

**PARTICIPATIVE MANAGEMENT AND EMPLOYEE JOB PERFORMANCE IN
A NIGERIAN MANUFACTURING INDUSTRY**

AMOS A, Jimoh Rafiu; OMOLABI, Issa Ph.D. & SULEIMAN, Ahmed Aremu

ABSTRACT

The denial of workers' active involvement in decision-making and the attendant negative attitude to work necessitate the need for this study to examine the impact of participative management (PM) on employee job performance in a Nigerian Manufacturing Industry. Other specific objectives were to: examine the impact of participative management on employee job performance; and, evaluation of the relationship between indirect participation dimensions and employee job satisfaction. Questionnaire was served to 240 out of 600 employees of the manufacturing organisation through stratified, simple random sampling techniques. Two hypotheses formulated were tested through regression and correlation analysis. The findings revealed that (PM) had a significant influence on employee job performance ($r^2=76.5\%$, $p\text{-value}<0.05$) and that indirect participation dimensions and employee job satisfaction correlated ($P\text{-value}<0.05$). The study concluded that PM remains an important management strategy for improving employee performance with recommendation that organisation should emphasize comprehensive task and contextual performance behaviour strategy through the adoption of participative management.

Keywords: Participative management (PM), employee job performance, employee job satisfaction, indirect participation, task and contextual performance

Introduction

Organisational success in the attainment of set goals and objectives do not only depend on material endowments of the organisation such as money, technology, buildings and other business development enhancers but also on the successful management of the human elements of the organisation. The reason for the emphasis on the human elements is based on the indisputable fact that organisations need dynamic employees to operate their key activities, the modern sophisticated operational technologies notwithstanding. Employees play a significant role in any organisation because they are the heart of the organisation. Organisation simply cannot achieve their goals without them. Thus, employees need to be motivated to persuade them to put in their best in everything they do in the organisation (Burhanuddin, 2013).

Now, the increased application of participative management by leaders of organisation has increased the recognition that workers have something tangible to contribute beyond their normal day-to-day work. Many organisations are now seriously seeking ways of getting workers to be more involved in decisions that will affect them in the work environment (Jonny, Fiona, & George, 2005). The paradigm shift is linked to the fact that employer has

discovered that there are important business values in soliciting and using the ideas of people at all levels in the organisation.

Employee participation in decision-making makes them feel elated and also satisfies their self-actualization needs; by so doing' increases their job satisfaction and eventually, job performance (Owolabi & Abdul-Hameed, 2011; Abdulai & Shafiwu, 2014). The most valuable approach to boost productivity is by striving for the collective goals of both employees and managers. By allowing workers' input into developing and establishing policies and procedures etc., they can improve communication and increase morale and satisfaction.

Participative management respects all members of an organisation as an infinite resource able to contribute knowledge and creativity to improving its ability to solve the main problem facing the organisation. By encouraging participative management managers are in effect decentralising authority within their organisations. This often leads to improved decision quality, increased commitment for employees to the decision outcomes which they have influenced, and, above all, it enhances their overall job performance (Abdulai & Shafiwu, 2014).

Knudsen (1995) stated that participation in decisions may not only give promises of a better integration of the workforce, but also of higher efficiency, the effective management of people and the all-important question of productivity which boast performance. Performance is associated with quality of output, timeliness of output, presence/ attendance on the job, efficiency and efficacy of work completed (Mathis & Jackson, 2009). Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by an organisation, to pre-defined acceptable standards while efficiently and effectively utilising available resource within a changing environment. It is based on the foregoing that this study seeks to investigate the impact of participative management on employee job performance in Nigeria Manufacturing Industry with particular reference to the Nigerian Bag Manufacturing Company (BAGCO-LAGOS) - A Division of Flour Mills of Nigeria Plc Lagos.

Statement of the Problem

The evil effect of inauthentic participation management style that enjoyed tactical implementation by many organisational leaders has come with a reciprocating attitude of low commitment by employees towards implementation of decisions taken by top management. This often obstructs the free flow of operation and stand as a barrier against organisational success which calls for some form of academic attention.

In many Nigeria organisations, employees are faced with the dilemma of how to cope with authoritative management style in the workplace while living in a democratic society which guarantees basic fundamental freedom. In fact, this ironical situation is held to be one of the major causes of the problems which are manifested daily in the work lives of the modern employees (Derek, 2001).

Besides, the refusal of organisational leaders to recognise the human factor in industrial set up through greater involvement of employees in its management decision-making tends to create several human problems in this setting. A worker is a social being who brings his personality, hopes, aspirations, anxieties, feelings and attitude to the workplace. In this regard, he derives pleasure and satisfaction in his work like any other spheres of his life. Conversely, when he discovers that his work does not afford him the opportunity to realise his potentials (for instance, through strict management control) he tends to employ negative behaviours like absenteeism, apathy, low commitment and low productivity and ultimately low performance. It is on the basis of the above that this study addressed the following questions:

Research Questions

- i. What is the level of impact of participative management on employee job Performance ?
- ii. Is there any significant relationship between indirect participation and employee job satisfaction?

Objective of the Study

The main objective of this study was to examine whether or not participative management influences employees' job performance in a typical Nigeria manufacturing industry. The specific objectives were to:

- i. examine the impact of participative management on employee job performance.
- ii. evaluate the nature of relationship that exist between indirect participation and employee job satisfaction.

Research Hypotheses

H₀₁: Participative management does not have any significant impact on employee job performance.

H₀₂: Indirect participation has no significant relationship with employee job satisfaction.

Literature Review

Concept of participative management

Participative management is the act of involving the workers in the decision-making process of an organisation. It is a process where subordinates share significant degree of decision-making power with their immediate superiors. It involves employees across different levels of the hierarchy in decision-making. Participative management can be explained to mean a deliberate action or structure employed by an organisation/employer that allow employees/subordinate to contribute to the decision-making process. It gives room to employee in terms of suggestion on a course of action an organisation should take in achieving their set objectives (Abdulai & Shafiwu, 2014).

Participative management represents a new paradigm shift in the world of management which has not been appreciated and accepted by all organisation but it has proven from evidences that it is a great management structure all organisation should adopt. Management theorists use different terms to explain the term 'participative management'. Among these are

employee empowerment, participative decision-making, employee involvement, participative leadership, decentralization and power sharing (Gono & Spreitzer, 2005).

According to Noah (2008), participative management is a special form of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the management and the workers. This suggests the degree of employee's involvement in an organisation's strategic planning activities. It is a democratic philosophy that respects all members of an organisation as an infinite resource able to contribute knowledge and creativity towards improving its ability to survive the main problem facing managers. It refers to the extent of employee's contribution or expression of opinion in the organizations' core strategic structure (Owolabi & Abdul-Hamed, 2011).

Forms of Employee Participation

There are two notable ways in which employees can take part in decisions that affect them. These are: indirect and direct participants.

Indirect participation

The two indirect ways that have been established as the dominant means of participation with the enterprises are: (a) collective bargaining and (b) joint consultation

Collective Bargaining: This form of indirect participation is usually carried out between employers or their representatives and the representatives of the employees (that come in form of trade union). Its primary purpose is purely economic. Collective bargaining is a process by which the representatives of the organisation meet and attempt to work out a contract with the employees' representatives, the union. Bargaining is the process of cajoling, debating, discussing, and threatening in order to bring about a favourable agreement for those represented. The actual process of negotiating a collective bargaining agreement involves a number of steps: (1) pre-negotiation; (2) selecting negotiators; (3) developing a bargaining strategy; (4) using the best tactics; (5) reaching a formal contractual agreement; and (6) ratifying the contract (John,2010).

Joint Consultation: This is any method of establishing a two way communication between management and its employees in addition to those provided by normal day today contact. It is formal machinery for dealing with employees as a group instead of dealing with them individually so as to avoid petitions and demonstrations. The objectives of joint consultations principally are:

To enhance the achievement of increased productivity, set up a scheme for regular contact between management and workers, and to meet the workers demand for better insight (and voice) into the management for which they work (Usilaner, 1999).

Direct Participation

Newman, Joseph and Summer (2000) agree that the aim of participation is to secure better, greater employee involvement and thereby achieve a better use of manpower skills and abilities, many of which are latent unless they are released by leadership and managerial effort. The process of direct participation of employees in managerial decision, which seeks

to expose those skills and abilities, can take place in diverse ways such as consultative participation which entails managers consulting with their employees in order to encourage them to think about issues and contribute their own ideas before decisions are made.

Participative Management and Job Satisfaction

Job satisfaction is a positive feeling about a job resulting from an evaluation of its characteristic (Judge & Robins, 2009). According to Venter (2003), employee participation in decision-making may increase levels of job satisfaction and, consequently, motivation. Motivation refers to processes that account for an individual's strength, direction, and persistence of effort towards attaining organisational goals (Judge & Robbins, 2008).

Theoretical Framework

Likert Theory of Management (1981)

Rensis Likert (1903-1981) is a behaviourist and revolutionist (in the words of Warren Bennis) who made rich contribution to the theory of organisational humanism. In the course of his researches, Likert developed certain ideas and approaches important to understanding leadership behaviour. He has also propounded the concepts of participative management and supportive relationships.

Systems of Management

Likert research at the university of Michigan over the years has revealed to him that the best managerial producer (i) is supportive in that he lends support and help to those reporting to him; (ii) facilitates people's work with the necessary tools, training and other resources necessary to ensure action; (iii) encourages interactions, talks and mutual help among all members of the work group; (iv) expects high performance standards. Likert refers to this type of management as 'System 4' or participative-Group management.

Human Relations Theory

Human Relations theory was introduced by Professor Elton Mayo with the aim of proving the significance of the human aspect of production as regards organisational productivity other than machines (Perry, 2017). It was developed to address the problem faced by Taylors' 'scientific management theory'. Hence, Human Relations theory emphasises employee as human being and should be treated as such (Chand, 2017). The features of Human Relations theory are the individual employee, informal organisations, and participative management.

Individual employee refers to the recognition and appreciation of each person within the workplace. Employees are considered as the main assets of an organisation in terms of their skills. Hence, the theory suggests that individual employee should be respected and treated well. In the long run, organisational overall productivity will increase as individual employee steps up his performance.

Informal organisation is another aspect of Human Relations theory that focuses on informal social aspects of workers whose overriding need is the desire to belong and to be accepted by his/her work group (Chand, 2017). It means that the manager should encourage the formation

of groups as supplementary to strengthen the formal organisation, as well as building a communication channel with workers and their group, formal and informal, and then follow a relations-oriented rather than a task-oriented style of leadership (Banerjee, 2012).

The last features of Human Relations theory is participative management which means that individual employee are involved in the decision-making process. In Human Relations theory, the participation of individual employees through their group and informal leader is the most essential element that guarantees an effective decision whereby employees are aware of the decision that affects them through their group leader (Chand, 2017). Hence, Mayo introduced 'Human relations theory' to promote the idea that employees are humans and as such they should be treated as a human beings. Besides, it promotes working as a group. This study adopted the above stated theories as they both dwell on managers-workers relationship building in the work place through consultation and involvement.

Empirical Framework

Ezenmaya (2011) examined the impact of employee participation in decision-making on productivity in government printing press and two other private publishing firms in Enugu Nigeria. Using a survey design distributed questionnaire to 137 respondents, the study made use of the chi-square analysis to test the stated hypotheses. The result revealed that employee participation have significant impact on employees' attitude, commitment and productivity.

Similarly, Owolabi and Abdul-Hameed (2011) investigated the relationship between employees' involvement in decision making and firm performance in the manufacturing sector in Nigeria. Adopting a cross sectional survey design and using the simple random sampling technique, 740 copies of a well-structured questionnaire were distributed to the employees of selected manufacturing firms in Lagos State in which 670 were duly filled and returned. These served as the data used for analysis. The study used the descriptive statistics, product moment correlation, regression analysis and Z-test to run the analysis. The findings were that: statistically significant relationship exist between employee involvement in decision-making and firms' performance; a significant difference exist between the performance of firms whose employees' involvement in decision-making were deep and the ones whose employees' involvement in decision making were shallow.

Burhanuddin (2013) investigated employee and leader perceptions about the use of participative management style and its relationships with employee work attitude and performance. The study made use of interview and questionnaire to elicit information from the respondents. The study covered 808 employees and 52 heads of division from six universities studied in Malang, Indonesia. Path analysis and Hierarchy linear modelling were used to analyse the relationships among the variables tested. The study concluded that participative management enhances employee performance through the promotion of individual capacity and relationships.

Jaewon, John and Frits (2010) explored the effects of team voice and worker representative voice as well as their interaction on labour productivity using 106 respondents. Both regression and correlation analysis were used to measure the variables. Team voice was

examined in terms of team influence on key work-related issues and representative voice through the degree of worker representatives’ influence on multiple collective voice issues. It was found that neither type of voice bore a significant relationship to labour productivity when examined solely but that team voice significantly contributed to enhanced worker efficiency when considered in conjunction with representative voice.

Gap in Literature

The past studies reviewed dwelled much on the impact of participative management on employee productivity in printing organisation and other industry. Only few dealt with participative management and its effect on general employee performance in manufacturing industry in Nigeria. Nevertheless, the ones that investigated the impact of participative management on employee performance studied universities (Education Sector) in far away Indonesia with different organisation culture and operational regulations with Nigeria.

Methodology

The study adopted a survey design to inquire the impact of participative management on employees’ job performance by administering a well-structured questionnaire to 240 respondents who were randomly selected from the staff population of 600 in the Nigerian Bag Manufacturing company (BAGCO-LAGOS). Using Taro Yamani sample size determination formula, the stratified sampling technique was adopted for the distribution of the questionnaire to the two strata of respondents (i.e. the management staff and other categories of staff in the organisation under study). Out of the 240 copies of questionnaire administered, only 231 were adequately filled and returned which brings the response rates to 96%. Data collected were used to test the stated hypotheses through multiple regression and correlation analysis with the aid of statistical packages for social science (SPSS) software.

Data Presentation and Analysis

The collated data were presented using the formula stated in the methodology and the results are as shown in tables 1-4.

Testing of Hypotheses

The hypotheses raised for attaining the objectives of this study were tested through the application of correlation and regression analysis.

Hypothesis One

Ho₁: Participative management does not have any significant impact on employees’ job performance

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.655 ^a	.765	.731	.76434

a. Predictors: (Constant), Decision making, Management function, Communication/Interaction, Leadership process, Motivation

Source: Researcher’s computation, 2017

The table 1 above reveals the correlation coefficient of 0.655 which signifies that participative management is strongly related to employees’ job performance. More so the R square value of 0.765 in the table suggested that participative management accounted for about 77% of employees’ job performance while the remaining 23% in employees’ job performance is accounted for by other variables not captured in our model.

Table 2: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	81.790	140	1.134	1.941	.000 ^b
	Residual	5.669	5	.584		
	Total	87.459	145			

a. Dependent Variable: Employee Job Performance

b. Predictors: (Constant), Decision making, Management function, Communication/Interaction, Leadership process, Motivation

Source: Researcher’s computation, 2017

Table 2 presents the analysis of variance (ANOVA) with F-statistic value of 1.941, which suggests a significant effect of participative management on employees’ job performance as the probability value 0.000 is less than 0.005 level of significant.

Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.261	.662		4.929	.000
Management function	.125	.080	.129	1.560	.001
Leadership process	.035	.081	.037	.434	.000
Motivation	.187	.087	.190	2.157	.003
Communication/Interaction	.039	.085	.041	.460	.000
Decision making	.099	.082	.102	1.205	.000

a. Dependent Variable: Employee Job Performance

Source: Researcher’s computation, 2017

Table 3 shows the coefficient values of the participative management variables where management function, leadership process, motivation, communication/interaction and decision making were statistically significant and thus affect employees’ job performance with probability value less than 0.05. With this, it sufficed to say that participative management has significant impact on employees’ job performance. Therefore, the null hypothesis was rejected while the alternative hypothesis was accepted. This outcome is in line with the finding of Burhanuddin (2013) where he averred that participative management has a significant impact on employee performance.

Hypothesis Two

H₀₂: Indirect participation has no significant relationship with employee job satisfaction.

Table 4: Correlations

		Work's council	Trade union	Worker director	Shareholding	Employee job satisfaction
Work's council	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	231				
Trade union	Pearson Correlation	.758	1			
	Sig. (2-tailed)	.003				
	N	231	231			
Worker director	Pearson Correlation	.673	.772**	1		
	Sig. (2-tailed)	.002	.000			
	N	231	231	231		
Shareholding	Pearson Correlation	.802	.711	.565	1	
	Sig. (2-tailed)	.000	.003	.000		
	N	231	231	231	231	
Employee job satisfaction	Pearson Correlation	.648	.620**	.686	.780**	1
	Sig. (2-tailed)	.004	.002	.000	.000	
	N	231	231	231	231	231

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher’s computation, 2017.

Table 4 reveals the relationship among indirect participation variables and employee job satisfaction. The relationship between work’s council and worker director was found to be highly positive and statistically significant with shareholding and employee job satisfaction.

As a result of the outcome of the analysis above, most of the variables were found to have positive and statistically significant relationship among each other. Therefore, the null hypothesis was rejected while the alternative was accepted i.e. indirect participation has a significant relationship with employee job satisfaction. The outcome of this study tallies with that of Jaewon, John and Frit (2010) where they found that team voice significantly enhanced worker’s efficiency when considered in conjunction with representative voice. It is clear that when worker’s efficiency is enhanced, certainly he /she will be satisfied with such a job.

Conclusion and Recommendations

Conclusion

The study concluded that participative management has a great influence on employee job performance as the feeling of involvement in decisions that affect the employees often motivate them to a higher performance. Similarly, the roles of indirect participative system serves as a tool for securing employees' job in the organisation as there are always strength in large number or group movement.

Recommendations

Based on the conclusion drawn above, the study recommended as follows:

- i. Management should encourage effective workers' participation in decision making, involvement in organisation's policy and objective setting, and problem solving effort as this will enhance management staff relations and thus boast organisational productivity that will ultimately lead to overall employee performance which is good for the survival of the organisation.
- ii. Management should endeavour to engage in consultative engagement with workers through the means of workers union, shareholding etc that provides avenue for industrial peace and harmony and ultimately leads to employees' job satisfaction. When workers are satisfied, they are likely to have the feeling of ownership and thereby discourage negative turnover and other competitive advantage deflators.

References

- Abdulai, I. A. & Shafiwu, A. B. (2014). Participatory decision making and employee productivity. A Case Study of Community Banks in the Upper East region of Ghana. *Business Economic Journal*, 5(99), 1-10. doi: 10.4172/2151-6219.100099
- Banerjee, A. (2012). 6 main features of human relations theory. [Online] Available at: <http://www.preservearticles.com/2012051832410/6-main-features-of-human-relations-theory.html> [Accessed 28 September, 2017].
- Burhanuddin, (2013): Participative management and its relationships with employees performance behaviour: A study in the university sector in Malang Indonesia: A Ph.D thesis published by the university of Adelaide, Australia.
- Chand, A. (2017). MG315: Industrial Relations theory & Policy: Course book. Suva: The University of the South Pacific.
- Derek, (2001). *Organisational rewards: Considering Employee need in allocation*.
- Ezennaya, N. P. (2011). Employee Participation In Decision Making And Its Impact On Productivity: An Appraisal Of Government Printing Press And Two Other Private Publishing Firms In Enugu. A published MBA project submitted to the Department

Of Management, Faculty Of Business Administration University Of Nigeria Enugu Campus

Gono & spreitzer (2005). *Changing the role of top management: Beyond Structure to Process*.

Jaewon, K., John, P. M. & Frits, K .P.(2010).Employee voice and organisational performance: Team versus representative influence. *SAGE journals*, 63(3). doi/abs/10.1177/0018726709348936

John, I. M. (2010). *Human Resource Management* (11th ed.). McGraw-Hill International. Pp 484-487

Jonny, G., Fiona, N., & George, L. (2005). *Employee Involvement: Information, Consultation and Discretion*. UK: Institute for employment studies.

Knudsen (1995). Performance-related pay: *Objectives and Application of Human Resource Management Journal*, 2(3) , 16-33.

Mathis, Robert L dan Jackson John H. 2009. *Manajemen Sumber Daya Manusia*. Edisi Sepuluh. Jakarta: Salemba Empat

Newman, (2000). *Managing Employee Performance*. Port Melbourne: Cambridge University Press.

Noah, Y. (2008) A Study of Worker Participation in Management Decision Making Within Selected Establishments in Lagos, Nigeria. *Journal of Social Science*, 17 (1): 31-39.

Owolabi L. K. & Abdul-Hameed, A. S. (2011). Employee Involvement In Decision Making And Firms Performance In The Manufacturing Sector In Nigeria. *Serbian Journal of Management*, 6 (1), 1 – 15.

Perry, G. L. (2017). Human Relations Management theory basic. [Online] Available at: <https://www.business.com/articles/human-relations-management-theory-basics/> [Accessed 28 September, 2017]

Robbins S. and Judge T. (2008). *Organisational Behavior* (12th ed.), New Jersey: Prentice Hall, Inc.

Usilaner (1999) *Human Resource Management: Student Guide*, University of Maryland.

Venter (2003) *Leadership of Organisational Members* South-Western Publishing.

Contact Information

AMOS A, Jimoh Rafiu
Department of Business Administration,
Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria
jimohrafiu73@hotmail.com ; amosa.jr@unilorin.edu.ng
+2348033747858

OMOLABI, Issa
Department of Business Administration,
Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria
omoisla09@yahoo.com; omolabi.i@unilorin.edu.ng
+2348033644525

and

SULEIMAN, Ahmed Aremu
Department of Business Administration,
Faculty of Management Sciences, University of Ilorin, Ilorin, Nigeria
aremu.ahmed40@gmail.com ; suleiman.aa@unilorin.edu.ng
+2347037708794