

## Participatory Decision Making and Employee Productivity. A Case Study of Community Banks in the Upper East region of Ghana

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### Abstract

This research examines the relationship between participation in decision making and employee productivity among staff in Naara Rural Bank and Builsa Community Bank. The mixed method research design was used for the study due to its peculiar nature. Thus qualitative and quantitative data collection approaches were employed. The simple and purposive sampling techniques were used to obtain a sample of 80 respondents for the study. Two sets of instruments were used in the study: a questionnaire consisting of 40 items of both open-ended and closed questions on the various employee participation scenarios and an interview guide consisting of ten items. The data analysis was done using The Statistical Product for Service Solutions (SPSS) and the Statistical Analysis System (SAS). The quantitative analysis indicated a significant association between productivity and the various forms of participation, using chi-square test of independence at 95% significance level. Findings from the study indicated that when employees participate in decision making in the various forms, decision implementation becomes easy, creates a good working environment, increases commitment and satisfaction on decisions taken and also increases employees moral since they feel recognized and as part of the team in the organization and the direct consequence of all this improved productivity.

**Keywords:** Participating; Employee; Productivity; Community Banks; Decision making

### Introduction

Participatory decision making remains a central theme in business, policy and practice research. The focus of management has been to establish the positive or otherwise negative effects of management practices on performance [1]. Participation in management (PM) has been used interchangeably to mean shared leadership, employee empowerment, employee involvement, participatory decision-making, dispersed leadership, open-book management, or industrial democracy" [2]. These coinages have come about as a result of the long quest to enhance employee contribution to management decisions so as to achieve organizational objectives and productivity. However this has become a major challenge of management in recent times. Organizations that focus on their employees tend to increase to employee satisfaction, commitment and organizational success [3].

Through participatory decision making, productivity is expected to increase since commitment by employees towards implementation of decisions to achieve enhanced productivity and overall organizational goals will be high and help reduce agitations, misconceptions and lack of commitment on the part of employees. Bevandam [4] posits that opportunity, adequate authority and leadership are among a myriad of factors that influence employee satisfaction and commitment.

Participative decision-making (PDM) is the extent to which employers allow or encourage employees to share or participate in organizational decision-making [5,6]. According to Cotton et al. [7], the format of PDM could be formal or informal. In addition, the degree of participation could range from zero to 100% in different PM

stages [4,7,8]. It is a creative process that gives ownership of decisions to the whole group, thus favoring individual input in the management of the organization.

Decision making in many organizations are done by top management team without considering the input of the employees at the other managerial levels. In these organizations the decisions taken by top management is however implemented by the lower level of employees. Because lower management do not take part in the decision making, it sometimes becomes difficult for some of the decisions taken by top management to be implemented especially when the decisions seem not to be favourable. Somech [1] argues that flatter management and decentralized authority structures carry the potential for achieving outcomes unattainable by the traditional top-down bureaucratic structures.

Some researchers think involving employees in decision making is a risk on the organization. To some, with ideas coming from many people, it will be time consuming, inefficient, indecisiveness and incompetence [9]. Evidence shows that when employees are involved in decision making, staff absenteeism is reduced; there is greater organizational commitment, improved performance, reduced turnover and greater job satisfaction '[10].' Employees feel as being part of the organization and this raise their degree of worth importance within the organization.

### Statement of the Problem

Many organizations have experienced the lack of commitment by employees towards implementation of decisions taken by top management which undoubtedly has serious repercussions on organisational success. It is for this reason many organizations are

employing methods for employees to participate in decision making process which has led to setting up of organizations within, such as Industrial and Commercial Workers Union (ICU) as representatives for employees during decision making and other methods.

Much dissatisfaction emanating from decisions taken by management has led to many actions taken by employees including strike actions. For example, the strike action of staff of Barclays Bank occurred as a result of employee dissatisfaction with the decisions of management and the Board of directors involving employees and it was seen as a disadvantage to their welfare, growth and survival of the organization (Ghana News Agency, 2006). Research has shown that when employees are not made to participate in decision making process, it leads to job dissatisfaction, lack of organizational commitment, low labour – management relations [2] which reduce productivity.

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

## Research Objectives

The main objective of the study is to investigate participatory decision making and employee productivity using Naara Rural Bank and Bulsa Community Bank as case study.

The research specifically sought to: Identify why employees are not allowed to participate in decision making, Identify the consequences of not allowing employees to participate in decision making, Identify ways of making employees participate in decision making, Identify benefits from allowing employees to participate in decision making.

## Research Questions

Are employees allowed to participate in decision making in the organization?

What are the consequences of not allowing employees to participate in decision making?

What ways are employed in making employees participate in decision making?

Does employee participation in decision making help in innovation and creativity as well as achieving organizational goal?

## Significance of the Study

The study has a direct implication for today's organizations. With increasing competitiveness among organizations, employers must ensure that their firms or organizations are able to tap the necessary human skills needed to increase productivity. An important element in an organization that determines productivity and gives it a competitive edge is its employees. The extent to which employees are made to participate in decision-making to enhance commitment towards productivity is not practiced in many organizations. When employees are given the best salaries and working conditions and are not allowed to participate in decision making process, they become unsatisfied hence low commitment towards productivity. This research is to identify ways of increasing productivity in an organization through participatory decision making and also suggest practical solutions to management problems.

## Theoretical Reviews Concepts

### Decision making

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

Employee participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal [11]. Studies have showed that employee participation is positively related to performance, satisfaction and productivity of an employee [12].

Participation in decision making make employees gain self-actualization hence increases employees' motivation and job performance (Likert, 1961). The practice of employee participation was not practiced seriously until the mid-1980s when major works such as Lawler [13] started to emerge and made some significant impact on both academic and business cycles. By allowing employees to be participating in decision making helps improve communication, increases commitment level hence increases productivity.

### Participatory decision making

Participatory decision making [13] is when organizations directly delegate to non-management a significant amount of decision making authority [5]. Studies have however shown that only about 3–5 percent of organizations implement it in their organizations.

Participative management involves management treating the ideas of employees with respect and consideration in decision making process. Some researchers believe that participative management needs to be implemented in most companies because it is necessary. Sashkin [14] feels that the implementation of participative management scheme can satisfy all three basic human work needs which in his opinion are: autonomy, achievement and interpersonal contact in the context of work activities. He also noted that it is ethically unjustifiable to manage “no-anticipatively” unless one maintains the position that individuals do not have a basic right to remain unharmed by others.

Employee involvement has been conceptualized as the process of developing a feeling of psychological ownership among organizational members and has been implemented via the participation of employees in information, decision making and problem solving [15]. Many studies have shown that participative management approach is the best one to choose to stimulate productivity. Theories of participative management advocate that managers share decision making power with employee to enhance performance and work satisfaction.

Participatory decision making process create an avenue for employees' to be involved in decision making process as they are pushed down to the lowest level of an organization. Numerous studies all point to the fact that employee involvement or participation in decision making does influence organizational commitment, job satisfaction and effectiveness. To some it lowers absenteeism, enhance work attitudes [16], higher individual work performance (Bush and Spangler, 1990), lower employee turnover and increase returns on equity [17], improve organizational learning culture [18]. Research shows that employees want to be part of a team and they want to be

involved with decision making [19]. It has been identified in law enforcement agencies some of the critical problems that contribute to low morale, stress and high turnover stems from the lack of employee participation or involvement in decision making process [20].

### Employee empowerment

Employee empowerment is seen as providing an extension to employee authority by allowing workers to take decisions that were previously the preserve of their line managers and to assume responsibility for the consequences. This occurs within an organizational culture of initiative, team work and flexibility [21].

Employee’s empowerment makes employees’ feel they are part of a team with a common goal, find their sense of self – esteem and it also increases creativity and innovation in the organization. Apostolou [22] posits that employee involvement and empowerment is a long term commitment, a new way of doing business and 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. With employee empowerment, employee is given a chance to be enterprising, take risks without compromising with the organizational goals, vision and mission.

### Forms of employee participation

According to Cotton et al. [7] different forms of participation in decision making were classified and realized that six different combinations proved to be prominent in being able to describe all of the studies in the sample. The six forms of participation were shown in the Table 1.

Participation in work decisions ii.Consultative participation iii. Short-term participation iv. Informal participation v. Employee ownership vi .Representative participation

Participation in work decisions	> Formal
	> Direct
	> Long-term
	> Influence: high to very high
Employee ownership	> Formal
	> Indirect
	> Length: depends on how long the stock is held
	> Influence: level of influence employees can have is usually determined by their involvement in stock holder meetings.
Representative participation	> Formal
	> Indirect
	> Length: can be both long term and short term
	> Influence: medium to low due to indirect participation
Consultative participation	> Formal
	> Direct

	> Long term
	> Influence: depends on the amount of participation in meetings such as quality circles
Informal participation	> Informal
	> Direct
	> Length: based on relationship employees have with supervisors
	> Influence: varied levels of influence; which are determined by the strength of the relationships between supervisors and their subordinates
Short term participation	> Formal
	> Direct
	> Short – term
	> Influence: depends on the amount of participation power given to employees by management

**Table 1:** The six forms of participation by Cotton is tabulated above. Source: J Cotton et al. [7]

### Employee ownership

Employee ownership is one of the formal ways of making employees participate in decision making. It involves making employees to be part of the financial owners of the organization usually through equity shares. Employee ownership as a form of participatory decision making serves as an intrinsic and extrinsic form of motivation.

According to Klein [23], he proposed that there are three models of the psychological effects of employee ownership. The first is the “intrinsic satisfaction model” of employee ownership which suggested that the mere fact of employee ownership increases employee’s commitment and satisfaction which leads to positive impact on productivity. The second model is the “instrumental satisfaction model” of employee ownership. By this model, employee ownership increases employee influence in decision making which turns to increase the commitment level of the employee. The last model is the “extrinsic satisfaction model” which suggests that employee ownership increases organizational commitment and productivity thus employee ownership is financially rewarding to the employee. Steinheider et al. [24] argued that there is significant relationship between employee commitment and participation in decision making and the former is manifested in positive job attitudes.

Emotional attachment to financial ownership enhances commitment and increase productivity. According to Marsh and McAllister [25], 1400 firms were surveyed on employee stock ownership plans (ESOPs) during the years 1975 – 1976. It was observed that 229 firms implemented the program and of the firms that implemented ESPs, one –third stated that the quality of work was improved. Other results were on levels of turnover. There was a smaller percentage improvement in lateness, absenteeism and employee grievances. Though the results were mostly positive, approximately five percent (5%) of the firms experienced levels employee turnover and one percent (1%) decline in work quality

whilst the majority of the companies surveyed felt that ESOPs had a positive influence in work place.

### **Consultative participation**

Consultative participation is a formal means where employees can take part in decision making. This is usually done through the use of quality circles. Quality circles are seen as a group of employees from different levels of a company who meet regularly to discuss ways of improving quality and to resolve problems related to production. With quality circles, employees are made to participate in the group of their strength to be able to make sound decisions.

Bradley and Hill [26] define quality circles as semi – autonomous work groups wherein employees can work together and participate in the decision making process. In a study to examine the impact of quality circles on employees, it was found that ninety percent (90%) of Usacorp and seventy six percent (76%) of Ukayco employees felt that quality circles gave them greater chance to participate in the way work was done in their sections. Pope explained that Toyota claims their quality circles helped them maintain an edge over their competitors as technology becomes less of a differentiator among auto makers. The research explained that quality circles give employees on the lower management to submit new ideas which leads to creativity and innovation, and also gives a high pride for team members to participate. Consultative participation is seen to have a positive impact on the success of an organization through job satisfaction, commitment, productivity and other array of a company.

### **Representative participation**

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

### **Informal participation**

Informal participation takes place through interpersonal relationship between lower management. With a strong in a strong personal relationship with superiors, employees can indirectly make some contributions on decisions taken by management.

According to Stringer [27], the strength of the relationship between subordinates and supervisor directly affects job satisfaction. His research shows that there is significant correlation between high – quality supervisor – employee relationship and job satisfaction which will improve organizational efficiency. Though informal participation is not formally organized, it does shows result and can effectively influence the amount of participation due to the amount of trust that exist between supervisor and subordinate relationship. Dirks and Ferr [28] indicate that trust can play a huge role in satisfaction of employees and that the type of work environment determines whether or not trust will be expected to result in a positive outcome. He noted that high levels of trust results in more positive attitudes, higher levels of cooperation and superior levels of performance which shows trust within an organization results in positive work ethics and productivity.

### **Short – term participation**

Short term participation is seen as an informal participation which mostly consist of rare events in which an employee can participate. According to Steinheider et al. [24] though short term participation is not widely used, it shows positive results with satisfaction which will enhance a positive impact on productivity.

### **Participation in work decisions**

It is the form of participation where employees have a high influence on the decisions made. It involves formal and direct means where employees participate in decisions concerning the organization directly. White and Ruh [29] looked at participation in work decisions by surveying 2775 employees in six manufacturing plants in Midwest. They looked at general employee participation in work decisions, job involvement, motivation and personal identification within work groups in the organization. The correlation between employee participation and job attitudes were consistently positive and significant for the total sample within the six separate plants. The report shows that employees are more involved, motivated with a higher degree of participation regardless of any differences in actual participation. This form of participation is noted to yield higher positive impacts since employees are directly involved in the decision making process. Most of the researchers studied in the review showed positive correlation between the six forms of employee participation and its impact on the organization.

### **Requirements for Implementing Participatory Decision Making**

A common misconception by management is that participation in decision involves simply asking employees to participate or make suggestions. In order for good decisions to be made by employees during decision making process, effective programs must be undertaken to ensure efficient and effective decision.

In order to achieve effective participatory decision making by employees, managers need to approach the method of employee's participation in decision making with an open mind. With this mechanism, even though not all suggestions or ideas will be agreed upon, it however paves way for creativity and innovation. Employees should also be willing to participate in decision making process. Employees will only be able to make the right decisions if they have acquired the right skills and knowledge concerning those decisions to be made. Management or managers who want to practice participatory decision making must provide employees with the necessary training, information or knowledge so they can make effective and efficient decisions. It is known that employees may not participate in decision making process because they lack the necessary skills or knowledge. Most researchers such as Colombo and Stanca [30], Sepulveda [31] and Konings and Vanormelingen [32] shows that training is a fundamental and effectual instrument in successful accomplishment of the firms goals and objectives resulting in higher productivity.

Helms [33] explains that through training, development opportunities and information sharing, employees can acquire the conceptual skills needed to become effective managers and also increases the commitment of employees to the organization and the decisions they make. Pashiardis [34] in the article "Teacher Participation in decision making" notes that for participation in decision making to be successfully implemented, policy has to be

changed to support this approach. He further added that time, resources, participatory involvement and support will determine the effectiveness of participation and recommends training to enable members participate effectively.

### Benefits of Participatory Decision Making

Researches have shown that allowing employees to participate in decision making process through ownership and other forms offers various benefits which include commitment, job satisfaction and employee productivity. Rice [35] explains that putting decision making power as close as possible to the point of delivery makes that implementation of those decisions not only possible but also successful.

Participation in decision making leads to harmony in the organization [36]. It also improves staff moral and support. Empowering employees and employee participation increases employee satisfaction, motivation, innovation and decreases inefficiency. According to Kanter [37]; he explains that a participatory work environment is theoretically more effective at enhancing innovations than traditional bureaucratic structures because it promotes the sharing of product knowledge between managers and workers who are closest to the products being done and therefore more likely to develop strategies and suggestions for better quality items. Markowitz also makes it known that giving employees decision making power boosts their moral and commitment to the organization, which aids productivity. Helms [33] reveals that employees who participate in the decisions of an organization feel like they are part of a team with a common goal, and find their sense of self-esteem and creative fulfillment heightened. Allowing employees participate in decision making process also helps widen their views of the organization.

### Adverse effects of Participatory Decision Making

The benefits of participatory decision making notwithstanding, there are undoubtedly some disadvantages. One of these effects is that it slows decision making process and wastes time since many people are involved in the decision making. Apostolou [22] explains that employee involvement in decision making is waste of time, lower efficiency, weakens the effectiveness of management.

### Methodology

This focuses on the research processes, the kind of research tools, how the research was conducted including the research design, population, and sample and how the data was analyzed.

The research was conducted in two community banks that seek to provide financial services to communities that are underserved by commercial banks in the Upper East district of Ghana. These banks are all public-private sector partnership entities. Additionally they operate in the geographical area that has unique socioeconomic and political conditions. Similarly, they are all controlled by the Bank of Ghana in terms of all financial requirements or regulations. These two banks were chosen conveniently out of a total of five for the study because of their good performance. The focus of the study was to find out how participatory decision making policies were handled in the financial sector.

The broader purpose of the study is to explore the relationship of participatory decision making and employee productivity. The study

adopted a mixed method approach of data collection analysis and presentation. In other to establish the relationship or association between the variables, a referential statistical method was adopted. To solicit opinions of the respondents from the two banks on matters that bother on participatory decision making a qualitative technique was employed which essentially involved in-depth interviews.

Considering the total population of the two banks and the working environment, a population of one hundred (100) was sample. These consisted of thirty nine (39) employees from Builsa Community Bank and sixty one (61) from Naara Rural Bank employee totaling hundred (100) employees

A sample of eighty (80) employees out of 100 employees was used in the study.

Below is the formula adopted in coming out with the sample size.

$$n = \frac{NpqZ^2\alpha/2}{Nd^2 + pqZ^2\alpha/2}$$

Where n represents the sample size required,

N is the population size,

p and q are the response rate,

$Z\alpha/2$  is the confidence level and

d is the precision.

The simple random sampling technique was used to obtain a sample of 80 employees for the study. The method was used to enable everyone have the equal chance of being selected. The technique was chosen because it is simple to carry out and eliminates personal bias. The purposive sampling was to select respondents for in-depth interviews on the effects of participatory decision-making. The information used for this research was gathered from primary and secondary sources. Questionnaires were distributed to employees at the two branches in Navrongo and Bolgatanga in the Upper East District of Ghana to ascertain the holistic view and understanding of participatory decision making and employee productivity issues. A purposive sampling technique was also adopted held to gather relevant information from various managers of the banks. Secondary on data managerial issues were also retrieved from official sources within the banks.

Miles and Huberman define data analysis as consisting of three concurrent flows of activities that is data reduction, data display and conclusion drawing or verification point.

Data from the field was coded appropriately to make meaning out of them. Editing was done to correct errors, check for non-responses, accuracy and corrects answers. The Coding was done to facilitate data entering and a comprehensive analysis

Descriptive statistics was used to analyze the data. A chi-square test was also used to test the association between productivity and the various forms of participation in work decisions.

### Hypothesis

The study aimed at testing the given hypotheses at 0.05 level of significance level

$H_0$ : There is no significant relationship between productivity and employee participation in decision making.

*H1:* There is a significant relationship between productivity and employee participation in decision making.

This is statistically stated as:

$H_0, B_i=0$

$H_1, B_i \neq 0,$

## Presentation, Analysis and Discussion of Findings

### Socio demographic characteristics of respondents

Out of 80 respondents, 54 were males whilst 26 were females representing 67.5% and 32.5% respectively. This is represented in the Table 2 below.

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

**Table 2:** Gender of respondents.

From the research, out of 80 respondents, 31 employees representing 38.8% were between 20-29 years, 39 representing 48.8% were between 30-39, 8 respondents representing 10% were between 40- 49 years whilst 2 respondents representing 2.5% were between 50-59. This is represented in the Table 3 below.

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

**Table 3:** Age distribution of respondents.

Out of 80 respondents, 12 people representing 15% had 1st Degree, 35 people representing 43.8% had H.N.D, 9 respondents representing 11.2% were A. level holders, 5 respondents representing 6.2% were O. level holders whilst 15 respondents representing 23.8 were S.S.C.E/WASSCE holders. This is represented in the Table 4 below.

Educational Level	Frequency	Percentage
Master's Degree	0	0
1st Degree	12	15
H.N.D	35	43.8
A. Level	9	11.2
O. Level	5	6.2
S.S.C.E/WASSCE	19	23.8

**Table 4:** Educational level of respondents.

From the research, out of the 80 respondents, 24 people representing 30% were officers whilst 56 employees representing 70% were clerks. This is represented in the Table 5 below.

Position	Frequency	Percentage
Senior Manager	0	0
Middle level manger	24	30
Clerk	56	70
Total	80	100

**Table 5:** Position of respondents.

### Participation in work decisions

From the research carried out, it was found that both banks practiced participatory management policies. According to the questions posed and the responses, all the 80 employees testified that meetings where all employees' views can be heard are done and the respondents noted that allowing all employees to participate in decision making process will enhance productivity. The Table 6 below summarizes the response on participation in decisions making.

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

**Table 6:** Participation in work decisions.

From the table above, 74 respondents were of the opinion that all employees participating in decision making as an effective tool to increase productivity since employees will feel recognized, encourage creativity and innovation and employees will be committed to the decisions taken [34]. Also, 67 of the employees were of the view that they do not have influence on their job decisions thus eventually reducing their commitment level. With regard to the positive effect of employee participation on decisions, another 67 respondents were of the view that they do influence the way their jobs were structured which serves as a form of motivation and its consequential effect on overall productivity.

### Short term participation

From the data gathered, there had been some unusual events where employees were asked to participate in the decision being taken at the time. Examples given were when the Board and Management wanted to draft the bank policy all employees asked to contribute in the draft through participation and during Directors and staff durbar where employees views on production and other fields are heard. The information gathered showed that 74 respondents were of the view

that short term participation has a positive impact on productivity since employees feel recognized and motivated which boost their moral towards productivity whilst 6 respondents were of the view that the time for such events is too short hence has no positive impact on productivity. The response is shown in the Table 7 below.

Question	Yes Frequency	Percentage	No Frequency	percentage
Organization of one time event	80	100	0	0
Example of one time event	80	100	0	0
Positive effect on productivity	74	92.5	6	7.5

Table 7: Short term participation.

### Employee ownership

Out of the 80 respondents, 53 of them had shares in the various banks. Those with shares were of the view that they will like to receive higher returns on their shares so it encourages them to be committed towards work to increase productivity. The 27 who had no shares were consulted to know their views of how committed they will be if they had shares and the response was positive towards productivity. This is represented in the Table 8 below.

Question	Yes Frequency	No Frequency
Shares ownership	53	27

Table 8: Employee ownership.

### Representative participation

From the data gathered from the survey, it was observed that all the 80 respondents said there were elected employees who do represent the entire employees in meetings where all the employees' participation is not possible. From the data gathered, 67 of them were of the view that representatives had influence on the decisions taken therefore has 68 respondents were of the view that it affects productivity positively whilst 13 respondents were of the view that representatives had no influence on decisions taken hence 12 out of the 13 noted that it does not motivate them to work harder towards productivity since their views are not taken into consideration. However, 74 respondents were of the view that involving all employees in decision making is better than through representatives whilst 6 respondents were of the view that it waste time and it is difficult in drawing conclusion hence representative participation is better than all employees participating in decision making. The Table 9 below shows the response on representative participation.

Question	Yes Frequency	No Frequency
Elected employees as representatives	80	0
Influence on decisions	67	13
All employees better than representatives	74	6

Positive effect on productivity	68	12
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Table 9: Representative research.

### Informal participation

From the two banks, 54 respondents good relations with their supervisor whilst 26 respondents had very good relations with their supervisor. It was known from the research that because of the good relationships that exist between the employees and their supervisors, it creates room for easy consultation and suggestions on the work. They were of the view that the good relations create a good environment for work and free flow of information which in return helps increase productivity. However 4 employees out of the 80 respondents were of the view that because of the good relations, some employees do not work as expected since they of the view that their supervisors will not punish them which reduces productivity. Majority of the respondents were however of the view that it has positive impact on productivity since employees can freely consult their supervisors when faced with difficulties on the job and it also remove fear and panic from employees. The Table 10 below shows the response from respondents.

Question	Yes Frequency	No frequency
Good/Very good relations with supervisor	80	0
Easy consultation and suggestion to supervisor	80	0
Positive effect on productivity	76	4

Table 10: Informal participation.

### Consultative participation

From the response received from respondents on consultative participation, the two banks practiced consultative participation, however, 63 respondents were of the view that management listens and implements their views when consulted which motivates them to work harder in increasing productivity whilst 17 were of the view that management do not implement their views when consulted and also expressed concern that they are not motivated when consulted in finding solutions to problems which does not encourage them to give off their best towards productivity since their efforts are not recognized. The response is presented in the Table 11 below.

Question	Yes Frequency	No Frequency
Formation of small groups to find solutions to problems	80	0
Positive effect on productivity	63	17

Table 11: Consultative participation.

## Testing the Association between Productivity and the Various Forms of Participation

To investigate the association between productivity and each form of participatory decision making, a chi-square analysis was used to test their association with productivity.

Using the response gathered above the various tables under each form of participation in the analysis, a p-value of 0.0007 and  $X^2$  value of 14.5177 was ascertained from participation in work decision.

Also, with regards to short term participation, the test gave a p-value of 0.012 and  $X^2$  value of 13.4938. Response from employee ownership gave a p-value of 0.001 and  $X^2$  value of 32.4812

From the response of representative participation, the test gave a p-value of 0.0009 with an  $X^2$  value of 14.0205. A chi-square test on informal participation gave a p-value of 0.0115 and an  $X^2$  value of 8.9254.

The last form of participation being consultative participation gave a p-value of 0.0001 and an  $X^2$  value of 19.0210.

From the chi-square test on the various forms of participation, it was observed that each form of participation in decision making had a p-value less than the significance level of 0.05, we therefore reject the null hypothesis and conclude that there is a statistically significant association between productivity and the various forms of participation.

## Some Theoretical Concept

### Views on participation

This section focused on employee's views on participation in decision making in any of the six forms of participation. From the 80 respondents, they all stated emphatically that when employees are made to participate in decision making in any form of the decision making process, it helps increase productivity. They noted that employees will feel motivated, feel recognized and part of a team working to achieve the goal of the organization and since they are part of the decision making process, they will not feel that decisions are "pushed down their throats". This finding is corroborated by earlier researchers (Steinheider et al. [24], Beaty 2007) Employees were also of the view that they will be more committed since they were part of the team in making those decisions. Employees were also asked how they will feel if they are not made to participate in any of the decision making process: all 80 employees were of the view that they will be discouraged since management do not recognize their skills. Some were also of the view that implementation of decisions will be difficult. Employees were asked to rank the various forms of participation from highest to lowest in order to know the type of participation that has greater impact on productivity, employees were of the view that participation in work decision has the greatest impact on productivity followed by informal participation, employee ownership, representative participation, consultative participation and short term participation respectively.

### Interview with the managers of both banks

In order to get the in-depth view of the topic under study the managers of both banks were interviewed on participatory decision making and employee productivity. The response gathered from managers indicated a common view on the topic.

Both banks believe in the concept of participatory decision making and it is practiced. With regards to whether there is a criteria/qualification to be met before an employee can participate in decision making, it was made known that there was no criteria for participatory decision making but they intimated that the practice has been to invite only middle and senior managers to participate in decision making.

With regards to how often they meet employees as a general body and representatives, no specific interval was given but they were of the view that whenever there is an issue and there is the need to meet either the entire body or representatives, a meeting was held.

The managers were of the view that participatory decision making leads to a change in work attitude positively towards work. They noted that when employees participate in decision making, they feel motivated, see themselves as recognized in the organization. Also, employees are committed to the decisions taken which has had a positive impact on productivity. They expressed concerns that both banks have experienced these benefits in their institution which has led to the yearly increase in profit since employees are committed to work hard in increasing productivity.

They were of the view that allowing all employees participate in decision is best but leads to waste of time when employees are not having the necessary skills needed in order to make their participation effective as clearly noted by DeBrin [7] They therefore noted that employees should be given the necessary training to enable them participate positively on decision making. To avoid waste of time and unnecessary comments with participatory decision making, employees should be first trained to have a full control and idea of what the work is all about so that he will be able to contribute positively towards his field this view is validated by Colombo and Stanca [30], Sepulveda [31] and Konings and Vanormelingen[32].

## Findings, Conclusion and Recommendations

### Findings

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

From the study, though 12 people were of the view that representative participation does not enhance positive impact on productivity, majority of the respondents were of the view that in decision making where all employees cannot participate, representative participation is best and has positive impact on productivity since their grievances and views will be channeled through their representatives. Informal participation was seen as and a good medium to increase productivity since it provides a good



working environment and also allows for free flow of information. Employees were of the view that the good relationship with their supervisor makes it easy in consulting their supervisors on their job when faced with challenges. They noted that the friendly relations even outside the working environment motivate them to give off their best towards productivity. With consultative participation, respondents acknowledged that recognizing employees' effort and forming them in groups to find solutions to problems serves as a form of motivation which drives them towards productivity.

It was observed from the study that in order for employees to have the right knowledge and skills to participate in decision making, they should be trained to enable them participate effectively. From the chi square test it was known that there is a positive association between productivity and the various forms of employee participation.

## Conclusion

It can be concluded from the research that 76 respondents out of 80 representing about 95% were of the view that making employees participate in decision making affects productivity positively.

Also since the  $p$ -values of each form of participation is less than the significance level of 0.05 we reject the null hypothesis and conclude that there is a statistically significant association between productivity and the various forms of participation. The study also shows that when employees are made to participate in decision making, it makes them feel more responsible for their actions and see themselves as stakeholders of their firms or organizations. The establishment of association, and to some extent causality, is not adequate. It cannot be ruled out that certain organizational factors were not taken into consideration which could have affected causality. A more detailed study is needed in this area as far as causal relationship in management is concerned.

## Recommendation

On the basis of the findings from the study, it is recommended that employees must be made to participate in decision-making so as to promote creativity and innovation. However employees should be given the necessary skills needed on specific matters of which decisions are to be made to enhance quality decision making in the process. This will help employees execute their responsibilities without any difficulty.

To make employees feel part as owners and stakeholders of the organization, employees should be encouraged to own shares in the organization which will promote good attitude towards work to enhance productivity. Relationship between supervisor and employees should be good to enhance easy consultation and free flow of information in an organization. Regular meetings should also be held to solicit the views of all employees to make them feel part of the organization.

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