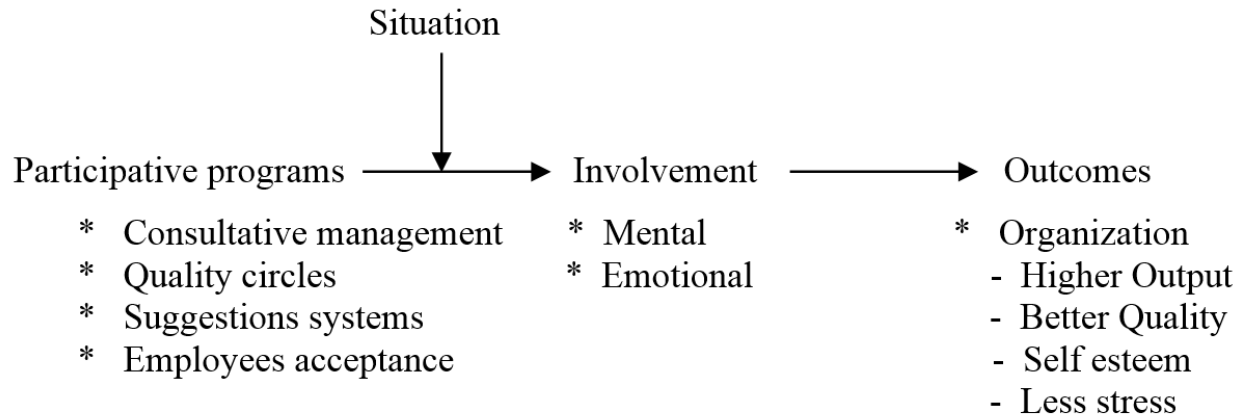
In premise to employee participation on organizational decision making process the study also empirical studies conducted on the areas. Though, some academicians tried to investigate the area, however, they were very few; such as, there were a study conducted by Demse (2001) on the impact of female participation in decision making at senior management level of Yeka- Sub City, in this study he was tried only to indicated the impact of females participation on organizational leadership, there were also a study conducted by Birhanu, 1996 on the topic "factors affecting employee participation of decision making process on public service", the study were focused in identifying major determinate factors affecting employee participation on organizational decision making. Though those studies have been tried to investigate lack of women participation on administrative decision making and identified major determinate factors of employee participation on decision, however the study were not implied the effect of employee participation on organizational performance. Therefore, attempt were tried to fill this research gap.

## 2.14 Conceptual Frame Work

Employee participation is considered a key element in the successful implementation of new management strategies and plays an important role in determining the degree of job satisfaction (Harber, Mariott et al, 1991; Ardichvili, Page et al., 2003). This, in turn, increases the commitment of the employee as well as their motivation. Furthermore, Higgins (1982) argues that participation is a mental and emotional reflection that will lead to the fulfillment of individual and organizational goals, especially if supported by the organization's climate (Ardichvili, Page et al., 2003).

On the other hand, Brownell (1982) focuses on individual influence and defines participation as 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 decisions and the matching amount of responsibility, so that they feel aware of contributing to organizational performance. With the participation in hand, their motivation increases, which brings about both individual benefits and organizational effectiveness (Kim, 2002).

Figure 1 shows that in some circumstances participation will bring together mental and emotional involvement (Davis and Newstrom 1997). Participation increases employee motivation, because the contribution toward organization goals is realized. Job satisfaction and successful teamwork with supervisor will increase, as well, because employees are less stressed, there is less conflict and more commitment to organization goals and, at last, organizational change is better accepted. Based on the idea the study assesses ECWC employee participation over the organization decision making practice and its effect on organization performance. In this regards study were assess major four areas, these are organizational strategy (policy) to participate its employee, level of involvement (participation) of employee, factor affecting their commitment as well organization performance (outcome). Below the conceptual frame work designed based on Davis and Newstrom (1997) models of employee participation and its effect on organizational performance.



Source: Davis and Newstroom (1997).

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design and Method**

The research design was descriptive survey. According to Mugenda (2003), a descriptive survey is an attempt to collect data from members of population in order to determine the current status of data from members of a population with respect to one or more variables. So that, research will be a descriptive design research design for describing research survey helps for fact finding inquiries in order to describe the state of affairs as it is (Burrows, 2011). The method of research design is special importance for this particular study to portray the causal relationship between employee participation in decision making process of the organization and its effect on organizational performance

#### **3.2 Type and Sources of Data**

The study used both primary and secondary sources of data. The primary sources of data focus on employee respondents. On the other hand, the secondary source was collected from related materials documents of the organization and financial statement of the organization.

#### **3.3 Method of data collection**

The study used different types of data collection tools such as, structured questionnaire, interview, and as well relevant document. The close ended questionnaire designed using a five-point Likert scale ranging from strongly agree to strongly disagree that were used in measuring the extent of the responses provided. To minimize cost, save time, and make analysis easy the researcher more fescues in providing structured questionnaires. The structured questionnaire also includes some open-ended questions where respondents are requested to elaborate on their choices of answers. In addition, targeted interviews were conducted with selected professionals to obtain further insight on the issues critical to answer the research questions. Based on this the questionnaires were distributed to selected departments employee.

### 3.4 Sampling Technique

The research were used non – probability sampling technique. From the given non – probability sampling frame purposive sampling technique were applied. This is because to find adequate information by selecting employees who work in different department and position level purposely. Based on this the sample size of the population selected based on the total population size of the study area. The total population of the study area includes 600 employees in its Addis Ababa branches, accordingly, the sample size that will be selected out of 600 total populations. The sample size determined based up on sampling technique of Schiff man, (2012).

The formula is large enough to allow for precision and confidence in general ability of the research. Based on the method formula for the calculation of sample size present as follow:

$$n = \frac{N}{1 + Ne^2}$$

Where n = sample size

N= Number of population

*e = sample error 10% (0.01)*

$$n = \frac{600}{1 + 600 (0.01)}$$

$$= \frac{600}{1 + 6}$$

$$= \frac{600}{7} = 87.7$$

Based on the above sampling technique nearly 88 sample respondents were participated.

### **3.5 Data Analysis Technique**

The data collected from different sources, both quantitative and qualitative, were processed and analyzed using mixed approach. To be completed and minimizing error the data that are collected from the primary survey were edited, and coded. Finally the data were processed using computer software called Statistical Package for social scientists (SPSS) version 20. The qualitative and qualitative data were explained by mixing each other using percentage, frequency, table, and graph.

### **3.6 Ethical Consideration of the Research**

During the course of administering the questionnaires, names and any identifying remarks will not use. The confidentiality of the respondents will kept and any data received for the study will be kept at the hands of the researcher and the advisor. The data's will be analyzed based on the questionnaires rather than using the researcher opinion and input. The researcher stays truth full to responses of the respondents and free from any personal modification.

### **3.7 Validity Assurance**

Validity is determining whether the findings are accurate from the standpoint of the researcher, the participant, or the readers of an account (John, W.C. 2009). This study's validity is assured through conducting interview with few of sample population to determine accuracy of finding drawn from questionnaire. Also opinion from the research advisor and experts ensure the content validity, whether the items measure the area of interest or the concept it intends to measure which were advanced its validity

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

#### **Introduction**

This core chapter deals with the discussion and analysis of data collected from employees of ECWC. As indicated in the methodology part the study conducted basically using questionnaires filled by respondents. The study totally distribute 88 questionnaires however, the analysis were done only based on 75 and 13 questioners were omitted due to their errors'. Generally, the study analyzed in to two parts i.e., respondents general characteristics as well as main challenges affecting employee participation on organizational decision making and its effect on organizational performance.

#### **Background of Respondents**

The study discussed background of respondent's basic demographic characteristic as it can determine performance of organizational profitability

**Table 4.1 Characteristic of respondents (Source questionnaire, 2019)**

<b>Item</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Sex	Male	57	76
	Female	18	24
	Total	75	100
Age	20 - 30	25	33.33
	30 - 40	22	28.33
	40 – 45	16	21.66
	Above 45	12	16
	Total	75	100
Education	10-12	8	10
	Certificate	22	28.88
	Diploma	19	25
	Degree	25	33.33
	M.A	1	1.66
	Ph.D.	-	-
Work Experience	Total	75	100
	Below 1	12	16
	1 – 3	19	25
	2 – 5	19	25
	5 – 7	14	18.33
	7 – 10	6	8.33
	Above 10	5	6.66
	Total	75	100



Based on the above table from 75 total respondents 57 (76%) of them were male while the rest, 18 (24%) of them were female. With regard to gender issues there were balance number of male and female employee.

With regards to the age condition of the respondents, the distribution of frequency and percentage shows that, 25 (33.33%) of respondents found between the age groups of 20 – 30, about 22 (28.33%) of them found between the age groups of 30- 40 on the other hand 16 (21.66%) of them found between the age group of 40 – 45, the rest 13 (16.66%) were above 45 years. According the age distribution of the respondents majority of them found at then young and youth.

With regards to educational level of the respondents the data show that, 8 (10%) and 23 (30%) of respondents respectively found between the education level of 10 – 12 completed and certificate holder, on the other hand, there were 19 (25%) diploma and 20 (33.33%) degree with only 1 (1.66%) master degree. According to the data level of education below degree level was 39 (65%) which can contribute its own impact on the practice of effectiveness of budget management practice of the organization.

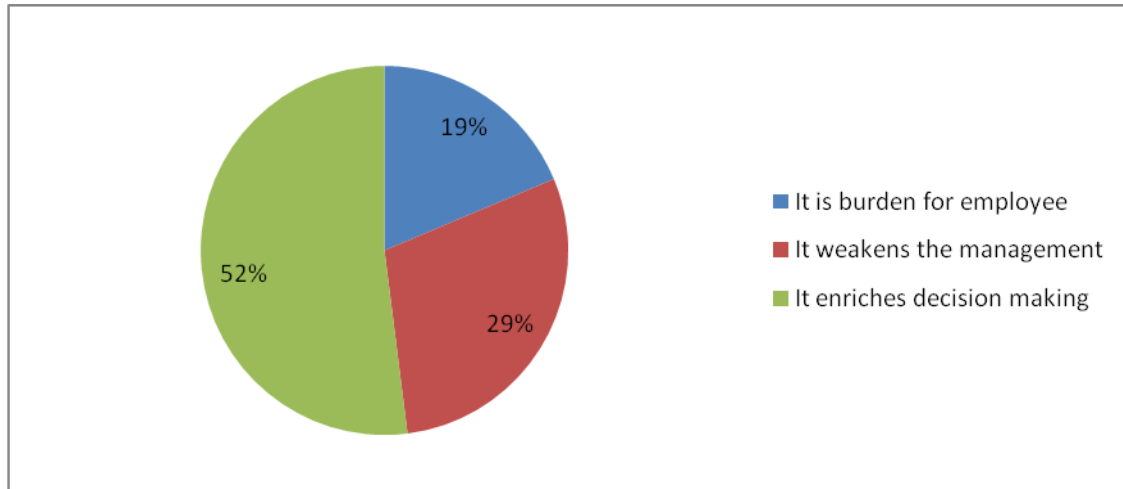
With related to the employee work experience 12 (16%) of them were found below 1 year of service, on the other hand 19 (25%) of respondent between the service years of 2 – 3 and 3 – 5, the rest 14(18.33%) and 6 (8.33%) respectively found between the service of 5 – 7 and only 5 (6.66%) were above 10 years of work experience. As the data indicated majority of the respondents were found below 5 years' experience.

## **4.2 Employee Perception on Organizational Of Participative Decisions**

### **Importance**

Employee awareness on the necessity of active participation on the organizational decision making process may help both employees and organizational productivity. In this regard the study were tried to assess perception of employee regarding organizational participative management policy. Below respondents view regarding the forwarded question indicated their level of perception.

**Fig 4.1 employee perception regarding organizational benefit of involvement of decision making**



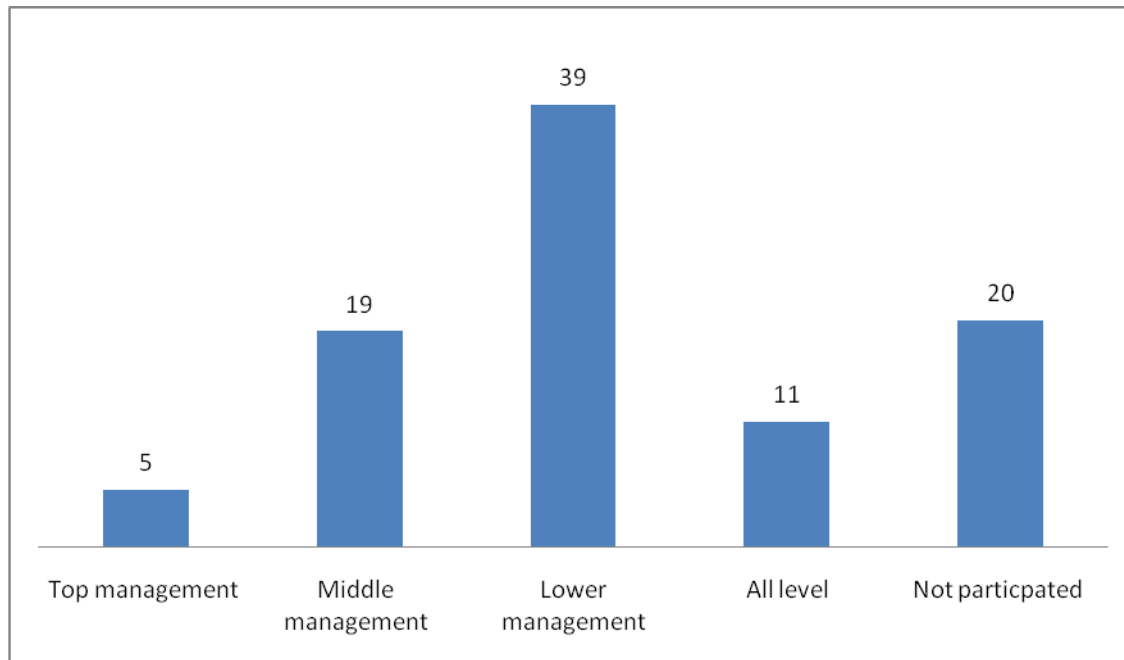
Source Questioner, 2019

As implied from the above results, even though large number of respondents accounted for 52% perceived employee participation as good manners, however, there are still employees that didn't have positive attitude on employee participation of the organizational decision making process. Accordingly, respondents accounted for 19% and 29% respectively perceived that, participating on organizational decision making create additional burden on employee, while some of them also perceived that, participating on organizational decision making weaken management practice.

### **4.3 Areas of employee participation on the organization decision**

There are several areas that employee in the organization engaged in participating over the organization decision making practice, accordingly the study were assessed organizational employee of the study enterprise, where mostly they participated, such as, top management level, Middle Management Level, Lower Management Level, in all level. Accordingly respondents view implied below in the fig as follow:

**Fig 4.2 Respondents view regarding employee participation of decision making**



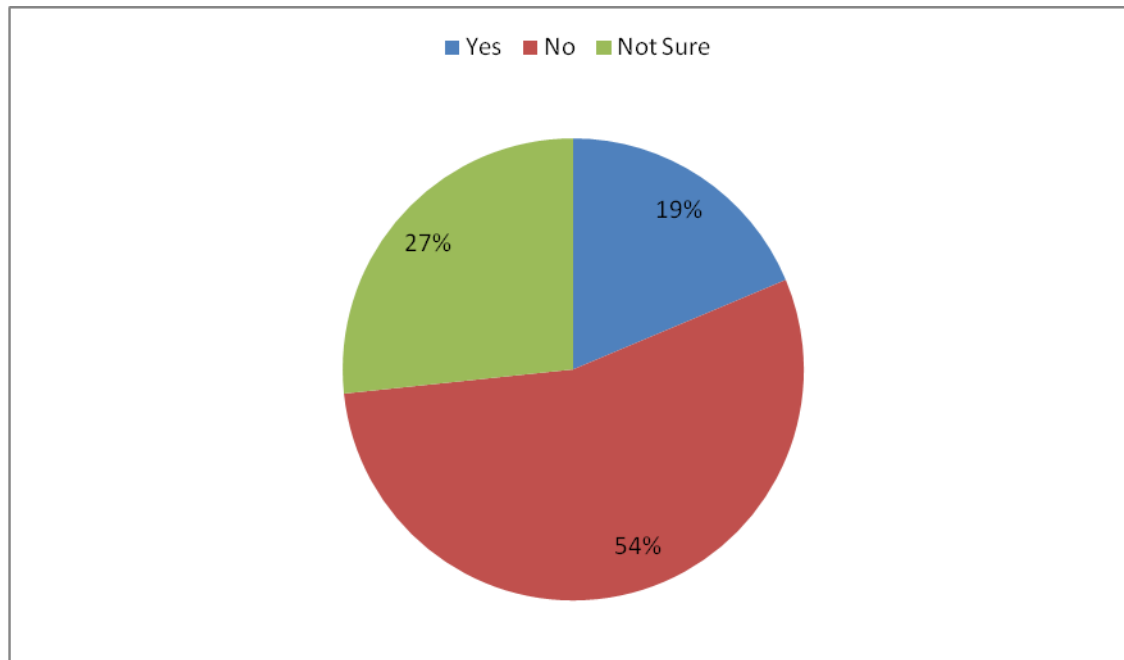
Sources questioner, 2019

As implied from the fig, large representative of employee (39%) in the organization participated on the organization decision making at lower level of management. above respondents, while, 19% in middle management level, and the rest 11% and 5% employee respectively participated at all level and to management level, however, employee accounted for 20% didn't participate on the organizational decision making at all level.

#### **4.4 Organizational management Consider employee opinion on Decision making**

An organization that consider employees view before deciding organizational activities, may help the organizational activities in several manners, such as, in creating consensus and willing employee over the activities, in receiving several opinions and enriched knowledge, and responsible employee. In this regard the studies were forwarded a related question to assess employee view whether the organization managements seek employee opinion or not before the management decides over several activities. According, respondents implied their response as follow:

**Fig 4.3 Employee response over the organization management consideration of employees view**



**Sources questioner, 2019**

As implied from employee respondents, 54% of them implied that, managements didn't consider employees view before they decide organizational activities, while, 19% of the respondents, indicate the organization consider small amount of employee before the decision making process, however, 27% of respondents, didn't have now how whether decisions consider organizational employee views or not.

#### **4.5 Organization Strategy and Activities to include employee on decision making**

In this section, the researcher sought the respondents' perception in regards to the various form of employee involvement practices in the organization and their organization strategies to make employee participants on several decision making activities. Respondents were required to show the level of agreement to the statements related to employee involvement which were in a likert scale of between of 1 to 5: (1: Strongly Disagree; 2: Disagree; 3: Neutral; 4: Agree; and 5: Strongly).

**Table 4.2 Organizational strategies to involve employee in decision making**

No	Questions	SD	D	NW	A	SA
1	There is a clear rule and regulation that direct employee to participation on organizational activities	10(13%)	27 (35%)	13 (18%)	20 (26%)	5(7%)
2	Managers seek your opinions and consider them in decision Making	11(14%)	32(47%)	3(4%)	18(24%)	11(15%)
3	Employees have a shared vision of what the organization will look like in the future	24(32%)	27(36%)	3(4%)	14(19%)	7(9%)
5	The organization accept employee feedback actions taken	20(27%)	39(52%)	4(5%)	11(14%)	1(2%)
6	There is scheduled meeting time that include all of employee	12(16%)	31(41%)	6(8%)	19( 24%)	6(8%)
7	The organization have a good strategy that designed to increase employees sense of belonging	20(27%)	39(50%)	4(8%)	11(10%)	1(2%)
8	Decision making power is shared by all development professionals	12(16%)	28(37.3%)	5(6.7%)	20(26.7%)	10(13.3%)
9	Decisions about development are made by a few leaders without input from employees involved in development	10(16)	19 (39%)	16 (21%)	15(20%)	5(6.73%)

Source Questioner (2019)

Organizational strategy refers to activities of the organization that facilitated several activities to involve employee at several level of decision making practice. In this regards the study were provided related survey question, such as, Rule and regulation of employee involvement, opportunities of employee feedback before decisions, discussion with employee before decision, etc,. Based on these respondents view discussed as follow:

Regarding the organization rules and regulation strategy, responders accounted for 13% and 35% in their disagreement implied there is no strictly provided rules and regulation, that make employee responsible to participate as several level of organizational decision making activities, however, as implied by 19% and 9% respondents level of agreement, the organization rather, involve employee occasionally on some activities in departmental level.

The study also assessed, employees view whether Managers seek employee opinions and consider them in decision Making or not, accordingly, respondents accounted for 14% and 47% respectively in their disagreement implied management didn't consider employee opinion at several types of organizational decision making practice, while the rest, manager assessed employee 24% and 25% in their agreement implied, some of the employee that engaged in higher position involved on the organizational decision making, however, all of the employee were not actively involved and participated on organizational activities that need decision.

Regarding employee shared vision the study were forwarded whether, the employee have a shared vision what the organization will look like in the future, or not, in this regard employee accounted for, 32% and 36% respectively on their level of disagreement implied, they haven't that much common shared vision over their organization future vision, in this regard one of the respondents from sales department implied that, the organization didn't work on employee to have common vision, one of the reason most employee are enforced to do activities that channeled top down management decision. Regarding to this concept Rechar (2014) implied that, increase adaptive capacity of the organization. Development of shared norms and values may result into more effective use of inter-dependency relations among organization members, through an organizational process based on collaboration, as opposed to win-lose conflict. However, any potential benefits from greater employee involvement in decision making require that employee interest be aligned with firm's interests.

The study were assessed whether, the organization provided employee feed backing mechanism or not accordingly, 27% and 52% respondents implied strongly disagree and disagree, which means the organization didn't have consistent employee feed backing mechanism over activities that may need decision, however, small number of respondents accounted for 16% the organization accept their feedback in several activities.

Regarding proper meeting implementation, the study were also assessed whether meeting on the organization took place based on schedule or not, in this regard respondents accounted for 16% and 41% in their disagreement assured, meetings were not governed by schedules, accordingly, some of the respondents further explained that, meeting some time announced on the board on several issues, however, the organization didn't provide scheduled meeting at the beginning of the years.

The study were assessed employee view over their organization, activities to create employee to feel sense of belongingness and ownership, since increase in employees' commitment, and acceptance of decisions through a sense of "ownership" (having been involved in decision making). This outcome increases the likelihood that goals will be effectively implemented. However, respondents accounted for 27% and 50% respectively on their disagreement implied the active were not impressive. Finally, the study were assessed, whether, decision made on the organization depending on a few leaders without input from employees involved in development,

or not, accordingly respondents accounted for 16% and 39% in their disagreement implied in most of the decision employee are not represented.

#### **4.6 Level and status of Employee Participation Influence on The organization Decision making**

The study also assess employees level of participation, and the extent of their influence on several issues of the organization, such as, their influence on short term decision, long term decisions, like allocation of tasks, method of accomplishing tasks, use of equipment's as well as arranging discussing time and respondents view were presented as follow:

**Table 4.3The extent of employee influence on organizational activities**

No	Questions	SD	D	NW	A	SA
1	Influence of employees on short-term decisions related to allocation of tasks.	25(33%)	30(40%)	4(6%)	10 (13%)	6(8%)
2	Influence of employees on short-term decisions related to choice of method of working.	16(21%)	28(38%)	9(12%)	18(24%)	4(6%)
3	Influence of employees on short-term decisions related to choice of work pace.	23 (31%)	33(44%)	3 (4%)	10(13%)	5(7%)
	Influence of employees on short-term decisions related to choice and use of equipment and machines.	25(33%)	29 (39%)	7 (9%)	9(12%)	5(7%)
5	Degree of influence of employee regular meetings	12(16%)	31(41%)	6(8%)	19( 24%)	6(8%)

Sources questioner, 2019

Based on the above table respondents view 33% and 40% respectively indicate that employee were not influence on short-term decisions related to allocation of tasks, whereas, 13% and 8% respectively on their agreement they influence organizational decision regarding allocation of tasks. Similarly as implied by 16(21%) and 28(38%) respondents level of disagreement, influence of employees on short-term decisions related to choice of method of working were not allowed. The study also implied that, large amount of respondents accounted for 25(33%)and 29 (39%) also assured that, the influence of employees on short-term decisions related to choice and use of equipment and machines were little. Finally, the study was assess employee view regarding their influence over the organization decision over several issues by bargaining at the regular meeting, accordingly, respondents 12(16%) and 31(41%) in their disagreement implied it was difficult to influence top management ideas in the meeting, however, some of the

issues were changed by employee influence as implied by 24% and 8% respondents agreement level.

#### **4.7 Commitment and satisfaction of employee over their participation on the organizational decision making process**

Employees' commitment has been considered as an important determinant of dedication and loyalty. Effectively committed employees are seen as having a sense of belonging and identification that increases their involvement and their desire to remain with the organization. It is important because committed employees are less likely to leave for another job and are more likely to perform at higher levels. Based on the concept in this section the study were assessed employee commitment, and level of satisfaction over their organization involvement in decision making process. In this regard the study were tried to measure respondents level of commitment and satisfaction through related questions and their view indicated below in the table

**Table 4.4 Respondents level of commitment and satisfaction on their organization decision making**

<b>No</b>	<b>Questions</b>	<b>SD</b>	<b>D</b>	<b>NW</b>	<b>A</b>	<b>SA</b>
1	I talk up this organization to my friends as a great organization to work for	13 (11%)	54 (45%)	4 (3 %)	30 (25%)	18 (15%)
2	I would accept almost any type of job assignment in order to keep working for this organization	29(24%)	30 (25%)	4 (3%)	51 (43%)	5 (4%)
3	The organization really inspires that very best in the way of job performance	10 (8%)	50 (42%)	5 (4%)	38 (32%)	16 (13%)
4	I really care about the fate of this organization	32 (27%)	64 (54%)	3 (2%)	15 (13%)	5 (4%)
5	This organization deserves my loyalty	21 (18%)	64 (54%)	4 (3%)	20 (17%)	10 (8%)
6	I would very happy to spend the rest of my career with this organization	32 (27%)	58 (49%)	2 (1%)	19 (16%)	8 (7%)

Source questioner, 2019

As implied from the above respondents view 11% and 45% respondents respectively implied their disagreement the organization is great for work condition, whereas respondents accounted,



25% and 15% agreed as the organization is great and they are ready even to promote for their relatives. The study also implied respondents less commitment such as a respondents accounted for 24% and 25% disagreement implied their less commitment to accept any types of job assignment in order to keep working for the organization, while, 43% and 4% respondents implied the reverse in their agreement. Still, 8% and 4% respondents of the study implied the organization didn't inspire them in several activities of participating employee, on the other hand 32% and 13% of the employee satisfied by the activity, respondents accounted for 27% and 54% still implied their less commitment on the future fate of the organization and they are not happy to spend the rest of my career with this organization.

Generally, employee was dissatisfied and demotivated by their limited activities of organizational decision making process and lack of sense of ownership and belongingness. Therefore even if the some percentage of respondents are somehow satisfied by their participation on some organizational decision making process however, majority of the respondents were not satisfied.

#### **4.8 Organizational Performance**

The study under this section sought the effect of employee participation on organizational performance. In the previous section the study were tried to assess, employee perception , organization commitment and strategy of organization to involve and participate employee in the organizational decision making process, level of degree of employee influence over the organization decision making practice and the effect of those activities on employee commitment. However, in this section the study tried to analyze the effect of employee participation on organizational performance. Accordingly, the study provides several related questions and respondents forwarded their view as follow:

**Table 4.5 the effect of employee participation on Organizational performance**

No	Questions	SD	D	NW	A	SA
1	The organization's performance over the past five years has been good compared with others	6 (5%)	65 (55%)	9 (8%)	29 (24%)	10 (8%)
2	The organization has the ability to attract and retain essential employees.	15 (13%)	60 (50%)	5 (4%)	25 (21%)	14 (12%)
3	The performance of my organization in marketing its products is good	20 (17%)	60 (50%)	4 (3%)	23 (19%)	12 (10%)
5	Competitive position of the organization has greatly improved.	12 (10%)	55 (46%)	2 (1%)	31 (26%)	19 (16%)
6	The profits of the organization have consistently increased.	23 (31%)	33(44%)	3 (4%)	10(13%)	5(7%)
7	The firm's overall market share has always increased.	25(33%)	29 (39%)	7 (9%)	9(12%)	5(7%)

Source questioner, 2019

As implied by 60% respondents disagreement The organization's performance over the past five years has not been good when it compared with others same organization, accordingly, some of the employee implied that, Yes food and beverage manufacture plc was former starter when it compare with others, however, its growth and involvement level of employee was not modern as its age, accordingly, 63% of respondents in their disagreement implied the organization ability to attract and retain essential employees were decreased, in this regarding respondents accounted 67%, 56%, 65% and 62% respondents respectively on their level of disagreement implied that, the organization decreased its marketing products, competitive position, profit and market sharing. Therefore, the study implied that, lack of employee participation over the organizational decision making process demotivated employee of the organization intone their potential activities negatively affect organizational performance.

## **CHAPTER FIVE**

### **SUMMARY CONCLUSION AND RECOMMENDATION OF THE STUDY**

#### **5.1 Summary of Finding's**

The major objective of the study was to assess employee participation of organizational decision making and its effect on organizational performance the case of ECWC. The study assessed four major areas such as, organizational strategies and activities to involve employees on organizational decision making practices, the extent that employee participation on the decision makes practice of the organization, commitment and satisfaction of employee on the organization decision making environment and its effect on the organizational performance. Accordingly the major findings summarized as follow:

Regarding perception of employee on the importance of their participation in the organizational decision making process 52% respondents perceived in a good manner, while the rest have not extended awareness. The study were also assess status of employee who participated in the organization decision making process in this regard 39% of them engaged at lower department function, 19% from middle management, however, employee accounted for 20% didn't participate on the organizational decision making at all level. Though considerable amount of employee participated from lower level, however, 54% employee implied managements didn't consider employees view when decision took place.

The study were assessed whether, the organization provided employee feed backing mechanism or not accordingly, 27% and 52% respondents implied strongly disagree and disagree, which means the organization didn't have consistent employee feed backing mechanism over activities that may need decision, however, small number of respondents accounted for 16% the organization accept their feedback in several activities.

The study implied that, lack of employee participation over the organizational decision making process demotivated employee of the organization intone their potential activities negatively affect organizational performance.

Generally, employee was dissatisfied and demotivated by their limited activities of organizational decision making process and lack of sense of ownership and belongingness. Therefore even if the some percentage of respondents are somehow satisfied by their participation on some organizational decision making process however, majority of the respondents were not satisfied.

## 5.2 Conclusion of the Study

Based on the findings the study concludes the following major points:

Regarding employees perception of participation on decision making was good, however, there were still employees that didn't have positive attitude on employee participation of the organizational decision making process some of them believed participating on organizational decision making create additional burden on employee, while some of them also perceived that, participating on organizational decision making weaken management practice. Therefore, the study conclude that, employee lack of awareness over the benefit of participating on organizational decision making process affect both the employee benefit as well as organizational performance.

Regarding employee representativeness of the organization decision making practice the finding implied that, large proportion of employee somehow participated in lower management levels, , however, there small proportion respondents who were not participated as much in the organization decision making practice.

Regarding employee's opinion and feedback, 54%of respondents implied management didn't actively encouraged employee to give their opinion and feedbacks, before they decide organizational activities.

Regarding organizational commitment and strategies to participate employee the finding implied that, lack of clear rule and regulation, lack clear shared vision and lack of training weekend the organization activities.

Regarding the extent of employee influence on the organizational decision making the finding implied that, employee were not influence on short-term decisions related to allocation of tasks, choice of method of working, of equipment and machines were little.

Regarding commitment ad motivation employee participation over decision making most of employee were dissatisfied and motivated by their limited activities of organizational decision making process and lack of sense of ownership and belongingness. Therefore even if the some percentage of respondents are somehow satisfied by on their participation of the organization

decision making process, however, majority of the respondents were not satisfied on their participation of organizational decision making process.

The study implied that, lack of employee participation over the organizational decision making process demotivated employee of the organization intone their potential activities negatively affect organizational performance.

### **5.3 Recommendation**

In this study, some recommendations have been made toincrease the importance and benefits of employee's participation indecision making and its recognition.

- Managers should put more effort in encouraging their employees to come up with suggestions and useful decisions and endeavor to incorporate them into the organization's decisions and policy.
- Managers should increase the frequency and level of worker participation in decision making considering the fact that they are the people carrying out the main operative work as they are in the better position to know what goes on those areas.
- The organization should endeavor to create a clear-cut understanding and notion of the concept of participative decision making to avoid confusion and clashes of interest between the employees and the managers.
- More importantly is that the main objective of any scheme for participation should be specific and exact in any organization that care to enable workers recognizes the areas their suggestions and opinions are most needed.
- Considering the importance and benefits of participative management especially in the growth and stability of an organization, time and money investment on it should be made properly and wisely to avoid regrets.

Finally, the researchable aspects of the concept of participative decision making have not been exhausted in this work. Therefore suggestion is being put forward for further research into the concept of participation especially in the area of problems that limit or jeopardize the practice of participatory management.

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# ANNEX

## ADDIS ABABA UNIVERSITY

### DEPARTMENT OF PUBLIC ADMINISTRATION

#### Questionnaires to be fill by Customers

I'm a graduate student at Addis Ababa University in the Department of Public Administration and Development Management. Currently, I'm conducting a research entitled '**Employee participation in Organizational decision Making process and its Effect on Organization Performance**'.

The purpose of this questionnaire is to gather data for the proposed study, and hence you are kindly requested to assist the successful completion of the study by providing the necessary information. Your participation is entirely voluntary and the questionnaire is completely anonymous. So, your genuine, frank and timely response is vital for the success of the study. I want to thank you in advance for your kind cooperation and dedication of your precious time to fill this questionnaire.

Sincerely yours,

#### Note:

1. No need of writing your name.
2. Indicate your answer with a check mark (✓) on the appropriate block/cell for all questions.

#### Section I: General Information

This part of the questionnaire, tries to gather some general information about the background of the respondent and the organization.

1. Sex    Male [ ]        Female [ ]
2. Age     20 – 30 [ ]        31 – 40 [ ]        41 – 45 [ ]        above 45 [ ]
3. Academic qualification  
10 – 12 [ ] Certificate [ ]    Diploma [ ]    Degree [ ]    Master Degree [ ] PhD [ ]  
If other \_\_\_\_\_
4. Year of service in the organization  
Below 1 [ ]    2 – 3 [ ]    3 – 5 [ ]    5 – 7 [ ]    7- 10 [ ]    above 10 [ ]

## **Section II**

1. What is your perception of participative management policy in your enterprise (organization)?
  - a) It helps to eliminate conflict and disagreement [ ]
  - b) It is a way of shift responsibility [ ]
  - c) It weakens the management [ ]
  - d) It enriches decision making [ ]
2. Do you think the employee in organization fully participate in any decision making?
  - a) Yes [ ] b) No [ ] c) Not Sure [ ]
3. At what level of management are you usually allowed to participate in any decision making?
  - a) Top Management Level [ ]
  - b) Middle Management Level [ ]
  - c) Lower Management Level [ ]
  - d) All of the Above [ ]
  - e) None of the above [ ]
4. What type of employee participation do you allow in your organization?
  - a) Suggestion Boxes [ ]
  - b) Individual Participation [ ]
  - c) Work Design [ ]
  - d) Shop Floor Participation [ ]
  - e) None of the Above [ ]
5. Do managers seek your opinions and consider them in decision making?
  - a) Yes [ ] b) No [ ]
  - c) Not sure [ ]

### Section III: Main Questionnaire

Please indicate the degree of your agreement/disagreement with the following statements associated with the measurement of **employees’ organizational strategies, participation status, and employee level of commitment and satisfaction.**

Where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

S.N.	Statement	Score Values				
		Strongly Disagree(1)	Disagree(2)	Neutral(3)	Agree(4)	Strongly Agree (5)
	<b>Organization Strategy and Activities</b>					
1	There is a clear rule and regulation that direct employee how participation on organizational activities					
2	Managers seek your opinions and consider them in decision Making					
3	Employees have a shared vision of what the organization will look like in the future					
4	The organization discuss with employee on several issues before decision					
5	The organization accept employee feedback actions taken					
6	There is scheduled meeting time that include all of employee					
7	The organization have a good strategy that designed to increase employees sense of belonging					
8	Decision making power is shared by all development professionals					
9	Decisions about development are made by a few leaders without input from employees involved in development					
	<b>Level and status of Employee Participation</b>					
1	Influence of employees on short-term decisions.					
2	Influence of employees on short-termdecisions related to allocation of tasks.					
3	Influence of employees on short-termdecisions related to choice of method ofworking.					
4	Influence of employees on short-termdecisions related to choice of work pace.					
5	Influence of employees on short-termdecisions related to choice and use of equipment and machines.					
6	Number of regular meetings with supervisors at a regular time					
	<b>Commitment</b>					

1	I talk up this organization to my friends as a great organization to work for					
2	I would accept almost any type of job assignment in order to keep working for this organization					
3	The organization really inspires that very best in the way of job performance					
4	I really care about the fate of this organization					
5	This organization deserves my loyalty					
6	I would very happy to spend the rest of my career with this organization					
	<b>Organizational performance</b>					
	The organization's performance over the past three years has been good compared to that of other organizations that do the same kind of work.					
	My organization has the ability to attract and retain essential employees.					
	The performance of my organization in marketing its products is good					
	The efficiency of my organization has greatly improved					
	Competitive position of my organization has greatly improved.					
	The profits of my organization have consistently increased.					
	The firm's overall market share has always increased.					

### Interview Questions for Managers

1. For what type of decisions do you allow for your subordinates contributions?
2. Do you think participative management causes delays indecision making?
3. Do you think employees would be less productive if they were not involved in decision making?
4. What do you consider as major problems with participative decision making?

### Interview Questions for Employees/Operatives

1. Do you always feel like making suggestions in the decision making process?
2. If you do on what area(s) do you like making the contributions or suggestions?
3. How do you see the welcoming or disregard for your opinion?
4. What do you consider as the major problems with the practice of participative decision making in your organization?