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**Appraisal of the Extent to Which Workers' Participation in Managerial Decisions Affects  
the Corporate Productivity of System Metal Industries**

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**BY**

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**ABSTRACT**

*The study sought to appraise the extent to which workers' participation in managerial decisions affect the corporate productivity of System Metal Industries. Descriptive survey design was adopted for the study. The study was conducted in Calabar. The population of the study comprised of all the staff of System Metal Industries Limited, Calabar. They are four hundred and twenty-seven (427) according to the nominal roll of the company. The sample size of the study was determined from the population through the use of the Taro Yamen's formula. Simple random sampling technique was used to select 207 respondents that constituted the sample size used for the study. This means that every 2nd name on the nominal roll was picked as respondent. The questionnaire was first subjected to a pilot study with thirty (30) respondents using test and re-test method within a gap of two weeks between the two test administrations. The test scores were collated and subjected to Pearson Product Moment Correlation Analysis using SPSS. The result yielded Cronbach Alpha coefficient of 0.75. The instrument was therefore, accepted to be reliable in producing accurate results. The result yielded Cronbach Alpha coefficient of 0.75. The instrument was therefore, accepted to be reliable in producing accurate results. Pearson Product Moment Correlation was used in testing the various research hypotheses to ascertain the relationship that exist between the identified variables. The study concluded that there is significant relationship between employees' participation in managerial decision and high performance of the employees. One of the recommendations made was that employees should show high level of commitment to the service in order to attract the management attention and promotion.*

**KEYWORDS: Workers, Participation, Managerial Decisions, Corporate Productivity,  
System Metal Industries and Calabar**

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**Introduction**

In the face of the incessant changes occurring in contemporary business management, managers and business executives have started shifting their views from the traditional approach of management to a humanistic approach. Several behavioural scientists have proved in their various studies that employees cannot only be motivated for enhanced performance with only monetary incentives but could be motivated through their involvement in decision making – participation in the management process. 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 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.

### **Statement of Problem**

The issue of workers' participation in managerial decision making has been of great concern to various sectors today as a result of the spread of democratic values to virtually every society. With respect to the economic sector, employees are 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.

### **Objectives of the Study**

The main objective of this study is to appraise the extent to which workers' participation in managerial decisions affect the corporate productivity of System Metal Industries, Calabar, while the specific objectives are to:

1. To examine whether employees' participation in managerial decision promotes high performance of the employees.
2. To access the effect of employees' participation in managerial decision on quick service delivery by the company.

### **Research Questions**

In line with the problems that prompted this research, the following research questions were formulated.

1. What is the relationship between employees' participation in managerial decision and high performance of the employees?
2. What is the relationship between employees' participation in managerial decision and quick service delivery by the company?

### **Hypotheses**

In line with the research questions and objectives of this study, the following research hypotheses were formulated to guide the conduct of the study. They are presented here in their null form.

- H<sub>0</sub><sub>1</sub>:** There is no significant relationship between employees' participation in managerial decision and high performance of the employees.

**H0<sub>2</sub>:** There is no significant relationship between employees' participation in managerial decision and quick service delivery by the company.

## **Theoretical Review**

### **Theory of Performance Management**

The underlying theoretical foundations for performance management lie in motivation theory and in particular goal-setting theory and expectancy theory. Goal-setting theory as Locke and Latham (1990) suggest not only does the assignment of specific goals result in enhanced performance but assuming goal acceptance, increasing the challenge or difficulty of goals leads to increase motivation and increase in performance. Experts insist that Expectancy theory hypothesizes that individuals change their behaviour according to their anticipated satisfaction in achieving certain goals as George (2010) explains, both these theories important implications for the design of performance management processes which has to be exploited.

Clark (2006) in George (2010) suggested that both goal-setting and promise that human being think in a rational, calculative and individualistic way. Indeed, he argues that performance management is based on an extremely rationalistic directive view of the organization. This assumes not only that strategy can be clearly articulated but also that the outcomes of human resource processes can be framed in a way that makes clear their links to the organizations strategic objectives. He further argues that the approach assumes casual links between different parts of the process that can be readily identified and enable underperformance in one or more aspects of the process to be managed to ensure optimum functioning of the wider performance management system (PMS). However, such assumptions not only ignore the debate about the nature of strategy and its formulation as experts show but also fail to recognize the context in which a PMS operates.

## **Conceptual Review**

### **Concept of Employee Involvement in Decision Making**

Employee involvement in decision making, is sometimes referred to as participative decision-making (PDM) and is concerned with shared decision making in the work situation (Mitchell, 1973). Employee involvement in decision making is known as 'joint decision making' between managers and subordinates. According to Dundon & Grugulis (2007 in 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 (Barringer & Bleudorn, 1999) which involves the top management only. However, one cannot write meaningfully about employee involvement in decision making or PDM without embedding it within a national cultural context (Hofstede, 2001). Thus, Sagie and Aycan, (2003) propose a

framework that links various types of PDM to the cultural context. This framework was based on two dimensions of Hofstede: power distance and individualism-collectivism (I/C), as their link with PDM is strongest compared to other cultural dimensions (Heller et al., 1998). Power distance signifies how individuals regard power differentials within the society or firms (Menzel et al., 2006). It influences the degree to which participation is practiced.

### **Benefits of Employee 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).

### **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;). 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, 2006). 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 gain 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).

### **Effect of Participatory Decision Making on Employee commitment for Quick Delivery**

Most scholars argue that employee commitment to the goals of an organization is paramount for successful business. Guest (2001) in George (2010) explains that employee commitment refers to congruence between the goals of the individual employee and the organization whereby the individual identifies with and extends effort on behalf of the goals of the organization including quick delivery of satisfactory service that attract more patronage. As stated by Guest (2001) in George (2010), most employees commit themselves to decisions and goals that they have taken part in formulation. Employees feel that they have their own goal and objective; that they have been actively involved in formulation. Employee involvement ensures that workers commit themselves to the responsibility and duties assigned to them. Wagner (1994) explains that employees commit themselves to goals of organization if they are allowed to come up with ideas and strategy for the organization. Workers perform their duty not only because they are supposed to do that, but because they have passion and commitment towards the task. All this can only be achieved if companies can take the initiative and involve employees in decision-making, goal formulation and policy formulation of the company.

Most employees were observed to commit themselves to company goals when they were actively involved in formulation process. Also, employees who were not actively involved in decision-making were less likely to commit themselves to the goals of the company. This clearly shows that employee involvement plays a critical role in daily management and running of organization. Without proper mechanism to commit employees to the goals of the company it would be hard for the organization to successfully meet their target. The issue of employee committing themselves to projects and responsibility has a great effect on company's efficiency and work output.

### **Empirical Review**

Effect of Participatory Decision Making on Employee involvement has significantly affected the productivity of organizations and companies in general. According to a research conducted by the Workplace Representation and Participation Survey (WRPS), companies that have effective employee involvement were 17% likely to perform better than companies that lack employee involvement programs in their organizations. The report further shows that employees who work in companies that have efficient employee involvement are more satisfied with their job compared to other workers. Another research conducted by Dundon & Grugulis (2007) on more than 18 different organizations on impact of employee involvement and company productivity revealed the same result. Several respondents expressed their belief that there was a correlation between employee involvement and performance outcome. For example, Consultancy Co has an employee involvement mechanism called "strategy days" that provides employees with an input to the future strategic plan of the organization. At these 'Strategic days' the company allows employees to come in groups and discuss matters that ranged from market changes, technological changes and report their ideas to a plenary session that takes further action on their findings. The report shows that workers in Consultancy Co are more satisfied with the management than other companies that have centralized system of making decisions. Another company that has taken the advantage of employee involvement is HiFi Sounds. At HiFi Sounds the management encourages the employees to make suggestions on a whole host of matters including staff recruitment, shop opening and customer care management. Another company that has benefited from this program is Bet.com. Following briefing session between employees and the management, Bet.com decided to implement bets from customers over the phones. The result

of that initiative saved the company thousands of pounds. From this statistic it is clear that employee participation in management of company improves productivity and employees' job satisfaction.

## Methods

Descriptive survey research design was adopted for the study. The study was conducted in Calabar. The population of the study comprised of all the staff of System Metal Industries Limited, Calabar. They are four hundred and twenty-seven (427) according to the nominal roll of the company. The sample size of the study was determined from the population through the use of the Taro Yamen's formula. Simple random sampling technique was used to select 207 respondents that constituted the sample size used for the study. This means that every 2nd name on the nominal roll was picked as respondent. The questionnaire was first subjected to a pilot study with thirty (30) respondents using test and re-test method within a gap of two weeks between the two test administrations. The test scores were collated and subjected to Pearson Product Moment Correlation Analysis using SPSS. The result yielded Cronbach Alpha coefficient of 0.75. The instrument was therefore, accepted to be reliable in producing accurate results. Pearson Product Moment Correlation was used in testing the various research hypotheses to ascertain the relationship that exist between the identified variables.

## Results

### 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.

**Table 1: 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)			38364	0.93*
	2611	33279		

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

The above **table 1** 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 some experts, who stated that, workers who have greater choice concerning how to do their own work have been found to have high job satisfaction and consequently high performance. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

**Hypothesis Two:** The null hypothesis states that there is no significant relationship between employees' participation in managerial decision and quick service delivery by the company. In order to test the hypothesis, Pearson Product Moment correlation analysis was performed on the data.

**Table Two: Pearson Product Moment Correlation analysis of the relationship between employees' participation in managerial decision and quick service delivery by the company.**

Variable	$\sum X$	$\sum X^2$	$\sum XY$	$r$
	$\sum Y$	$\sum Y^2$		
Employees' participation in managerial decision (X)	2449	29417	37953	0.95*
Quick service delivery by the company (Y)	2610	333510		

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

The above 2 table presents the obtained r- value (0.95). 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 (0.95) 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 quick service delivery of the company. The significance of the result is in agreement with the opinion of Guest (2001) in George (2010) who **explained** that employee commitment refers to congruence between the goals of the individual employee and the organization whereby the individual identifies with and extends effort on behalf of the goals of the organization including quick delivery of satisfactory service that attract more patronage. The significance of the result caused the null hypotheses to be rejected while the alternative one was accepted.

## Conclusions

Based on the findings of the research, the researcher wishes to draw the following conclusions

1. There is significant relationship between employees' participation in managerial decision and high performance of the employees.
2. There is significant relationship between employees' participation in managerial decision and quick service delivery of the company

## Recommendations

Based on the conclusion of the research, the following recommendations were drawn

1. Employees should show high level of commitment to the service in order to attract the management attention and promotion.
2. Employees should be given opportunity to participate in decision making in order to ensure the implementation of the decision made.



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