

# Influencing factors of employee participation in decision making process

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Received: January 28, 2019

Accepted: March 18, 2019

**ABSTRACT:** The objective of this study is to find out the influencing factors of employee participation in decision making process. Participation in decision making is the results are job satisfaction of employees, increases productivity of the organization and increase the profit. This helps the employer to achieve the organization goal. There is a positive correlation between decision making, motivation and performance. Employee participation is one of the most important influencing factors in decision making for organizational effectiveness. In fact, employee participation is valued to the organization they provide suggestions and guidelines to the organization it helps to attaining its goal. Employee participation has to reduce the gap between employee and the management. If the management has to give importance to the employees in decision making it will reduce the cost of control. So the organization has to encourage the employee to involve in decision making process. Employee participation is essential to the organization decision in making and other process it will motivate the employees and increase the productivity.

**Key Words:** Participation in Decision Making, career development programme, fair pay structure and employee recognition

## 1 INTRODUCTION

Participation means a concept that is motivate the people to contribute. Employee participation in decision making process ensures high performance by motivated employees. This participation process increase the capacity of employee in problem solving and it is the success of organization. Decisionmaking authority increases the responsibility of the employee and it control over the task. Participation in management process improves motivation, job satisfaction and increase co-operation with management. Employee participation in management is an important part of human relations it is boost up the motivation. High-involvement in management creates better performance of employees towards the organizations.

Effective employee motivation improves the organizational performance and the employee productivity of the organization. Participation means mental and emotional involvement of the workers in a group that encourage the workers to give group goals and share the responsibility. Participation encourages the people to accept their responsibility for their group activities. They can release their own ideas and creativity to achieve the objectives of the organization especially it improves the motivation and helping the employees to understand their paths towards career goals. Employee benefits like health care, insurance, profit sharing, child care, travelling allowance, HRA help the employee to maintain happy, happy employees are the motivated employees, this is the best effort for employee motivation and it will help the employee to focus their work. Creativity, innovation, training, learning facility and other monetary incentives are the important methods of motivation. Best reward system improved productivity and create better morale in employees life.

## 2 LITERATURE REVIEW

MD. Anowar Hossain Bhuiyan (2010) they examined that participation in decision making has a positive correlation with motivation and performance. Garments sector are using some of the motivational activities such as transport, bonus, canteen, EPF, ESI, medical facility and profit share that will help the employee to motivate themselves.

Oluyinka Solomon, Noor Hazarina Hashim, Zohreh B.T. Mehdi, Musibau Akintunde Ajagbe (2012) they stated that the managers of manufacturing companies, multinational and domestic companies are adapt motivational programs it will enhanced employee productivity and organizational performance.

Nwoko Victoria O and Prof. Emerole Gideon A (2017) they concluded that employee participation in decision making process have a positive effect to the organizational performance so that the Institute adopt

employee participation strategy in decision making to encourage the employees to attain the organizational goals and objectives.

WolabiLateefKuye and Abdul-HameedAdeolaSulaimon(2011) they stated that Increase in employeeinvolvement in decision-making and support participation in management, learningbehaviour has the positive effect of employee life and the organization.

Peter Butali and David Njoroge (2018) they stated that employeeparticipation in decision making process and their involvement in organization plans and goal setting has to crate positive impact on employees as well as their commitment towards organizational performance.Employee participation is positive relationship with organizational performance it leads to higher employee performance and organizational commitment.

SharanKaurGarib Singh (2009) according to this employee participation in decision making process is to create positive mood states so they can give best to the management.

E. Sofijanova, V. Zabijakin-Chatleska (2013) this study explores the relationship between employee participation and the performance. This is to create positive relationship of employee involvement andit has the moderate effect on productivity, job satisfaction and motivation.

Elizabeth F. Cabrera, Ángel Cabrera, Jaime Ortega (2001) they examined that cultural dimension of uncertainty avoidance, competition and business strategy are the important determinants of employee participation.

### 3 EMPLOYEE PARTICIPATION IN DECISION MAKING

When the employees are involved in making decisions process, they gain stake in the organization and its overall success. This willlead to increase the productivity of employeeand they can actively participating in different aspects of the company and it is the effort of overall succeeds. This is not only benefit for company growth it is the benefit for workers also, this will increase the responsibility of the employee.Actively workers engaging in the decision-making process of the company it will increase the overall company morale. Many companies follow different separation methods between management and the workers. Participation in the decision-making process helps the employees to understand their ideas. It is an important contribution to the company and it gives power to the employee and increased job satisfaction and create positive attitude.

Participation in decision-making process gives the opportunity to the employee to share their opinions and to share the knowledge with the management and colleagues. It will improve the relationship between the management and employee also it helps to create teamwork among workersmoreover it is one of the good way to gather information from the employees.

### 4 INFLUENCING FACTORS OF EMPLOYEE PARTICIPATION

#### a. Career Development programme

Career development programme is one of the factors contributing to employee engagement at the workplace. Many companiesare investing both time and money for their employee development at the workplace and improve their career and it is the opportunity to learn new skills and knowledge on the job.

#### b. Flexible time

Another important factor contributing to employee is flexibility of working hours it help the employee to work the regular office hours and they can work away from the office. Flexible working is useful for working parentsto drop and pick their children to school.

#### c. Fair Pay Structure

Salary is a sensitive issue of the employees this is one of the most important factor ofemployee participation. Fair pay is to engage the employee towards the company.

#### d. Adopt a Learning Culture

Learning culture encourages the employee to learn and acquire new knowledge also it will improve and educate all of the employees.

#### e. Cultural Diversity

Companies hiring the employees fromdifferent backgroundsit brings different benefits to the company and their employees.

#### f. Transparency and Honesty

Transparency and Honesty is needed to everyonein their working place, it will create better relationship with employer.

**g. Communication**

Communication is another important factor that contributes to employee involvement. So the employee has to improve communications within their company.

**h. Employee Recognition**

Employees are the asset of the organization so the company recognize and give positive energy to them it increases the employers profit and sales.

**5 OBJECTIVES OF THE STUDY**

- a. To identify the influencing factors of employee participation.
- b. To identify the monetary benefits of employee performance.

**6 SCOPE OF THE STUDY**

The scope of this study is to identify the influencing factors of employee participation and their performance.

**7 HYPOTHESIS**

H0: There is no significant relationship between incentives and employee motivation.

H1: There is a significant relationship between incentives and employee motivation.

**8 METHODOLOGY**

Sample of this study was consisted of 50 questionnaires, the primary data was collected from 50 employees in Chennai. Influencing factors related 5 items used for data collection. Statistical tools were used to analyze the data. The secondary data was collected from books, articles and internet.

**ANALYSIS:-****Table 1: Demographic profile**

Variable	Range	Frequency	Percentage
Age	21-30	15	30
	31-50	26	52
	Above 50	9	18
Educational Qualification	Graduate	27	54
	Post graduate	15	30
	Other	8	16
Work experience	Less than 3 years	12	24
	3-5 years	16	32
	5-10 years	12	24
	Above 10 years	10	20
Annual Income	Less than 3,00,000	21	42
	Rs.3,00,000 to Rs.5,00,000	16	32
	Above 5,00,000	13	26
Marital status	Married	36	72
	Single	14	28

Source: Primary Data

**Interpretation**

The above table shows the demographic profile of the respondents 30% of the respondents are 21- 30 age group, 52% of the respondents are 31-50 age group, 18% of the respondents are above 50 age group. It is observed that majority of the respondents are 31-50 age group. Educational qualification wise distribution 54% of the respondents are graduate, 30% of the respondents are post graduate and 16% of the respondents are other category, more than half of the respondents are graduate. Based on work experience 24% of the respondents are less than 3 years' experience 32% of the respondents are 3-5 years' experience, 24% of the respondents are 5-10 years' experience and 20% of the respondents are above 10 years' experience. It is observed that majority of the respondents are 3-5 years' experience. Annual income wise distribution 42% of the respondents are less than 3 lakhs income group 32% of the respondents are 3-5 lakhs income group, 26% of the respondents are above 5 lakhs income group. It is observed that majority

of the respondents are less than three lakhs income group. 72% of the respondents are married, 28% of the respondents are unmarried. It is observed that majority of the respondents are married.

**Table 2: Respondents based on influencing factors of Employee participation in decision making process**

S.N	Particulars	SA		A		N		DA		SDA	
		No	%	No	%	No	%	No	%	No	%
1	Company offer career development programme	7	14	22	44	4	8	8	16	9	18
2	Satisfied with my pay structure	12	24	17	34	5	10	10	20	6	12
3	My company adopt learning culture	3	6	9	18	11	22	9	18	18	36
4	I involved in important decision making process	4	8	7	14	4	8	19	38	16	32
5	My company recognized my opinion	5	10	8	16	6	12	20	40	11	22

The above table shows influencing factors of Employee participation in decision making process. One-way ANOVA and Chi - square test applied for this study.

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Company offer career development programme	Between Groups	776.000	4	194.000	.	.
	Within Groups	.000	0	.	.	.
	Total	776.000	4	.	.	.
Satisfied with my pay structure	Between Groups	376.000	4	94.000	.	.
	Within Groups	.000	0	.	.	.
	Total	376.000	4	.	.	.
My company adopt learning culture	Between Groups	464.000	4	116.000	.	.
	Within Groups	.000	0	.	.	.
	Total	464.000	4	.	.	.
I involved in important decision making process	Between Groups	792.000	4	198.000	.	.
	Within Groups	.000	0	.	.	.
	Total	792.000	4	.	.	.
My company recognized my opinion	Between Groups	584.000	4	146.000	.	.
	Within Groups	.000	0	.	.	.
	Total	584.000	4	.	.	.

Summary of Data						
	Treatments					
	1	2	3	4	5	Total
N	5	5	5	5	5	25
$\Sigma X$	100	100	100	100	100	500
Mean	20	20	20	20	20	20
$\Sigma X^2$	2776	2376	2464	2792	2584	12992
Std.Dev	13.9284	9.6954	10.7703	14.0712	12.083	11.1654

Result Details				
Source	SS	df	MS	
Between-treatments	0	4	0	F = 0
Within-treatments	2992	20	149.6	
Total	2992	24		

The f value is 0. The P value is 1. The results is not significant at P<.05

Std.Dev of Company offer career development programme is 13.9284, Std.Dev of Satisfied with my pay structure is 9.6954, Std.Dev of My company adopt learning culture is 10.7703, Std.Dev of I involved in important decision making process is 14.0712, Std.Dev of My company recognized my opinion is 12.083.

#### CHI -SQUARE TEST

PARTICULARS	SA	AGREE	NEUTRAL	DA	SDA
Company offer career development programme	14 (12.40) [0.21]	44 (25.20) [14.03]	8 (12.00) [1.33]	16 (26.40) [4.10]	18 (24.00) [1.50]
Satisfied with my pay structure	24 (12.40) [10.85]	34 (25.20) [3.07]	10 (12.00) [0.33]	20 (26.40) [1.55]	12 (24.00) [6.00]
My company adopt learning culture	6 (12.40) [3.30]	18 (25.20) [2.06]	22 (12.00) [8.33]	18 (26.40) [2.67]	36 (24.00) [6.00]
I involved in important decision making process	8 (12.40) [1.56]	14 (25.20) [4.98]	8 (12.00) [1.33]	38 (26.40) [5.10]	32 (24.00) [2.67]
My company recognized my opinion	10 (12.40) [0.46]	16 (25.20) [3.36]	12 (12.00) [0.00]	40 (26.40) [7.01]	22 (24.00) [0.17]

The chi-square test value is 91.9701. The p-value is < 0.00001. The result is significant at p < .05.

#### 9 CONCLUSION

Employee participation in decision-making process will increase the organizational ability and help to the management to make decisions. Implementation of employee participation programs need systemic and integrated approach.

In this competitive business environment, employee participation in decision - making process fair pay structure is one of the most important factors of organizational innovation and its effectiveness. The management has to adopt employee innovative programs to improvethe employee performance, growth and competitiveness on the global market. Fair pay structure and career development programme encourage the employee to participate in the management decision making process and other important process. So the organization has to introduce policy for employee to improve and encourage involving in management process. It is not only the benefit of employee it is benefit for both organization and its employee. So the management has to implement best policy to improve the employee morale andincrease the productivity. According to this study some of the companies only give preference to the employee to participate in management process. Some of the company employees are still working under depression they are not allowed them to participate in any other process. The management has to identify the issues and takes necessary steps to improve the employee career and allow them to involve in management decision making process.

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