

UNIVERSITY OF EDUCATION, WINNEBA
COLLEGE OF TECHNOLOGY EDUCATION - KUMASI

THE IMPACT OF EMPLOYEES PARTICIPATION IN DECISION MAKING:
THE CASE OF SEKYEDUMASE RURAL BANK



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**COLLEGE OF TECHNOLOGY EDUCATION-KUMASI
UNIVERSITY OF EDUCATION, WINNEBA**

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THE CASE OF SEKYEDUMASE RURAL BANK**



**A dissertation in the Department of Management Studies Education, Faculty of
Business Education, submitted to the School of Graduate Studies in partial
fulfilment of the requirements for the award of the degree of Master of Business
Administration (Human Resource and Organisational Behaviour)
In the University of Education, Winneba**

AUGUST, 2017

DECLARATION

Candidate's Declaration

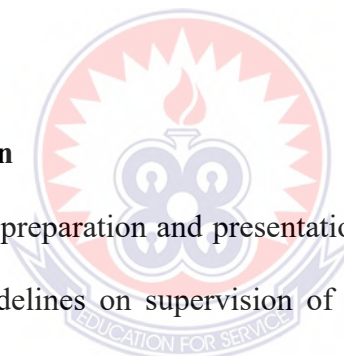
I, **YEGUAAH ADWOA** declare that this dissertation, with the exception of the quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATURE:

DATE:

Supervisor's Declaration

I hereby declare that the preparation and presentation of this work was supervised in accordance with the guidelines on supervision of dissertation as laid down by the University of Education, Winneba.



SUPERVISOR'S NAME: PROF. GABRIEL DWUMOH.

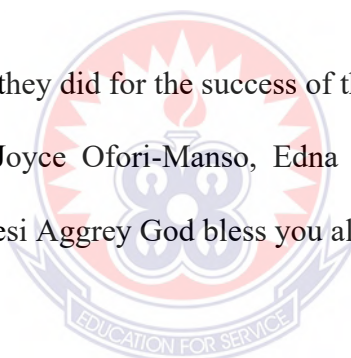
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I do appreciate whatever they did for the success of the work and my education. To all my friends, especially, Joyce Ofori-Manso, Edna Afia Senyah Emmanuel Owusu Mensah and Vincent Kwesi Aggrey God bless you all.



DEDICATION

This piece is dedicated to my husband Mr. Eugene D. Ofori-Appiah who has worked tirelessly to see me through my tertiary education. It is also dedicated to my sweet and lovely Mama Elizabeth Nyarko De-Graft for her support and prayers and to my children Joseph Boakye Danquah Ofori-Appiah, Janet Awuah Tabuaah Ofori-Appiah, Judith Danquah Ofori-Appiah and Eugene Danquah Ofori-Appiah



ABSTRACT

The primary objective of the study was to investigate into employees' participation in decision-making and its impact on productivity; using Sekyeredumase Rural Bank as a case study. Data for the study was obtained from management and employees of Sekyeredumase Rural Bank. A sample size of 60 respondents was used for the study. This sample was selected through purposive sampling and simple random technique. Findings from the study suggest that the most important benefits of employee participation in decision making are genuine employee commitment, better decision, elevation of employee morale, innovation and knowledge sharing, it boosts employee satisfaction and motivation, increased efficiency, improves employee performance and helps prepare subordinate for managerial positions in the future. The findings further revealed that management by objective, collective bargaining, work ownership schemes and board representation are the techniques of employee participation in decision making that are mostly used by the rural bank. The findings further revealed that participatory management has positive impacts on organisational productivity, employee productivity, utilization of resource and quality service delivery. Finally, study revealed that some of the key adverse effects of participatory management practices on organisational performance are it slows down decision making process, wastes time since many people are involved in the decision making, participatory management lowers organisational efficiency, leakage of confidential organisational data etc. Based on the results of the study it was recommended that the bank must adopt the necessary measures to control leakage of confidential organisational data whenever they practice participatory management to involve employees in organisational decisions making process. It was also recommended that the bank must reserve certain strategic and operational decisions to only management to make in order to meet the demands all the time

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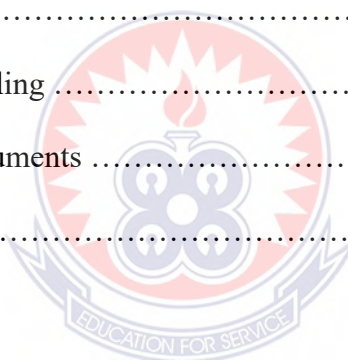
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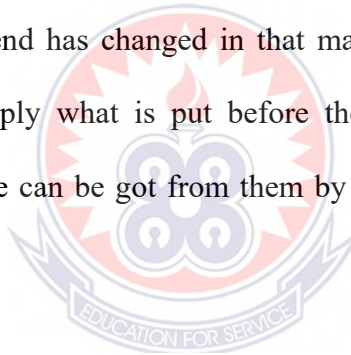
CHAPTER ONE

INTRODUCTION

The chapter of the study comprises the background of the study, statement of the problem, research objectives and questions, significance of the study, limitations and scope of the study as well as the study's organization.

1.1 Background of the Study

The practice of organizational management over the years demanded that employer/management would expect that workers will do the work that is set before them. While this was a perfectly typical method of getting results through others in the early days of assembly line and scientific management, it is no longer true of today's business. The trend has changed in that management expects more from its workers than doing simply what is put before them. It has also changed in that workers expect that more can be got from them by simply working according to the direction of the boss.



Many companies are now actively seeking ways of getting employees to participate more in decision affecting them. The workers on the other hand expects to be asked how they feel about their job, and what their ideas are on how the work can be done more easily, better and faster. The reason for this change in emphasis is with the rise of such theories as "participative management" and with increasing recognition that employees often have something valuable to contribute beyond the accepted units of their normal job duties (Ezennaya, 2011).

According to Sashkin (1984), participatory management is a process whereby employees play a direct role in setting goals, making decisions, organisational

changes and problem solving. Yukl (2002) also defined participatory management as a distinct type of managerial behaviour or leadership style that involves efforts of managers to encourage and facilitates participation in decision making. McCrimmon (2007), emphasized that participatory management is the process whereby teams are involve in key organisational decision making. Participatory Management is process where subordinates share significant degree of decision making power with their immediate superiors. Good management is a tool to ensure people get the best from any organization and to ensure to organization can do what it wants and needs to do, without wasting precious time, energy or money. To achieve this target, participatory management style is vital for manager to create team context, to strengthen commitment of the team at every level to make it efficient. Participatory management means that staff, not only the designated managers, have input, ownership and influence over the decisions that affect the organization.

There is a line of logic which supports the view that an organization will benefit from the collaboration between managers and employees (Cotton, et al., 2008). Heller (2003), agree that managers are inspired to employ participatory management style because it has become a popular method to achieve organisational goals and objectives. This implies that in order to achieve organizational goals, managers must treat their employees fairly. In the hierarchy of needs, employee involvement in organizational decision-making finds an adequate place (Mitchell 2006). According Albrook, (2008), employee participation in decision making, could be a manipulative technique to get workers to do what has been decided by deluding them into thinking they have a say in the decision process when in actual fact they are only being told to do what has already been decided. Worker participation is said to enhance

productivity and could lead to improved efficiency and effectiveness. Participation does not only increase employee contribution to problem analysis but also enhances their ability to make important operational decisions. Similarly, participation promotes mutual understanding between employers and employees which reduces labor dispute.

In spite of all the benefits of worker participation in decision making, recent studies in have found that many organizations pretend they are using participatory management but do not use employees inputs in decision making and this creates inauthentic participation that has been observed and criticized by many scholars and can lead to scepticism and frustration (Heller, 2003). It is also argued by some scholars that participative management as a decision making style is not welcome by one and all Labour or trade unions, for example do not approve of this. They argue that it is in fact disadvantageous to welfare of the workers because the participative processes give deep insights to the management, which in turn puts the latter in a better bargaining position while dealing with unions. However, it is against this background that this study is being conducted to investigate into the impact of Employees Participation in Decision Making at the Sekyedumase Rural Bank.

1.2 Statement of the Problem

Like all developing economies, Ghanaian banking sector is facing competitive pressures and rapidly changing market conditions. The management of bank relies on the managerial capacity of its leaders to coordinate and to utilize human efforts for the benefits of the organisation as a whole (World Bank, 200). For organisations to make crucial decisions to achieve its goals they need management styles that can improve

employees' performance within the organisation (Bajunid, 2011; Bryman, 2007). Decision-making and its implementation is therefore very crucial to the fortunes of any organization as it is through the successful making and implementation of policy decisions that the goals and objectives of an organization can be achieved to improve organizational performance.

Workers are the fuel that runs the engine of the organization and it is believed that their non-involvement in the decision-making process creates tensions between them and management. It also affects the successful implementation of the organisational policies and decisions. Organisational success in achieving goals and objectives is not solely depends on the material aspect such as machines, money, market, technology, building, equipment or other assets but also on the successful management and leadership of the people within the organisation and the involvement of employees. The essence of manpower involvement is very important because organisations need people to perform all the organisational activities including the decision making and policy implementation (Gibson, Ivancevich, Donnelly and Konopaske, 2006).

In today' dynamic global market, no one manager or a group of managers is equipped with all the necessary knowledge to address all the issues or problems in an organization. The complexity of today's organizational problems or issues require the combined expertise of all the members of the organization from the production workers to top management working in concert in order to satisfy today's ever demanding customers. The issue of whether participative decision making exists in the Ghanaian banking sector is very controversial. Some banks in Ghana practice worker participative decision making and the human resource departments in banking companies have in the past encouraged participative decision making. On the

contrary, some management writers in Africa at large and Ghana in particular are of the opinion that it does not exist and where it does it is not real. Their reason is that the necessary prerequisite conditions to encourage participation in Ghana are not available. However, research into leadership style by Ezennaya (2011) has exposed employee's desire for involvement in decision making in their various organizations. Employees are at the same time important elements of the accomplishment of the organizational goals, and thus organizational survival. The reason basically rests on the fact that employees are operators and are in better position to know the problems they encounter in doing a particular task and how best to solve them.

However, the research gap is that almost all the studies conducted on participatory management were done in the European context. Also, most of the studies on participatory management in the Ghanaian context is skewed towards; benefits of participative management (Denison, 1990); participatory management and employee performance (Emmett, 2005); participatory management and its relationships with employees performance behaviour (Burhanuddin, 2013), etc. In the light of the above, this study therefore is set to investigate into impact of participatory management on decision making at Sekyedumase Rural Bank in Kumasi.

1.3 Objectives of the Study

The primary objective of the study was to investigate into employees participation in decision-making and its impact on productivity; using Sekyedumase Rural Bank as a case study to. Specifically, the study sought to:

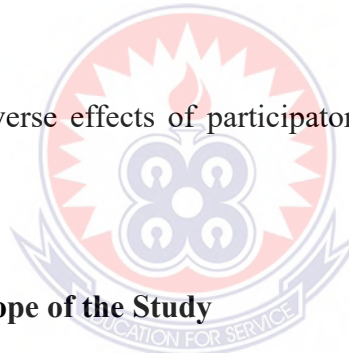
1. To find out the benefits of employee participation in decision making.
2. To determine techniques of employee participation in decision making are used by the Sekyedumase Rural Bank.

3. To identify the impacts of participatory management on organisational productivity.
4. To identify the adverse effects of participatory management on organisational performance.

1.4 Research Questions

The study was guided by the following questions:

1. What are the benefits of employee participating in decision making?
2. What techniques of employee participation in decision making are used by the Sekyedumase Rural Bank?
3. What are the impacts of participatory management on organisational productivity?
4. What are the adverse effects of participatory management on organisational performance?



1.5 Significance and Scope of the Study

This study would be designed to provide information to the public on how Sekyedumase Rural Bank have been doing in their practice of participative decision making and its contributions to productivity, thereby enhancing organizational efficiency. It is expected that this study will be beneficial to the management of Sekyedumase Rural Bank by giving enough insight into the benefits of employee participation in decision making, make clear to managers what participative management stands for hence, reducing the fear often harboured by these managers. Workers, students of business Administration and the society at large would be equally the potential beneficiaries of this study. It is equally my hope that the study will provide a basis on which further research could be carried out.

1.6 Limitations of the Study

The following are some of the setbacks the study faced. The study was limited to only Sekyedumase Rural Bank Limited in Kumasi Metropolis. The study was limited to both management and staff of Sekyedumase Rural Bank. Though the respondents were assured of confidentiality of their responses, some of them were reluctant in providing adequate responses to some of the items on the questionnaire for the fear that they would be victimized. Also the researcher did not have access to all the management and staff of the said bank to take part in the study due to the nature of their work.

1.7 Delimitation of the Study

The study was limited to Sekyedumase Rural Bank in the Kumasi Metropolis. The study was also restricted to the specific objectives stated under the purpose of the study; benefits of employee participation in decision making, techniques of employee participation in decision making are used by the Sekyedumase Rural Bank, effects of participatory management on implementation of organisational policies and decisions and impacts of participatory management on organisational productivity.

1.8 Organization of the Study

The study was carefully organized into five (5) chapters: The first focused on the introduction of the study, which included the background of the study, statement of problem, purpose of the study, research questions, significance of the study, limitation of the study, delimitation of the study and organization of the study.

Chapter two is the literature review of the study. The related literature was reviewed under the following subheadings; participatory management, decision making, benefits of employee participation in decision making, techniques of employee

participation in decision making are used by the Sekyedumase Rural Bank, impacts of participatory management on organisational productivity and the adverse effects of participatory management on organisational performance.

Chapter three was about the methodology of the study. This chapter gave details on how the research was conducted; it included issues such as research design, population and sampling, data collection instrument, data collection procedures and data analysis.

Chapter four focused on the results of the study. It consisted of the presentation, analysis and discussion of data collected. Chapter five which is the last chapter of the study dealt with summary, conclusion and recommendation on the outcome of the study.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The main objective of the research was to investigate the impact of participatory management on decision making. This chapter review literature related to the study. The literature focused on the concept of participatory management, decision making, benefits of employee participation in decision making, techniques of employee participation in decision making are used by the Sekyedumase Rural Bank, impacts of participatory management on organisational productivity and adverse effects of participatory management on organisational performance.

2.1 Concept of Participatory Management

Several management strategies have been developed to enable organizations attain their objectives, one of which is participatory management. The field of organizational behaviour most impacted the practice of participatory management principles and skills. Beginning in the mid 1950's and continuing even today, much has been written about participatory management. Participatory style of management is based on the principle of "faith". Under this style of management, the leadership and management places full faith in the abilities of the employees. The tasks are given directly to the employees and are well-explained to them in advance. Their inputs on the tasks are also given due importance. The employees know how their work is fitting into the organization's big goals. When their inputs are sought and they are also made aware how important they are to the health of the organization, their motivation levels become very high and they perform better. This style is usually seen in smaller organizations, with lesser number of employees.

Adeola (2004), defines participatory management as the active involvement of subordinates of followers in the making of decisions that directly affect them in the work place. Employee participation in decision making is generally regarded as a sign of enlightened and democratic management. It may be through of the giving and receiving of information, advice and suggestion and the sharing of experience among members of an organization.

According to Sashkin (1984), participatory management is a process whereby employees play a direct role in setting goals, making decisions, organisational changes and problem solving. Yukl (2002) also defined participatory management as a distinct type of managerial behaviour or leadership style that involves efforts of managers to encourage and facilitates participation in decision making. McCrimmon (2007), emphasized that participatory management is the process whereby teams are involve in key organisational decision making. Participatory Management is process where subordinates share significant degree of decision making power with their immediate superiors. According Albroom, (2008), employee participation in decision making, could be a manipulative technique to get workers to do what has been decided by deluding them into thinking they have a say in the decision process when in actual fact they are only being told to do what has already been decided. For organisations to make crucial decisions to achieve its goals they need management styles that can improve employees' performance within the organisation (Bajunid, 2011; Bryman, 2007).

The essence of manpower involvement is very important because organisations need people to perform all the organisational activities including the decision making and

policy implementation (Gibson, Ivancevich, Donnelly and Konopaske, 2006). In management, Murew (2007) opined that "participatory management particularly applies to allowing the employees to have a voice in shaping policies, procedures and processes that directly or indirectly affect". It is therefore a process of sharing among managers and employees. Though the use of participation also, individual members are involved in a wide range of objective setting, problem solving, and decision-making activities of the organization. Davis (2001) stated that participation is a mental and emotional involvement of persons in group situations that encourage them to contribute to group goals and share responsibility for them. Lewin (2009) defined it as a mode of organizational operation in which decision as to activities is arrived at by the person, who is to execute those decisions.

However, participation from the researcher's point of view, I can say is a process in which two or more people decide on a task to be performed and methods, inputs and how and when the task should be performed. The parties to the decision making process may be in their capacities as individuals or as groups. In participatory management, management selectively shares, some of its powers with employees. It takes into consideration the wishes and suggestions of the members as well as those of the leader. It is a human relations approach where all members of the group are seen as important contributors to the firm's decisions.

The concept of participatory management in an organization can therefore be summarized as a process by which an organization attempts to unlock the creative potentials of its people by involving them in decisions affecting their work lives. It is a structured effort to enable employees at all levels in an organization to use their

knowledge, skills and abilities more effectively in their work and to participate more fully in decisions about their work life (Lewin, 2009).

2.2 Management by Objective (MBO) Theory of Management

Management used different approaches to achieve organisational overall goals and objectives and the most important among them all is that the manager has in setting and achieving forward-looking goals is people, and to achieve results with this tool the manager must: first, be able to instil in the workers a sense of vital commitment and desire to contribute to organizational goals; second, control and coordinate the efforts of the workers toward goal accomplishment; and, last, help his or her subordinates to grow in ability so that they can make greater contributions. This is best done through the adoption of Management by Objective (MBO) theory of management.

Management by Objectives (MBO) is the most widely accepted philosophy of management today. It is a demanding and rewarding style of management. It concentrates attention on the accomplishment of objectives through participation of all concerned persons, that is, through team spirit. MBO is based on the assumption that people perform better when they know what is expected of them and can relate their personal goals to organizational objectives. Superior subordinate participation, joint goal setting and support and encouragement from superior to subordinates are the basic features of MBO. It is a result-oriented philosophy and offers many advantages such as employee motivation, high morale, effective and purposeful leadership and clear objectives before all concerned persons. The “Management by Objective” (MBO) approach, in the sense that it requires all managers to set specific

objectives to be achieved in the future and encourages them to continually ask what more can be done, is offered as a partial answer to this question of organizational vitality and creativity. Management by objectives (MBO) is a management model that aims to improve performance of an organization by clearly defining objectives that are agreed to by both management and employees. According to the theory, having a say in goal setting and action plans should ensure better participation and commitment among employees, as well as alignment of objectives across the organization. The term Management by objectives (MBO), also known as management by results (MBR), was first popularized by Peter Drucker in his 1954 book *The Practice of Management* (Drucker, 2007). Management by objectives is the process of defining specific objectives within an organization that management can convey to organization members, then deciding on how to achieve each objective in sequence.

Management by objective goes beyond setting annual objectives for organizational units to setting performance goals for individual employees. Management by objectives has become a great deal of discussion, evaluation and research and inspired many similar programs. Management by objectives refers to a formal set of procedures that begins with goal setting and continues through performance review. Managers and those they supervise act together to set common goals. Each person's major areas of responsibility are clearly defined in terms of measurable expected results or objectives, used by staff members in planning their work, and by both staff members and their managers for monitoring progress. Performance appraisals are conducted jointly on a continuing basis, with provisions for regular periodic reviews.

According to Mio, Chiara; Venturelli, Andrea; Leopizzi, Rossella (2015), MBO is a process that allows managers to take work that needs to be done one step at a time to allow for a calm, yet productive work environment. This process also helps organization members to see their accomplishments as they achieve each objective, which reinforces a positive work environment and a sense of achievement (Mio, Chiara; Venturelli, Andrea; Leopizzi, Rossella, 2015). An important part of MBO is the measurement and comparison of an employee's actual performance with the standards set. Ideally, when employees themselves have been involved with the goal-setting and choosing the course of action to be followed by them, they are more likely to fulfill their responsibilities (Thomson, 2007). According to Odiorne (1970), the system of management by objectives can be described as a process whereby the superior and subordinate jointly identify common goals, define each individual's major areas of responsibility in terms of the results expected of him or her, and use these measures as guides for operating the unit and assessing the contribution of each of its members.

According to Thomson (2007), MBO is a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible. All organizations exist for a purpose, and, to achieve that purpose, top management sets goals and objectives that are common to the whole organization. In organizations that are not using the MBO approach, most planning and objective setting to achieve these common organizational goals is directed downward. Plans and objectives are passed down from one managerial level to another, and subordinates are told what to do and what

they will be held responsible for. The MBO approach injects an element of dialogue into the process of passing plans and objectives from one organizational level to another. The superior brings specific goals and measures for the subordinate to a meeting with this subordinate, who also brings specific objectives and measures that he or she sees as appropriate or contributing to better accomplishment of the job. Together they develop a group of specific goals, measures of achievement, and time frames in which the subordinate commits himself or herself to the accomplishment of those goals. The subordinate is then held responsible for the accomplishment of the goals. The manager and the subordinate may have occasional progress reviews and reevaluation meetings, but at the end of the set period of time, the subordinate is judged on the results the he or she has achieved. He or she may be rewarded for success by promotion or salary increases or he or she may be fired or transferred to a job that will provide needed training or supervision. Whatever the outcome, it will be based on the accomplishment of the goals the subordinate had some part in setting and committed himself or herself to achieving.

MBO is essentially a process that helps to (a) direct managers' attention toward results, (b) force members of the organization to commit themselves to specific achievement, and (c) facilitate their thinking in terms of their organization's future needs and the setting of objectives to meet those needs. In addition, the MBO approach can supply the manager with greater measures of three of the tools he or she needs to make the best use of the organization's greatest resource: people. The manager can get greater commitment and desire to contribute from subordinates by (a) allowing them to feel that the objectives they are working toward were not just handed to them but are really theirs because they played a part in formulating them,

(b) giving subordinates a better sense of where they fit in the organization by making clear how the subordinates' objectives fit into the overall picture, and (c) injecting a vitality into organizational life that comes with the energy produced as a worker strives to achieve a goal to which he or she has taken the psychological and (sometimes economic) risk to commit. He can gain better control and coordination toward goal accomplishment by (a) having a clearer picture of who is doing what and how the parts all fit together, (b) having subordinates who are more likely to control and coordinate their own activities because they know what will help and what will hinder their goal achievement, and (c) being able to see which subordinates consistently produce and which do not. Management also gain an increased ability to help subordinates develop by (a) being better able to see their strengths and weakness in operation on a specific objective and (b) using a management approach that teaches the subordinates (and the manager, for that matter) to think in terms of results in the future an approach that teaches them to try to anticipate change, to define clear and specific objectives, and to delineate concrete measurements that will tell them when they have achieved their goals.

2.3 Employee Participation

There is no clear consensus as to the definition of employee participation. It is a process that involves employees in the sharing of information and or making of decisions. Participation may be direct or indirect. Direct participation involves the employees themselves, whereas indirect participation takes place through an intermediary of employee representative bodies, such as works councils or trade unions (EPOC, 2007). The main forms of direct participation include consultative participation and delegative participation (Geary & Sission, 2004). Consultative

participation refers to practices where management encourages employees to share their opinions regarding work related concerns yet retains the right to make all final decisions. It includes regular meetings with supervisors, attitude surveys & employee suggestion plans. Delegative participation on the other hand gives employees increased responsibility and autonomy to organize and perform their jobs as they see fit. This includes scheduling of work, improving work processes and attendance and absence control. According to (Mohrman & Ledford, 1995), employee involvement increases the flow of information in organizations, therefore, practices that encourage employees to freely share information lead to higher levels of performance. This is supported by the works of the human relations bank which pays attention to social factors at work, group, leadership, the informal organization and behavior of people. The assumptions under which Human Resource works are; organization is social systems not just technical environment system motivated by many needs. Employees are interdependent, behaviors is often shaped by the social context.

Informal work group is a major factor in determining attitudes & performance of individual workers. Teamwork is essential for cooperative & sound technical decisions these pushed managers towards group participative support of lower levels of the organizations. The relevance is that managers rooted in the human relations theory will create the conducive environment for workers, create work groups in teams ;creating the grounds for worker participation thereby increasing job satisfaction, commitment which in the long run lead to increase production. Richie and Miles (2007) in their recent research paper found out , managers who hold human relation theory belief that when subordinates are consulted and involved they feel they are involve and participating in the running of the company.

According to (Locke & Schweiger, 2009), employee participation is generally defined as a process in which influence is shared among individuals who are otherwise hierarchically unequal. In a similar function Wagner (2004) explained participatory management practice balances the involvement of managers and their subordinates in information processing, decision making and problem solving endeavors. Coch & French (2004), the pioneers of employee participation in the workplace, postulate that there is a direct link between employees' involvement in decision-making and work outcomes such as the increase of job satisfaction and productivity. Likert (1961) confirmed that employee participation in decision-making can satisfy employees' self-actualization needs and, increase employees motivation and job performance.

There has been extensive research into worker participation and the impact on organizational performance. Cooperative research done by Rooney (2007), Cooke (2002), Werneke and Levitan (2004), Ledford and Lawler (2004) and Huang (1997), all focused on the impact of worker participation on organization performance and work outcomes including job satisfaction, productivity, product quality, employee & superior relations. They admitted the best way to improve productivity is by striving for the shared goals of employees and managers. By allowing worker input into developing the mission statement, establishing policies and procedures, determining perks, etc., you can improve communication and increase morale and satisfaction. Cotton, et al. (2008) as well as Norton (2009) emphasized the relation between employee Participation and job satisfaction. In his study Pfeffer (2004) for example showed that employee participation is positively related to performance, satisfaction, and productivity of an employee. That profit sharing programs are more effective when combined with employee participation in management.

2.4 Dimensions of Participatory Management

The core values are reflected in five different perspectives on the purpose and rationale for worker participation in organizations (Bolle de Bal, 1992). The Managerial Approach, which is inspired by productivity and efficiency goals (participation is organized at a lower level in order to relieve worker dissatisfaction and morale problems). A key issue in this approach is the extent to which management delegates or retains the power to initiate, frame, and terminative participative processes. It also reflects management's view that the direct participation of workers undermines union power.

The Humanist Psychology Approach, which is inspired by human growth and development goals, (participation as a way to enhance the well-being of the individual by promoting individual creativity, self-esteem, and ego strength). This approach reflects the movement led by Elton Mayo. It reflects a much more positive view of human nature and emphasizes the need to retrain managers to develop their participative leadership skills and unlearn authoritarian behaviours. According to (Pateman, 2007) It acknowledges the societal function of the workplace and the benefit of participatory restructuring of the workplace, given the central role it plays in the lives of most ordinary people. The Industrial Relations Approach, which is inspired by democratic goals participation, is not only a means to an end in itself but also a way to create a strongly democratic society, characterized by active participative citizens.

This approach reflects the importance of the external environment (not highly recognized in bureaucratic, hierarchical organization design but more widely

recognized in organic, open-system designs). Participation in the workplace is seen as contributing to an effective and just society. The workplace is seen as a point of leverage from which to achieve a more egalitarian redistribution of power, leading to a greater democratization of the entire political process (Botwinick, 2002,). The Political Approach, which is inspired by revolutionary goals (participation as a means to change the overall structure of ownership to a collective base and to educate workers to class consciousness. Advancement toward greater worker participation is seen as very dependent upon a strong labour movement.

2.5 Decision-Making

According to (Torgersen & Weinstock, 2002), talk of decision-making as the essence of management. Even though other organizational participants might take decisions, the decision-making capability of the manager will play a major role in the success of the organization. Decision-making is defined by Stone and Freeman (2004) as “the process of identifying and selecting a course of action to solve a particular problem”. Wehrich and Koontz (2003) define decision-making as “the selection of a course of action among alternatives”. Decision making in organizations has been described as a process of behavior with the economic model at one extreme and the social model at the other extreme (Kimberly & Rotman, 2007). This description implies that only irrational decision making accords human values precedence over economic values. Leaders must find some middle ground between these extremes for it is evident that neither set of values can be ignored. In many organizations, managers have been confronted with the tasks of making severe, undesirable and unpleasant cuts of personnel and services in a hasty manner, because, in part, they failed to heed economic values in earlier decisions.

Similarly, organizations have often been forced to retract decision, and to act in confusing manners, in chaotic situations, because they failed in part, to heed to human values in reaching earlier decisions. Decision-making makes it possible to adopt the best course of action in carrying out a given task. It becomes necessary to find out the best way when there are different ways of performing a task and the action finally selected should produce the best results and should be acceptable to both the workers and management. Satisfied workers put in their best efforts and this result in higher output which satisfies management who may come forward to share the gain with the workers, thus, there is improvement in the overall efficiency of the organization

2.5.1 Conditions for employee participation in Decision-Making

According to Apostolou, (2002) if the worker involvement process is sincere and valid, it should meet the following six conditions where Management involves the Union at the highest levels as an equal partner from planning through implementation, and evaluation of employee involvement; the Union equally selects with management any consultants who are hired to set up and coordinate worker involvement committee. It is a voluntary process for both union and company. The Union selects elects or appoints its representatives on the committees that deal with employee involvement.

Collective bargaining and grievance matters are not a part of the decision making process. These subjects remain outside of worker involvement. Management must also agree to the proposition in writing that no workers can be laid off or downgraded as a result of ideas generated by the workers in employee involvement committees. Money savings of worker involvement are shared with workers through items such as

more money in the paycheck, free training, upgrading, a shorter workweek, etc. The union and management jointly determine this Management actions on cooperation should be the same as management words.

Management encourages a good relationship in its labour relations with the union as it simultaneously seeks to settle grievances at the lower levels. The right hand of management employee involvement co-operations should not be chopped off by the left hand of management hostility and confrontation with the union. Words and actions must be consistent. According to Apostolou (2000), if the above terms are not followed by management, then the workers and union can quite rightly suspect that the program or process is a fraud designed to weaken if not bust the union. If the union believes that worker involvement is not legitimate, it should demand that management accept the six conditions outlined above or expose this program as phony and urge workers not to participate.

In the words on of one national union, the union should educate its people that illegitimate worker involvement is “is an attempt to create a shop floor structure controlled by management, and pushing management’s point of view, aimed at undermining the union steward system and bypassing the union. The ultimate goal is to get rid of the union altogether, or transform it into a totally company union. Lawler (1993) a professor of management at the University of Southern California did a study of Fortune 100 firms on which business strategy offers the highest returns: process re-engineering, total quality management or worker involvement and the winner was worker involvement. Each of these three strategies produces an effect but their studies indicate that worker involvement is a stronger driver of financial

performance than total quality management or re-engineering, he said. Re-engineering, Lawler said, is basically a onetime change. You do it once and it has an impact, but it's not something you can do time after time. You can only downsize so much. You can't downsize your way to growth. In contrast, he said, worker involvement, if well implemented, changes the fundamental relationship between individuals and the organization they work for. It really builds workers in as a business partner, so they know more and they do more to make the organizations successful, particularly in industries where the human component is important that is most knowledge work, high-tech and many kinds of service industries.

2.6 Benefits of Employee Participation in Management Decision Making

Social scientists have done extensive research in the subjects of leadership, organization, and communications. Some of their discoveries have been widely hailed as breakthrough in management, or new patterns that will eventually supplant existing methods of managing. Most of these works have been extended to the prescriptive conclusion that participative decision making is better than non participative decision making. Perhaps the leading exponent of participative decision making has been Douglas McGregor. In describing how management by objectives works he says "Genuine commitment is seldom achieved when objectives are externally imposed. Passive acceptance is the most that can be expected, indifference resistance are the more likely consequences" McGregor (2006).

The participative style of leadership has been recommended in the management literature dating back to the early say 1950s. Many organizations today are achieving good results with participative management. A case in point as noted by William

(1989) is Cipher Data Products. He says within one year of implementing participative leadership throughout the firm, the company experienced a 10 percent increase in customer-quality acceptance in every product line. However Cipher used participative leadership styles effectively through careful planning, including a training program and frequent monitoring of results. Participation I can say leads to better decisions because it encourages a spirit of co-operation among those participating but the effect on morale should be regarded as a by-product. Unless the primary aim of a manager in using participation is improved decision making his sincerity will be challenged and the long-run effect on morale may be harmful rather than helpful.

Newman (2007) has also noted that participation is a convenient way for a manager to tap the diverse knowledge different viewpoints, and complementary abilities of his subordinates. As with many good things, however, these benefits come at some sacrifice and only under favourable circumstances. Peter (2003) maintains the desirability of participative management and supports his argument as he says "The value of participation had been seen as a contributing factor to optimization of individual freedom and self-determinant within a collective context". To him, man being a social creature seeks continuous interaction with other People, his work let alone, his attitude is bound to be affected by those interactions. This is because to a larger extent, organizational procedures not only impinge on his task but determine the specifications of his role and responsibilities. Group participation can also be a powerful means for arriving at an integrated decision.

By this we mean a decision that takes into account the needs of the various division of the company and one that each participant personally accepts as the best that can be worked out in the circumstances. Such integration results from effective participation, because everyone present; manager and subordinate is influenced by the facts, information and feelings of everyone else. Integration of decision also reflects a balancing of power as various ideas and information flow among participants. If the manager has the power of the formal organization, if the subordinates can put pressure on the manager, and if the group can exert power on deviant members, then out of all these influences and ideas can come a balanced decision that, although it may not please everyone fully, is more effective and workable in the long run than one arrived at in any other way (Summer, et al (2007). Participative management as seen by the researcher creates a work environment where less resistance to new methods may result and the problem solving process may produce innovation, technical skills and increased flexibility are equally developed both in the managers and subordinates.

A study by Onuoha et al (2006) postulated that participative decision making have a lot of advantages. The researcher opined that since employees have influenced on corporate decision, they are happy to implement to the core and there are less resistance to management action. Again, the workers morale and drive to work towards attaining organizational goals are elevated with participating management in practice. Employees are afforded adequate training and opportunity to rise when need arises. Workers potentials are fully tapped when forum for expressing their views are provided mostly in a brainstorming session.

Denison (1990), elaborated on a large number of benefits of participative management. According to him participative management allows for innovation and knowledge sharing between the managers and the workers, those who are contiguous to the products being made. They being the closest can give better feedback for quality control, devise efficient manufacturing processes and strategize for the same. The problem solving process and openness to new ideas can result in innovation. Apart from this as mentioned above there is also knowledge sharing amongst the workers and the managers. This means that those who are part of a certain process at the ground level give inputs for improved efficiency of the same. This has dual implications, helping improve the quality of product and curtailing the cost of manufacture. There is improved communication between the managers and the workers and between workers across different units. A loophole or flaw is reported in time.

Finally, since research evidence shows that participative management probably does no harm, and often helps, especially in managing people from middle class backgrounds and similar value systems, the appeal that there may be long run social value in participation has not fallen on deaf ears. In this essence, many business managers lead the social scientists in their confidence in the values of participative management, even though they may doubt its efficacy as an infallible spur to productivity.

2.7 Techniques of employee participation in decision making are used by the Sekyedumase Rural Bank

Several methods of involving employees in an organization's activity have been identified by management writers amongst which are:

Consultation

This involves seeking opinion of employees on matters affecting the job. Managers consult with their employees in order to encourage them to think about issues and contribute their own ideas before decisions are made. It would also mean briefing the employees on decisions that have been taken and explaining why such action has been taken in order to gain their co-operation. The implication; however, is that employees' suggestions are subject to approval and disapproval of managers. Consultative management has the advantage of managers consulting with his employees at any time without having to go through the red tape required by committee procedures. Also, the manager can consult with any number of employees ranging from one to a whole group (Fatchett, 2004).

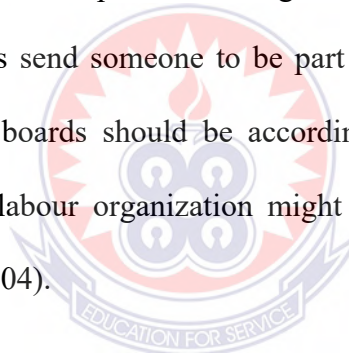
Job Enrichment

According to Ofstad (2009) job enrichment is increasing vertically the responsibilities of employees; asking them greater discretion to make decisions affecting their work without reference to the superior. The essence of job enrichment is to make use of the individual's talent and at the same time giving him increased participation in decision making. An enriched job is seen as the key to improve performance. It involves expanding the decision-making capacity of employees. It is only suitable for high-level managerial, professional and crafts jobs where the potential for enriching jobs is greater. It has also been found that trade unions dislike job enrichment. A trade union

leader in his reaction to dislike for job enrichment said if you want to enrich the job, enrich the pay packet, the better the wage the greater the job satisfaction.

Board Representation

This is the peak of employee participation when employees are represented at the board of a company. It is a new form of employee participation in decision making that emerged in recent times and is gaining much ground though most in the advanced countries. The board is the key decision taker for the organization as they define the corporate objectives and board policies to guide organizational actions. Strategic decision also influences the decisions of the people in the government so that appropriate laws are passed to protect the organization. Commitment to achieve is ensured when employees send someone to be part of the directors. Appointment of employees to company boards should be according to efficiency and competence although experience in labour organization might constitute sufficient evidence of competence (Fatchett, 2004).



Collective Bargaining

Collective bargaining or joint consultation is essentially an autonomous system of making job rules between employers and trade unions. It is a situation whereby employees representatives meet with employers' representatives to haggle and agree on matters affecting employees at work or a process whereby a part in industrial relations makes proposals or demand to another discussing, criticising explaining, exploring the meaning and efforts of the proposals, seeking to secure acceptance. The negotiation centre around wages and salaries and other conditions such as housing, transport, leave allowances, medical care, pension, gratuity etc. Akpala (1982) defined it as a process of negotiation between workers and employers through their

organizations of a contract of employment for the best possible working conditions and terms of employment. The rationale for collective bargaining is agreement but if an agreement was not reached, the action which took place is not less collective bargaining than if the process had ended in agreement. Thus, collective bargaining takes place when one collective action is involved whether or not agreement is reached so long as the two parties have made genuine efforts to reach agreement. The Nigerian Employer's Consultative Association (NECA) in redefining collective bargaining states that "Collective bargaining is a process of decision making. Its overriding purpose is the negotiation of an agreed set of rules to govern the substantive and procedural rules or terms of employment relationship between the bargaining parties".

Consultative Councils

This is where employees' representatives meet at intervals to obtain and send information relating to organizational activities and proffering suggestions on how things are to be done. The council is not supposed to be biased, that is, fighting for the interest of the employers, management may identify a group of managers, say line managers' conference where papers are delivered by some of them and the board would be interested in subject matter of the papers (Benjamine, 2009).

Management by Objectives

The concept of management by objectives may also fall in line with participatory management, in that goal congruence takes place when superior and subordinates agree on objectives and performance criteria to judge subordinates' activities. Employees are integrated at taken decisions through management by objectives. Management by objectives is planning done cooperatively between two levels of

management, the top level with the middle level with the lower levels to participate in taking decisions that set out corporate, departmental or specific objectives, policies, procedures etc. as the case may be (Lawler 1986).

Work Ownership Scheme

This is a situation where employees are not just employees, but part owners of the business. In other words, employees are given right and opportunity to own shares in the business enterprise. The implication is that they (employees) consider any effort as being done for themselves and not for the managers or owners of the business. Shareholding is aimed at democratizing ownership (Benjamine, 2009).

Individual Contact

John (2007) opines that this involves day-to-day and face to face exchange of opinions, ideas, information and experience between the managers and his employees on an individual basis, there is no formal preparations required and the employee is made to feel that he is valued both as an employee and as a person. In spite of these advantages there are inherent disadvantages, this is depicted in employees being reluctant to express themselves concerning their job probably due to fear of losing their groups and the work situation. Also some managers feel asking the advice of their employees shows weakness in their leadership ability.

2.8 The Impacts of Participatory Management on Organisational Productivity

Productivity on its own as a concept has been defined as the output per unit of a factor of production (Imaga, 1996). However, amongst all other productivity measures, labour productivity has received the maximum attention. Labour we know is the most basic or fundamental factor of production. Productivity on the other hand

can be improved or enhanced through so many factors for which participative decision making is considered crucial i.e. through people. It is on the light of this that, Flippo and Munsiger (2003) reported that the need for involving subordinates in decision making process in the organization are mainly for productivity and morale. In essence, improvement in productivity arises when subordinates' ideas are stimulated involving them in greater participation on decision-making.

To maximize productivity, management must value and nurture its most important assets, namely, people (workers) Authoritative secretive and formal relationships have to be replaced by an environment whereby the importance of every employee is reflected (Knowles 2002). Better communication between employees and management will be the key factor in separating successful companies from those that will fail in future years. He goes further to state that certain large multinational cooperation such as IBM, and General Motors have come to appreciate the value of keeping their personnel "involved, informed and interested in company matters... improving productivity will be the single most important factor in determining industry success.

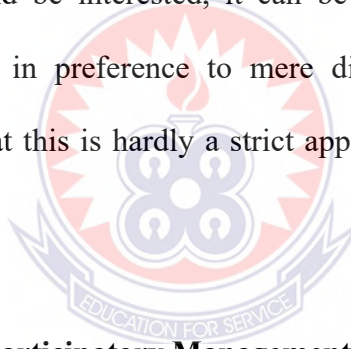
Wight (1983) advanced that undoubtedly, "the greatest productivity improvement will come from using our human resources better-from taking the obstacles away from people so that they can do their jobs more effectively. From involving them in the affairs of the organization that concerns them. The real secret of productivity is people. Japanese success is partially dependent upon their ability to accept ambiguity, uncertainty and imperfection in organizational life. They are more willing to invest in people to develop their value orientation and help them gain diverse business

experience. This attitude shows that Japan as a country in their business dealings are participative in nature. They adopt collective decision making and also collective responsibility (Beben 1981). A Vice President of a company once said: One thing that makes us successful is people. Our people are not necessarily more talented than our competitors, but they do seem to be more dedicated, more motivated and more integrated to the organization's system,. When one actually examines the people that work in excellent companies, one finds out that they are fairly normal people rather than outstanding ones. The difference is that their companies reinforce degrees of winning rather than degrees of loosing.

Peter and Waterman (1982) reported that "nothing is more enticing than the feeling of being needed which is the magic that produces high expectations". Lundgren (1984) also says that "the intent of participation as with many leaders approach is to inspire high productivity and maintain a satisfied workforce". To him, participation seeks to achieve these goals through the involvement of subordinates in the decision making process. This concept is contingent on the presumption that participation will increase satisfaction, stimulate interest and thus provoke high productivity. Hayes (1981) has this to say "We increase productivity by producing more output with a given number of inputs resources". This implicitly means that the input resources is the human resources which is rated highest in all other resource and every other factors is determined by it in every organization.

According to Drucker (1964) "to be productive and efficient, the enterprise needs the abilities, initiative and co-operation of every member more than any previous system of production, its human resources are its greatest asset, and the one least used". It all

shows that when an employee is allowed to participate in the organizational decision making, he personally derives joy in seeing what he suggested being implemented. This increases this morale and of course productivity of his organization. Odiorne (1979) noted that in the early days of the movement towards more participative management, social scientists were often heard proclaiming the democratic values of permitting workers to take part in shaping the decisions affecting them. But this particular line has practically been abandoned by the new "behavioural scientists" who have steered their studies in the direction of proving that participative management increases productivity. It is pertinent therefore to note that participative management probably does no harm, coupled with the fact that it offers social values in which business should be interested, it can be assumed that it is wise for the manager to try it first, in preference to mere dictatorial methods. It should be recognized, however, that this is hardly a strict application of science in the modern sense.



2.9 Adverse Effects of Participatory Management on Organisational Performance

In spite of all the numerous significance of participatory management 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. It has been noted by scholars that employee participation in decision making process would mean costly delays. Even when there is no emergency pressure, the time required for participation may be a serious obstacle to its use. According to Apostolou (2002), employees participation in decision making is waste of time, lower efficiency, weakens the effectiveness of management. In addition, the

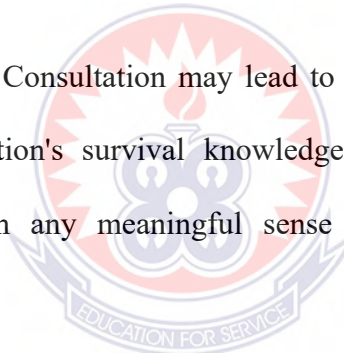
capacity and willingness of subordinates to contribute may limit the degree of participation that is feasible, and the pressure of time may prevent its use. Onuoha (2006), identified the following as the main adverse effects of participatory management or employee participation in decision making process:

Crisis Situation: The concept becomes a no issue in particularly crisis situation. This means that it does not have an "all weather application". Nigerians socio-economic situation in recent items has imposed hardship on the use of this system for some organizations.

Imposition on Training: Extra costs are borne by managers to build employees up for the concept to be relevant to them. It is however, believed that the investment is worth it.

Information Leakages: Consultation may lead to leakages of secrets and this can pose threat to organization's survival knowledge and professional judgment are simply not adaptable in any meaningful sense to participation for democratic purposes.

Complexity of Decision Decisions that require complex knowledge and professional judgment are simply not adaptable in any meaningful sense to participation for democratic purposes.



CHAPTER THREE

METHODOLOGY

3.0 Introduction

The purpose of the research was to assess the impact of employees' participation in decision-making. This chapter presents the research method applied in the study. The research strategy research design, population, sample size and sampling technique. Research instruments, data collection procedure and data analysis.

3.1 Research Design

The descriptive survey was used for the study. According to Creswell (2003), descriptive survey as one in which a group of people or items is studied by collecting and analyzing data from only few people or items (sample) considered to be a fair representation of the entire group, and the finding from the sample is expected to be generalized to the entire population. According to Cohen and Marion (2003) descriptive survey is a design used to gather data at a particular point in time with the intention of describing the nature of existing conditions or identifying benchmarks against which existing conditions can be compared or determining the relationship that exist between events. Fraenkel and Wallen (2000) indicated that a descriptive survey involves asking the same set of questions often prepared in the form of a written questionnaire (or ability test) of a large number of individuals either by mail, telephone or by persons. Surveys are good for asking about their perceptions, opinions and ideas though are less reliable for finding out how people actually behave. (Boyle, 2004).

3.2 Population and Sampling

Sekaran (2002) reported that population refers to the entire group of people, events or things of interest that the researcher wishes to investigate. The target population was 73 made up of 13 management members and 60 working staff of Sekyedumase Rural Bank. Based on the large number of people in Sekyedumase Rural Bank, sixty (60) respondents were selected to form the sample size of the study. The sample techniques used for the study are purposive sampling and simple random sampling techniques. Purposive sampling technique was used to select the Sekyedumase Rural Bank because the researcher is an employee at the bank therefore the researcher considered that access to information would not be a problem. Creswell (2002) stated that, in purposive sampling, researchers intentionally select individuals and sites to learn or understand a phenomenon.

The simple random sampling technique was used to sample respondents from the Sekyedumase Rural Bank in the Kumasi municipality. Morris and Ogallo (2005) indicated that, a simple random sample is a subset of individuals a sample chosen from a larger set, a population. The main reason of using the simple random sample was that each member of the population has an equal chance of being chosen for the study. This means that it guarantees that the sample chosen is representative of the population and that the sample is selected in an unbiased way.

In selecting the sample size, the management members and employees were in the first place, put into strata of the type of work they perform at the bank, and then a rule of thumb was used to select respondents from each of the stratum. What was done was that with each stratum, names of the individuals involved were written on pieces of paper and placed in a bowl. Assistance was sought from a research assistant

who helped to select the required respondents from the stratum using the lottery method of the simple random sampling technique.

3.3 Data Collection Instruments

Data were gathered using questionnaire with close-ended questions. The items for the questionnaire were self-constructed. According to Creswell (2002), a questionnaire is a form used in a survey design that participants in a study complete and return to the researcher. The author further stated that, participants mark choices to questions and supply basic personal or demographic information. One of the reasons why the questionnaire was used for this study was that the sample size was large and as a result the researcher cannot conduct one-on-one interview for all of them. Questionnaires were given to the respondents because they could read and write. This particular instrument was chosen because it makes it easier for the respondents to develop a sense of freedom and ease in responding to questions. According to Kumekpor (2002), a question does not mean just a list of questions. Also, the decision to use the questionnaire was also based on the fact that the absence of personal interaction between the researcher and the respondent would minimize researcher influencing the respondent and this eliminating biases. This view is shared by Bryman (2007) as he argued that the ethics, gender, and social characteristics interview can influence the answers of the respondents.

3.5 Data Analysis

Data analysis is a systematic process of selecting, categorizing, comparing, synthesizing and interpreting to provide explanations of single phenomenon of interest (Pope, Mays & Sue, 2000). Data analysis was aim at providing sound basis for discussion of findings and reporting by presenting data on the findings and results

of the study in a systematic, logical and summarized manner, using SPSS version 20. The collected data were statistically analysed using the Statistical Product for Service Solution (SPSS) computer software. The data is presented in frequency tables, figures and percentages. The analysis was organized in two parts. Part one is on preliminary analysis focused on the bio-data for the respondents. The second part is on the analysis of the research questions. The primary data were presented by simple percentages and by way of narration. After sorting out the questionnaire percentages was used to analyze the quantitative data. Information that could be quantified was presented in tabular form to enhance the descriptions that were provided in the form of narrative report.



CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

The primary objective of the study was to investigate into employees participation in decision-making and its impact on productivity; using Sekyedumase Rural Bank as a case study. This chapter was used to analyse the data collected from the field. The data was collected within the objectives of the study. It contains respondents' demographic profiles, benefits of employee participation in decision making, techniques of employee participation in decision making are used by the Sekyedumase Rural Bank, impacts of participatory management on organisational productivity and adverse effects of participatory management on organisational performance.

4.1 Demographic Profile of Respondents

The demographic profile of the respondents of the study describes the various relevant features the researcher collected about the respondents and are categorised as; gender, age, current position and number of years they have occupied their current positions. These categories are detail described in the Table 1.

From the Table 1, 45% of the respondents are male whiles the remaining 55% are females. The Table 1 also indicates that, 24.2% of the respondents fall within the ages of 20-29 years whiles a significant respondents representing 49.7% fall within 30-39 years. Again, it was revealed that, 3.7% and 22.5% of the respondents are below 20 years and between 40-49 years respectively. On the analysis of the respondents' current position, 8.3% of the respondents revealed that they are senior staff, a significant 83.4% of them are junior staff members of the bank and 8.3% said they are

managers. Furthermore, 30% and 38.3% of the respondents indicated that they have held their current position for 2-5 years and 6-9 years respectively. Finally, 18.3% and 13.4% of the respondents respectively revealed that they have been in their current position for less than 2 years and 10 and more years.

On the educational background of the respondents sampled for the study, the Table 1 revealed that 6.7% of the respondents have obtained Diploma Certificate, 5% have HND as higher education and 21.6% have Postgraduate Degree as their higher education. However, the majority 66.7% of the respondents declared that they have obtained 1st Degree education as their higher education.

Table 1: Demographic profile of respondents

Variables	Category	Frequency	Percentage (%)
Gender	Male	27	45.0
	Female	33	55.0
Age	Below 20 years	2	3.7
	20-29 years	14	24.1
	30-39 years	30	49.7
	40-49 years	14	22.5
Current Position	Senior staff	5	8.3
	Junior staff	50	83.4
	Manager	5	8.3
Length of years	Less than 2 years	11	18.3
	2-5 years	18	30.0
	6-9 years	23	38.3
	10 & above years	8	13.4
Education	Diploma	4	6.7
	HND	3	5.0
	Degree	40	66.7
	Master's degree	13	21.6

Source: Author's Field work, 2017

4.2 Employees Participation in Decision-Making and Its Impact on Productivity

This section present and analyse the findings on the benefits of employee participation in decision making, techniques of employee participation in decision making are used by the Sekyedumase Rural Bank, impacts of participatory management on

organisational productivity and adverse effects of participatory management on organisational performance.

4.2.1 Benefits of Employee Participation in Decision Making

The respondents were also asked about their level of agreement or disagreement to the benefits of employee participation in decision making. This section shows the employees responses on the benefits of employee participation in decision making. Table 2 presents the respondents responses when they were asked about their level of agreement or disagreement to the benefits of employee participation in decision making stated in the Table 2.

Table 2: Benefits of Employee Participation in Decision Making

The following are some of the benefits of employee participation in Decision Making	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total
Genuine employee commitment	0.0	4.3	6.4	39.0	50.3	100
It leads to better decisions	0.0	0.0	5.0	40.0	55.0	100
It encourages a spirit of co-operation among employees and managers	0.0	4.9	7.4	40.7	47	100
It helps to develop subordinates innovative abilities.	6.0	10.0	8.5	25.0	50.5	100
Elevation of Employee Morale	4.9	11.0	9.6	44.5	30.0	100
It allows for innovation and knowledge sharing between the managers and the workers	0.0	0.0	16.0	20.0	64.0	100
It boost employee satisfaction and motivation	0.0	6.9	9.2	23.3	60.0	100
It brings increased efficiency and prompt service delivery	0.0	4.2	10.0	32.3	53.4	100
It improves employees performance	0.0	5.5	0.9	30.0	63.6	100
It helps prepare subordinate for managerial positions in the future	0.0	7.0	5.1	37.4	50.5	100

Source: Researchers' field work 2017

From the Table 2, 89.3% and 95% of the respondents respectively agreed that employee participation in decision making brings genuine employee commitment and leads to better decision; 87.7% and 75.5% respectively agreed that it encourages a spirit of co-operation among employees and managers and helps to develop subordinates innovative abilities; also, 74% and 84% agreed that “elevation of employee morale” and “innovation and knowledge sharing” are some of the benefits of employee participation in decision making; again, 83.3% indicated “it boost employee satisfaction and motivation”; 85.7% indicated “it brings increased efficiency and prompt service delivery”; 93.6% and 87.9% of the respondents revealed that employee participation in decision making improves employee performance and helps prepare subordinate for managerial positions in the future.

The results shows employee participation in decision making is very important strategy organisations such as banks can adopt to improve the commitment level and performance of their employees. This also enhances the employees’ team work and their ability to tolerate with other people from different cultural and professional backgrounds. Many organizations today are achieving good results with participative management. The result is also consistent with the findings of past studies conducted in the study area. According Albrook, (2008), employee participation in decision making, could be a manipulative technique to get workers to do what has been decided by deluding them into thinking they have a say in the decision process when in actual fact they are only being told to do what has already been decided. For organisations to make crucial decisions to achieve its goals they need management styles that can improve employees’ performance within the organisation (Bajunid, 2011; Bryman, 2007).

A case in point as noted by William (1989) is Cipher Data Products. The author says within one year of implementing participative leadership throughout the firm, the company experienced a 10 percent increase in customer-quality acceptance in every product line.

According to Onuoha et al (2006) the benefits of employee participation in decision making include the followings: The workers morale and drive to work towards attaining organizational goals are elevated with participating management in practice; Employees are afforded adequate training and opportunity to rise when need arises; The problem solving process and openness to new ideas can result in innovation. Apart from this as mentioned above there is also knowledge sharing amongst the workers and the managers. This means that those who are part of a certain process at the ground level give inputs for improved efficiency of the same; There is improved communication between the managers and the workers and between workers across different units; Empowering the employees increases their ownership or stake in their work. This increases efficiency and productivity. Consequently there is decreased absenteeism and less employee turnover.

4.2.2 Techniques of Employee Participation in Decision Making used by the Sekyedumase Rural Bank

The respondents were also asked about their level of agreement or disagreement to the techniques of employee participation in decision making used by the Sekyedumase Rural Bank. The survey gathers information on the techniques of employee participation in decision making used by the Sekyedumase Rural Bank and the Table 3 shows the findings. Table 3 presents the respondents' responses when they were

asked about their level of agreement or disagreement to the techniques of employee participation in decision making stated in the Table 3.

Table 3: Techniques of Employee Participation in Decision Making used by the Sekyedumase Rural Bank

Techniques of Employee Participation in Decision Making	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total
Consultative management	5.0	9.9	21.3	40.5	23.3	100
Job enrichment	4.2	9.4	17.3	50.0	19.1	100
Board Representation	0.0	9.5	17	41.0	32.5	100
Collective bargaining	6.0	10.0	8.5	25.0	50.5	100
Consultative Councils	7.0	10.0	29.8	42.0	11.2	100
Management by Objectives	5.0	6.7	4.3	30.0	54.0	100
Work Ownership Scheme	3.1	10.0	11.8	22.1	53.1	100
Individual contact/consultation	10.2	11.6	17.7	45.0	15.5	100

Source: Authors' Field Work, 2017

From the Table 3, 63.8% agreed that “consultative management” is a technique of employee participation in decision making used by the bank; 69.1% and 73.5% respectively agreed that “job enrichment” and “board representation” are techniques of employee participation in decision making used by the bank; also, 75.5% and 53.2% agreed that “collective bargaining” and “consultative councils” are the techniques the bank use; again, 84% indicated “management by objective”; 75.1% agreed that “work ownership schemes” and 60.5% agreed that “individual contact / consultation” are also techniques the bank use.

The results found to be consistent with the findings of past studies conducted on the techniques of employee participation in decision making used by the bank. According to Ofstad (2009) job enrichment is increasing vertically the responsibilities of employees; asking them greater discretion to make decision affecting their work

without reference to the superior. The essence of job enrichment is to make use of the individual's talent and at the same time giving him increased participation in decision making. Appointment of employees to company boards should be according to efficiency and competence although experience in labour organization might constitute sufficient evidence of competence (Fatchett, 2004).

John (2007) opines that this involves day-to-day and face to face exchange of opinions, ideas, information and experience between the managers and his employees on an individual basis, there is no formal preparations required and the employee is made to feel that he is valued both as an employee and as a person. Management by objectives is planning done cooperatively between two levels of management, the top level with the middle level with the lower levels to participate in taking decisions that set out corporate, departmental or specific objectives, policies, procedures etc. as the case may be (Lawler, 1986). Employees are given right and opportunity to own shares in the business enterprise. The implication is that they (employees) consider any effort as being done for themselves and not for the managers or owners of the business. Shareholding is aimed at democratizing ownership (Benjamine 2009).

4.2.3 Impacts of Participatory Management on Organisational Productivity

The respondents were also asked about their level of agreement or disagreement to the impact of participatory management on organizational productivity and this section of the study has to do with the employee's views on the impact of participatory management on organisational productivity. Table 4 presents the respondents' agreement or disagreement to the impacts of participatory management on organisational productivity stated in the Table 4.

Table 4: Impacts of Participatory Management on Organizational Productivity

Impacts of Participatory Management on Organizational Productivity	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total
It brings flexibility in service delivery process	20.0	23.0	1.7	40.3	15.3	100
Improved quality service delivery	7.0	1.5	19.3	42.2	21.0	100
Consistency in meeting the needs of customers	7.5	4.5	20.0	28.0	40.0	100
High resources utilization	10.0	12.5	40.0	30.5	7.0	100
Reduced cost of production	7.7	15.0	2.8	44.5	30.0	100
Increased organisational productivity	0.0	3.3	2.7	64.0	30.0	100
Increased employee productivity	0.0	5.0	7.7	67.0	20.3	100
It reduced waste of resources	8.0	12.2	4.1	55.4	20.3	100

Source: Authors' Field Work, 2017

Table 4 shows that 55.3% and 63.2% of the respondents respectively agreed that employee participation in decision making brings flexibility in service delivery process and improves quality service delivery; 68% and 37.5% respectively agreed that it brings consistency in meeting the needs of customers and high utilization of resources; 74.5% and 94% respectively agreed that participatory management helps to reduce cost of production and increase organisational productivity. Again, 87.3% and 75.7% respectively indicated participatory management helps to increased employee productivity and reduce waste of resources.

The results of the study is supported by the findings of the following past studies. Flippo and Munsiger (2003) reported that the need for involving subordinates in decision making process in the organization are mainly for productivity and morale. According to Drucker (1964) "to be productive and efficient, the enterprise needs the abilities, initiative and co-operation of every member more than any previous system of production, its human resources are its greatest asset, and the one least used". To

maximize productivity, management must value and nurture its most important assets, namely, people (workers), authoritative secretive and formal relationships have to be replaced by an environment whereby the importance of every employee is reflected (Knowles, 2002).

According to Wight (1983), "the greatest productivity improvement will come from using our human resources better-from taking the obstacles away from people so that they can do their jobs more effectively. From involving them in the affairs of the organization that concerns them. Peter and Waterman (1982) reported that "nothing is more enticing than the feeling of being needed which is the magic that produces high expectations". Lundgren (1984) also says that "the intent of participation as with many leaders approach is to inspire high productivity and maintain a satisfied workforce"

4.2.4 Adverse Effects of Participatory Management on Organisational Performance

The respondents were also asked about their level of agreement or disagreement to the adverse effects of participatory management on organisational performance and this section of the study presents their views. Table 5 presents the respondents' level of agreement or disagreement to the adverse effects of participatory management on organisational performance stated in the Table 4.

Table 5: Adverse Effects of Participatory Management on Organisational Performance

Adverse Effects of Participatory Management on Organisational Performance	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Total
It slows decision making process	10.3	4.0	4.0	60.2	21.5	100
It wastes time since many people are involved in the decision making	20.0	10.3	2.2	50.5	17.0	100
It lowers organisational efficiency	40.0	5.6	0.7	30.2	23.5	100
It weakens the effectiveness of management	23.2	40.4	0.9	25.5	10.0	100
Leakage of confidential organisational data	5.9	20.0	2.6	48.0	23.5	100
Extra costs are borne by managers to train employees	3.2	7.2	1.6	33.0	55.0	100

Source: Authors' Field Work, 2017

Table 5 shows that 81.7% and 67.5% of the respondents respectively agreed that among the adverse effects of participatory management on organisational performance are it slows down decision making process and wastes time since many people are involved in the decision making; 53.7% agreed that participatory management lowers organisational efficiency. Again, 71.5% and 88% respectively agreed that leakage of confidential organisational data and extra costs are borne by managers to train employees are some of the adverse effects of participatory management.

Notwithstanding, 63.6% of the respondents disagreed that some of the adverse effects of participatory management is that it weakens the effectiveness of management. This results of the study is also consistent with Apostolou (2002) studies conducted on the adverse effects of participatory management. According to Apostolou (2002), employees participation in decision making is waste of time, lower efficiency, weakens the effectiveness of management. In addition, the capacity and willingness of

subordinates to contribute may limit the degree of participation that is feasible, and the pressure of time may prevent its use.



CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

The purpose of the research was to assess the impact of employees' participation in decision-making. The chapter five of the study consists of the summary, conclusion, recommendations and suggestions for further studies.

5.1 Summary Findings

The following the summary of findings of the study. The findings of the study are discussed under the four main specific objectives of the study.

5.1.1 Benefits of Employee Participation in Decision Making

The study revealed that employee participation in decision making brings genuine employee commitment and leads to better decision; encourages a spirit of co-operation among employees and managers; helps to develop subordinates innovative abilities; elevation of employee morale; innovation and knowledge sharing; and it boost employee satisfaction and motivation. It was further revealed that employee participation in decision making brings increased efficiency; prompt service delivery; improves employee performance and helps prepare subordinate for managerial positions in the future.

5.1.2 Techniques of Employee Participation in Decision Making used by Sekyedumase Rural Bank

The study revealed that the techniques of employee participation in decision making that are mostly used by the Sekyedumase Rural Bank are management by objective, collective bargaining, work ownership schemes and board representation. The study

further discovered that consultative management, job enrichment, consultative councils and individual contact / consultation are some of the technique of employee participation in decision making used by the bank.

5.1.3 Impacts of Participatory Management on Organisational Productivity

The study identified that some of the key impacts of participatory management on organisational productivity are flexibility in service delivery process; improves quality service delivery; consistency in meeting the needs of customers; high utilization of resources; reduction of cost of production; increase organisational productivity; increased employee productivity and reduce waste of resources. The study revealed that the most significant impacts of participatory management on organisational productivity are increase organisational productivity and increased employee productivity.

5.1.4 Adverse Effects of Participatory Management on Organisational Performance

The study identified some adverse of participatory management on organisational performance. All the respondents sampled for the study revealed that some of the adverse effects of participatory management practices on organisational performance are; it slows down decision making process; wastes time since many people are involved in the decision making; participatory management lowers organisational efficiency; leakage of confidential organisational data and extra costs are borne by managers to train employees.

5.3 Conclusions

The study concludes that the most important benefits of employee participation in decision making are genuine employee commitment; leads to better decision; encourages a spirit of co-operation among employees and managers; helps to develop subordinates innovative abilities; elevation of employee morale; innovation and knowledge sharing; it boost employee satisfaction and motivation; increased efficiency; prompt service delivery; improves employee performance and helps prepare subordinate for managerial positions in the future.

Secondly, it is concluded that most techniques of employee participation in decision making used by rural banks especially Sekyedumase Rural Bank are management by objective, collective bargaining, work ownership schemes and board representation. The study concludes that participatory management has positive impacts on organisational productivity, employee productivity, utilization of resource and quality service delivery. Finally, study revealed that some of the key adverse effects of participatory management practices on organisational performance are; it slows down decision making process; wastes time since many people are involved in the decision making; participatory management lowers organisational efficiency; leakage of confidential organisational data and extra costs are borne by managers to train employees.

5.4 Recommendations

Based on the findings, the following recommendations were made;

- The bank must adopt the necessary measures to control leakage of confidential organisational data whenever they practice participatory management to involve employees in organisational decisions making process.
- Although the findings of the study revealed that employee participatory in decision making improves organisational and individual employee's performance but since it can also slow down decision making and production processes, the bank must reserve certain strategical and operational decisions to only management to make in order to meet the make demands all the time.
- Also, in order for management and organisations to get the best performances out of their employees they must involve the employees in the organisations operational and technical decision making processes because they have the technical knowledge and perform the day to day activities of the organisations and it will help the employees to perform at their best to realize the target.
- Finally, since the training and development of employees who are selected to take higher positions in the future create additional cost to the production, the rural banks must put in place some strong budgetary control mechanisms before they practice effective participatory management.

5.5 Suggestion for Further Studies

This study was restricted to only the employees of Sekyedumase Rural Bank and however, it is therefore suggested that future studies should be extended to cover many financial institutions including microfinance institutions and intentional banks.

Again, only 60 bankers were sampled for the study. However, future study should cover large sample size.



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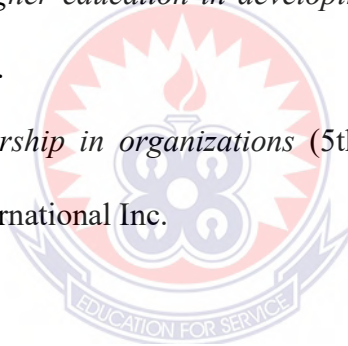
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APPENDIX**UNIVERSITY OF EDUCATION WINNEBA-KUMASI****THE IMPACT OF EMPLOYEE PARTICIPATION IN DECISION-MAKING:
THE CASE OF SEKYEDUMASE RURAL BANK**

Dear Respondent

This study is being conducted on the above topic for academic purposes and the researcher would be grateful if you could provide answers to the questions below. Your identity will not be disclosed and your responses will be confidentially handled. Please kindly respond as honestly and carefully as you can. Tick [] as appropriate.

SECTION A: PERSONAL DATA

- | | | |
|---------------------------------------|-------------------|------------------------------|
| 1. Please indicate your age | Male | [<input type="checkbox"/>] |
| | Female | [<input type="checkbox"/>] |
| 2. What is your age group? | Below 20 years | [<input type="checkbox"/>] |
| | 20-29 years | [<input type="checkbox"/>] |
| | 30-39 years | [<input type="checkbox"/>] |
| | 40-49 years | [<input type="checkbox"/>] |
| 3. What is your current position? | Junior staff | [<input type="checkbox"/>] |
| | Manager | [<input type="checkbox"/>] |
| 4. Length of years with the bank | Less than 2 years | [<input type="checkbox"/>] |
| | 2-5 years | [<input type="checkbox"/>] |
| | 6-9 years | [<input type="checkbox"/>] |
| | 10 & above years | [<input type="checkbox"/>] |
| 5. What is your highest qualification | Diploma | [<input type="checkbox"/>] |
| | HND | [<input type="checkbox"/>] |
| | Degree | [<input type="checkbox"/>] |
| | Master's degree | [<input type="checkbox"/>] |

**SECTION B: TECHNIQUES OF EMPLOYEE PARTICIPATION IN
DECISION MAKING USED BY THE SEKYEDUMASE
RURAL BANK**

Please state the extent to which you agree or disagree with each of the following statement.

1 – Strongly disagree 2 – Disagree 3 – Neutral 4 – Agree 5 – Strongly Agree

Techniques of Employee Participation in Decision Making	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
Consultative management					
Job enrichment					
Board Representation					
Collective bargaining					
Consultative Councils					
Management by Objectives					
Work Ownership Scheme					
Individual contact/consultation					

**SECTION C: IMPACT OF PARTICIPATORY MANAGEMENT ON
ORGANISATIONAL PRODUCTIVITY**

Please state the extent to which you agree or disagree with each of the following statement.

1 – Strongly disagree 2 – Disagree 3 – Neutral 4 – Agree 5 – Strongly Agree

Impacts of Participatory Management on Organizational Productivity	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
It brings flexibility in service delivery process					
Improved quality service delivery					
Consistency in meeting the needs of customers					
High resources utilization					
Reduced cost of production					
Increased organisational productivity					
Increased employee productivity					
It reduced waste of resources					

**PART D: ADVERSE EFFECTS OF PARTICIPATORY MANAGEMENT
ON ORGANISATIONAL PERFORMANCE**

Please state the extent to which you agree or disagree with each of the following statement.

1 – Strongly disagree 2 – Disagree 3 – Neutral 4 – Agree 5 – Strongly Agree

Adverse Effects of Participatory Management on Organisational Performance	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)
It slows decision making process					
It wastes time since many people are involved in the decision making					
It lowers organisational efficiency					
It weakens the effectiveness of management					
Leakage of confidential organisational data					
Extra costs are borne by managers to train employees					