

**WORKERS' PARTICIPATION IN MANAGERIAL DECISIONS  
AND PRODUCTIVITY OF PRIVATE COMPANIES IN UYO METROPOLIS.**

**BY**

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**ABSTRACT**

*This study was conducted to appraise the extent workers' participation in managerial decisions and productivity of private companies in Uyo Metropolis. A survey research method was adopted for the study, while population of the study comprised all staff of registered private companies in Uyo Metropolis. This includes junior, senior and management staff. 207 respondents constituted the study sample selected using a simple random sampling technique. Data were collected using the structured questionnaire constructed under the guidance of expert in statistics. Two specific research objectives and null hypotheses were formulated to guide the study. The two null hypotheses were tested at 0.05 alpha level using Pearson Product Moment Correlation analysis. The results of the statistical analysis revealed that employees' participation in managerial decision has significant relationship with high performance of the employees and profitability of private companies in Uyo Metropolis. The conclusion was that workers' participation in managerial decisions relates remarkably with productivity of private companies in Uyo Metropolis. Based on this result, it was recommended among others that, employees should be given opportunities to participate in managerial decision making in order to ensure that there is optimum cooperation from them with respect to implementation of the decisions made.*

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**Introduction**

Participation does not only involve group process reflecting democratic values, it is also a reflection of the extent and manner in which responsibilities and tasks are delegated to subordinates. Participation, therefore, is inherent in the superior/subordinate relationship. It has been suggested in several quarters that, when workers are involved in the decision making process of their organizations, they become more committed to the attainment of the organizational goals. In a divergent view, Beach (2005) observes that decentralization of authority could also lead to wider participation, which will ultimately result in both increased productivity and higher morale. However, in recognition of the importance of workers' participation in decision making, Armstrong (2009) notes that people will use their energy to subvert the ends sought by the firm if management fails to recognize their existence. While supporting this proposition, Davis (1981) declares that the extent to which a person is committed to any action is a function of his involvement in the planning; and that workers' separation from planning the organizational objectives would lead to lower overall performance. In other words,

when workers are denied the opportunity to participate in the decision making process that would affect them, their attitude to work will change automatically and the obvious consequence is low productivity.

It is pertinent to note that when the employees are encouraged to take part in decision making concerning their organization, they will do everything to protect the interest of the organization by ensuring that the objectives of the organization are achieved. That is why Hewitt (2002) contend that employees will become more creative, exhibit greater initiative and become more responsible when given the opportunity to express themselves and share in the decision affecting them and their working environment. They said that employees' participation in decision making will facilitate the development of internalized motivation, serve to increase human satisfaction and morale in the organization. Therefore, it is the integration of the employees into the "administrative caucus" that will certainly lead to better understanding between both parties, (management and employees). It is on this note that the study was conducted to ascertain the level of workers' participation in managerial decisions and the extent to which this has affected the level of the productivity of workers as a result of their participation in managerial decisions of private companies in Uyo Metropolis.

### **Statement of the Problem**

Over the years there has been great concern to various people on the issue of workers' participation in managerial decision making. This is true because failure to involve employees in decision making seem detrimental to the achievement of the organization. Most times employees watch with dismay, the management taking unfavourable decision concerning them and other issues of the organization. This makes them faced with the dilemma and irony of how to cope with authoritative management in the work place while living in a democratic society. The denial of workers from active involvement in decision making has been identified to be one of the major causes of the problems manifesting daily in the work lives of the modern employees. However, it has been said that when an employee discovers that his work does not provide him the opportunity to realize his potentials through participatory management, he tends to engage in negative behaviours like absenteeism, apathy, lack of commitment and low productivity. To what extent is this true with the workers of private companies in Uyo Metropolis. That is why this study is conducted to determine the influence of employees' participation in managerial decisions of private companies in Uyo Metropolis on the productivity of the companies with respect to high performance of the employees and level of profitability of the company.

### **Objectives of the Study**

The main objective of this study is to appraise the extent to which workers' participate in managerial decisions and the effect on the productivity of the private companies in Uyo Metropolis, while the specific objectives are as follows:

1. To find out if employees' participation in managerial decision promotes high performance of the employees.
2. To determine the relationship between employees' participation in managerial decision and profitability of the company.

### **Research Hypotheses**

In line with the research questions and objectives of this study, the following research hypotheses will be tested:

1. There is no significant relationship between employees' participation in managerial decision and high performance of the employees.
2. There is no significant relationship between employees' participation in managerial decision and profitability of the company.

### **LITERATURE REVIEW**

#### **Decision-making theory by Simon, 1960**

Simon (1960) distinguishes between two types of decisions, namely: programmed and unprogrammed decisions, depending on the type of problem. Programmed decisions are those which are well structured, repetitive and generally routine in nature, and there are definite rules and procedures for handling them. Risks involved are not high and can therefore be more easily delegated. Perhaps most of the decisions that the principal or the head of a department makes are routine. For example, the decision to employ a new worker or to perform extra duties is a programmed decision. Programmed decisions are called routine decisions and are obviously the easiest for the administrator to make because there are written or unwritten policies that can easily be referred to rather than to think afresh as to how to handle certain problems.

Non programmed decisions, on the other hand, are those that are out of the ordinary or are unique. They are new and non-repetitive, unstructured and entail high risks. They cannot be easily assessed in quantitative terms. There are no established procedures for handling the problem because of its novelty. Decisions made may mean greater expenditure of resources. An example of a non-programmed decision is a decision to construct new class room facilities or workshops. Administrators or managers should rely heavily on their problem-solving ability, creativity, intuition, tolerance for ambiguity and judgment when they make non-programmed decisions. Stoner (1978) points out that the ability to make a good non-programmed decision helps to distinguish effective managers from ineffective managers'.

Driver (1979) submits that Decision-making is the very heart of the administrative process and leadership. It is the process of choosing from among alternative ways of achieving an objective or providing a solution to a problem. Heyel (1973) notes that decision theory also takes into account three other factors:

- (1) Possible states of nature or events or outcomes to which, in some manner, probabilities of occurrence may be assigned
- (2) Some method of assessment of the correctness of actions or events and their consequences in terms of utility and profitability.
- (3) some criterion or criteria for the determination of the best or optimum' act.

Griffiths (1958), however has suggested a tripartite classification of administrative decisions: intermediary, appellate and creative types of decisions. Abbot (1974) identifies five decision-making skills that contribute to the effectiveness of the administrator as follows:

- (1) Skill in differentiating among types of decisions.
- (2) Skill in determining the amount and type of information needed to reach a decision.
- (3) Skill in determining the appropriate involvement of other people in reaching decisions.

- (4) Skill in establishing priorities for action, and
- (5) Skill in anticipating both intended and unintended consequences of decisions.

The implication of this theory is that the management of any organization should adopt the system of management by objectives by ensuring that for any managerial decision made the subordinates should be involved in order to bring about organizational goal achievement.

### **Benefits of employees' involvement 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 organisation and the individual (Shadur et al., 1999). Hence, the following are the benefits of employee involvement in decision making:

1. It increases employee's morale or job satisfaction and enhances productive efficiency (Chang & Lorenzi, 1983).
2. It provides employees the opportunity to use their private information, which can lead to better decisions for the organisation (Williamson, 2008).
3. As a result of the incorporation of the ideas and information from employees, organisational flexibility, product quality, and productivity may improve (Preuss & Lautsch, 2002).
4. It contributes to greater trust and a sense of control on the part of the employees (Chang & Lorenzi, 1983).
5. Through employee involvement, resources required to monitor employee compliance (e.g., supervision and work rules) can be minimized, hence reducing costs (Arthur, 1994; Spreitzer & Mishra, 1999).
6. 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 (Kemelgor, 2002).

### **Effects of employee involvement in decision making on workers high performance**

There is growing evidence that firm performance rests increasingly on the involvement of workers in decision making (Arthur, 1994; Daft & Lewin, 1993; Deninson & Mishra, 1995; Spreitzer & Mishra, 1999). Scholars have argued that employee involvement contributes to organisational 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 & Monge, 1986; Markey, 1990, 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. Significant relationship between frequency of employee's consultation and organisation 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 organisational-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 there 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).

### **Effects of Participatory Decision Making on Turnover/Profit**

In 2007, BMW effectively used a participative management program in order to solve a problem of mixing old and new workers on the same production line (Loch et al 2010). In this case the company arranged a new production line based on the recommendations from employees. This decision increased BMW's turnover and profit. Spector (1986) conducted a meta-analysis of 88 studies about the impact of employee's perceived control on the number of outcomes. He found that employment participation was associated with an improvement in general satisfaction, as well as satisfaction with the work, supervision, pay, opportunities for promotion and growth, and organizational involvement. Employee participation was associated with higher motivation and performance, fewer intentions to quit, and lower turnover (Cotton 1993). However other research done among 308 Taiwanese companies (Huang 1997) supports the positive impact of participative management on employees' behavior and financial outcomes of the company. The study reveals another interesting aspect of participative management – even informal participation can have positive effects.

Most companies are faced with the challenge of managing their resources and time to get maximum output. According to Wagner (1994), resources encompass employees, physical material and financial capability of the organization. Many managers are provided with minimum resources to reach maximum result for the organization. Managing the minimum resources requires innovation and efficient communication between the employees and the management. This can only be achieved through efficient employee involvement mechanism, which will ensure, that all the employees participate in decision making process. Yousef (2000) explains that employees are responsible for using over 90% of companies' resources and time. It is imperative for the management to involve the employees to come up with effective use of resources that will enable the organization to save cost of transacting business. According to Vroom (1999), employee participation ensures that the company resources are well utilized to provide maximum profit. According to a research conducted by Dundon, Wilkinson, Marchington & Ackers (2004) on Bet.com Company, employee involvement can significantly reduce the cost of doing business. The company had several sessions with employees on ways they can improve the procedure for taking bets from consumers over the phone. The company saved a lot of money since the employees were able to discover that some customers were able to place bets after the results were known. The employees were able to come up with innovation that stopped customers from placing bets after the result was known.

## **METHOD**

### **Research Design**

A survey design was used for this study. In this type of design the opinion of the workers and management of the private companies were sought on the extent of participation of employees in managerial decisions and the extent of productivity of the companies. This design method was considered suitable because of its cross-sectional approach that ensures seeking the views of individual employees, supervisors, and managers.

### **Area of the Study**

The study area was Uyo metropolis. Uyo Metropolis encompasses Uyo Local Government, and some parts of Uruan, Itu, Ibesikpo and Ibiono Ibom Local Government Areas. It Lies between latitude 5.05 North and longitude 8<sup>0</sup> East. This is within the equatorial rain forest belt, which is a tropical zone that house vegetation of green foliage of trees shrubs and oil palm trees. In Uyo metropolis, there are well designed buildings which range from bungalows to duplex for residences, offices and churches. Many tertiary institutions have been established in the area. These include University of Uyo, Uyo City Polytechnic; Corporate Institute of Research and Computer Science (the educational unit of Corporate Business Research Services), Contemporary Institute of Technology, etc. Apart from these academic institutions there are other organisations such as University of Uyo Teaching Hospital, various banks, Corporate Business Research Services, Idems Ultimate, etc.

With the status of Uyo as a Capital City of Akwa Ibom State and with its part development index there has been an influx of people, thus, increase in population and high demand of housing for accommodation.

### **Population of the Study**

The population of this study comprised all staff of registered private companies in Uyo Metropolis. This includes junior, senior and management staff. They are 17,526 in number.

### **Sample and Sampling Techniques**

A stratified random sampling technique was used to select the 207 respondents from private companies in Uyo Metropolis.

### **Instrumentation**

The main instrument used in this study was research questionnaire titled “**DECISION MAKING PARTICIPATION AND PRODUCTIVITY** Questionnaire” (DMPPQ). The questionnaire was made up two sections, sections A and section B. Section A was used to collect information on personal data of the respondents while section B of the questionnaire was made up of three variables such as employees’ participation in managerial decision, high performance of the employees and profitability of the company.

### **Validation of the Instrument**

The instrument passed through face and content validation by 1 expert in statistics.

### **Reliability of the Instrument:**

Cronbach Alpha technique was used to determine the level of reliability of the instrument. In the trial test, a total of 30 respondents who did not form part of the main study were randomly selected from Ikot Ekpene Metropolis and the instrument administered on them. The reliability coefficient obtained was 0.85 and this was high enough to justify the use of the instrument.

### **Procedure for Collecting Data**

A letter of introduction was written by the researcher. This letter was to introduce the researcher to the heads of the organizations for understanding and assistance in the process of data collection. The questionnaires were issued and retrieved 2 days latter from each respondent. The exercise took about one month.

### **Method of Data Analysis**

The researcher subjected the data generated for this study to appropriate statistical techniques such as descriptive analysis was used for presentation of the data while Pearson Product Moment Correlation Analysis was used to test the hypotheses. The test for significance was done at 0.05 alpha levels.

### **Results and Discussions**

#### **Data Presentation**

The copies of the questionnaire administered on the respondents and their rate of response are shown in tables 1 and 2.

**Table 1: Questionnaire Administration**

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

**\*\*The highest percentage frequency**

**\* The least percentage frequency**

#### **Source: Field Survey, 2016**

Table 1 shows that out of the two hundred and seven (207) respondents, (65%) were male, while (35%) were female. All of the respondents (135 male and 72 female) filled and returned their questionnaire in a useable form.

**Table 2: Distribution of the Respondents According to Age.**

<b>Age Bracket</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
21 – 30 Years	54	26
31 – 40 Years	85	41**
41 – 50 Years	64	31
51 and Above	4	2*
Total	207	100%

**\*\*The highest percentage frequency**

**\* The least percentage frequency**

#### **Source: Field Survey, 2016**

From table 2, it is shown that 26% of the respondents were between the age bracket of 21 – 30 years. (41%) of them were between 31-40 years of age. Those between 41 – 50 years were 31% and those above 50 years of age were just 2% of the respondents. This is an indication that the

majority of the staff who responded to the questionnaires were mature enough to be able to respond independently to the questions asked in the questionnaire.

**Hypotheses testing**

**Hypothesis One**

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

**Table 3**

**Pearson Product Moment Correlation analysis of the relationship between employees’ participation in managerial decision and high performance of the employees**

Variable	$\Sigma X$	$\Sigma X^2$	$\Sigma XY$	r
	$\Sigma Y$	$\Sigma Y^2$		
Employees’ participation in managerial decision (X)	2449	29417		
high performance of the employees (Y)	2611	33279	38364	0.93*

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

The above table 3 presents the obtained r- value as (0.93). This value was tested for significance by comparing it with the critical r-value (0.138) at 0.05 levels with 205 degree of freedom. The obtained r-value (0.93) was greater than the critical r-value (0.138). Hence, the result was significant. The result of the data analysis therefore means that there is significant relationship between employees’ participation in managerial decision and high performance of the employees. The significance of the result is in agreement with the finding of Spreitzeral. (1997), who stated that, workers who have greater interest on how to do their works have been found to have high job satisfaction and consequently high level of performance. The significance of the result caused the null hypotheses to be rejected while the alternative one was upheld.

**Hypothesis two**

The null hypothesis states that there is no significant relationship between employees’ participation in managerial decision and profitability of the company. In order to test the hypothesis, Pearson Product Moment correlation analysis was performed on the data. (see table 4).

**Table 4**



**Pearson Product Moment Correlation analysis of the relationship between employees' participation in managerial decision and profitability of the company**

Variable	$\Sigma X$	$\Sigma X^2$	$\Sigma XY$	r
	$\Sigma Y$	$\Sigma Y^2$		
Employees' participation in managerial decision (X)	2449	29417		
			38491	0.82*
Profitability of the company (Y)	2887	40809		

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

The above table 4 presents the obtained r-value (0.82). This value was tested for significance by comparing it with the critical r-value at 0.05 levels with 205 degree of freedom. The obtained r-value (0.82) was greater than the critical r-value (0.138). Hence, the result was significant. The result of the data analysis therefore means that there is significant relationship between employees' participation in managerial decision and profitability of the company. The significance of the result is in agreement with the finding of Vroom (1999), who stated that employee participation ensures that the company resources are well utilized to provide maximum profit. The significance of the result caused the null hypotheses to be rejected while the alternative one was upheld.

**Conclusion:-**

Based on the findings of the research, the researcher wishes to conclude that workers are remarkably involved in decision making in private companies in Uyo Metropolis. besides that it could be concluded that there is significant relationship between employees' participation in managerial decision and high performance of the employees. Finally, it is a fact that there is significant relationship between employees' participation in managerial decision making and profitability of the company.

**Recommendations:**

The following recommendations are deemed necessary:

1. Employees should show high level of commitment to their stewardship and duties in order to attract the management attention and promotion.
2. Employees should be given opportunities to participate in decision making in order to ensure that there is optimum cooperation from them with respect to implementation of the decisions made.

3. There should be an involvement of each head of department in the management meeting in order to accommodate the interest of all workers in the meeting and promote the accomplishment of the organizational goal.
4. The employees should be motivated by the management so that they can give their best and thereby raising the company's achievement to high level of performance, efficiency, productivity, profitability and rapid growth.

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