

## **ASSESSMENT OF WORKERS' PARTICIPATION IN DECISION MAKING AND COMMITMENT TO ORGANIZATIONAL PERFORMANCE IN A SECOND GENERATION BANK IN LAGOS**

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### **Abstract**

The study examined the relationship between employees' participation in decision making process and their commitment in the Nigerian Banking sector. This was with a view to unveiling the causal relations between levels of involvement in decision making and their commitment to duties. To achieve these objectives, about 35% of the total population (216) of the Head Office staff of the bank was sampled; mostly on the middle level cadre. In all, about 75 sets of questionnaires were obtained and analyzed. The data collected were analyzed using regression analysis. Results showed that employees' participation ( $t = 7.75$ ;  $p \leq 0.01$ ) had positive and significant influence on workers' commitment to organizational performance. It is therefore, concluded that workers' involvement in decision motivates job performance. It is thus recommended that workers in organizations should be encouraged to participate in decision as a way of motivation in order to ensure better performance of individual employees.

**Keyword:** Employees' participation, decision making process, workers' commitment, organizational performance.

### **INTRODUCTION**

Employees' participation in organizations has been recognized as one of the most important constructs that is capable of enhancing workers' commitment in any organization. Akintayo (2010) asserted that employees' participation in decision making is part of efforts to achieve desired organization's objectives. Salami (2008) views employees' participation as workers' involvement in organizational management resulting from practices which come as a result of increased involvement of workers' shared influence in decision making process, especially at different layers in the organizational hierarchy with some laid down procedures and required responsibilities. The formal system of communication between the management of an organization and the employees' representatives that usually takes place prior to taking organizational decisions is capable of affecting the workforce. Armstrong (2003) argues that workers' participation in decision

making can be seen as a joint consultation, especially if it was meant to relate with management in decision making process; in which goals are set and strategies are put in place for the betterment of the organization.

In an attempt to attain and retain competitive edge, forward-looking firms naturally strive to engage workers who are ready to be motivated; and could be motivated, in order to be committed to organizational culture and by extension regularly work towards the realization of set objectives (Oladejo, Akinpelu, Fafunwa, & Morakinyo, 2011; Salami, 2008). Workers who are not made to be part of decision making process naturally exhibit limited level of commitment to their organization. They even get involved in unwholesome behaviours such as lateness to work and even absenteeism, complaint about work procedures and by extension usually do not speak up their minds when necessary, and most times hardly make suggestions for fear or lack of trust on the part of management (Ahiauzu and Ashawo 2012; Kimball and Nink, 2016). Conversely, Nehmed (2009) argues that highly committed employees are always willing to be identified with the aspirations and visions of their organizations, have strong desire to stay with their employers and are prepared to display greater organizational citizenship behaviours, such as, having desire to do over and beyond their required job tasks.

Parasuraman (2012) argues that major factors that encourage and indeed influence the adoption and encouragement of employees' participation in decision making are in two folds, vis-à-vis; the desire for economic and industrial freedom which are believed to have been promoted by employees' involvement in organizational management. Equally, Lunjew, (1994) and Parasuraman (2012) stressed that a number of opinion groups and advocates of industrial democracy are of the view that since people naturally enjoy the freedom to choose people that represent them in leadership positions in democratic societies, it is therefore imperative that workers of any organization are encouraged to play active and strategic roles, especially when vital decisions are to be taken; as this is capable of positively affecting the growth and development of such organizations. This is very important as it is assumed that such step is bound to improve the performance frontier of such enterprises and ensure their profitability at all times.

To this end, the importance of participative management and employees' commitment cannot be overemphasized, as accentuated by Marchington (1992) who stressed that it is capable of reducing industrial conflicts, and provides opportunity for employees to express their emotional and psychological disposition to management.

Extant literature has over the years debated on how workers' commitment could enhance organizational performance and how it can reduce industrial conflicts (Okpara, 2004; Angle and Perry, 1981; Cregan and Brown 2010 1988; Ackers, *et al.*, 1992; Farndale, *et al.*, 2001; Gbadamosi, 2003; Zahid, *et al.*, 2003; Salami, 2008; Ahiauzu and Ashawo, 2009; Oladejo, *et al.*, 2011). For instance, Farndale (2011) investigated the influence of level of income and employees' age on organizational commitment. Gbadamosi (2003) studied economic trending variables as they affect workers' commitment and organizational performance.

Other constructs that are associated with organizational commitment which have been thoroughly studied by various researchers include: employees performance (Oladejo, *et al*, 2011), financial rewards (Omolayo and Owolabi, 2007), management effectiveness (Angle and Perry, 1981), psychological and demographic factors (Salami, 2008), organizational hierarchy, Armstrong (2003), labour turnover (Cadwallader, Jarvis, Bitnar, and Ostrom, 2010), transfer/relocation (Akintayo, 2010), effective communication and job satisfaction (Trombetta and Rogers, 1988).

In spite of the importance of these studies to organizational commitment and performance, less attention has been paid to the relationship of these variables in the banking sector in Nigeria. Therefore, it appears that there is dearth of literature that specifically addressed workers' participation and employees' commitment in the banking sector in Nigeria. There is no doubt that this aspect of research is important and cannot be over-flogged as managers are often expected to work in teams to make strategic decisions. The complexity of workers, their needs and demands as well as ambiguity of issues that the work environment could pose can be overwhelming without the cooperation and input of workers (Jamieson and Richards 2011; Appellbaum, 2002).

Equally, scholars have established the relationship between team's decision-making effectiveness and members' cohesiveness in terms of information provision, especially in airing and fully divulging relevant information in the form of stating assumptions and interpretation of policies and programme (Shwenger, Sandberg and Rechner, 1989). Unfortunately, little or no study has specifically examined the relationship between workers' participation in decision making and organizational commitment in the Nigerian banking sector. To this end, this study is aimed at filling this identified gap in literature by analyzing the relationship between workers' participation in decision making and their commitment to duties as well as determining the relationship between workers' commitment and organizational performance in the Nigerian banking sector.

## METHOD

### Design

This study adopted descriptive cross-sectional research design. This has to be adopted in this study, as it allows estimates or the proportions of the population to be used as the basis for discovering the association between different variables and to determine whether the identified variables are interdependent; and then to determine the strength or magnitude of the relationship.

### Sampling

In pursuance of this, 35% (216) of the total staff members at the headquarters of a named second generation bank in Lagos were proportionally sampled, out of which a total of 75 respondents who were mostly at the middle management cadre

completed the questionnaire. This was done across the various departments and units of the selected organization.

### **Participants**

The participants consist of 75 bank employees. In terms of sex, 43(57.3%) respondents were female while the remaining 32 (42.7%) were male. For age distribution, largest percentage of the respondents 27(36%) were in the age bracket of between 31-40years old. Next to this in terms of proportion were the respondents who were between 21 and 30years old 15(20%) and those of them who were between 41 and 50years old were 14(18.7%). Also, respondents who were under 20years and 51years old and above were 8(10.7%) and 11(14.6%) respectively. Equally, higher proportions of the respondents were married 31(41.3%), a little less than this in terms of proportion were single 28(37.3%) and the remaining 16(21.4%) were widowed. In terms of educational attainment, about 30(40%) of the respondents had a university degree, while 21(28%) had postgraduate degrees. The remaining respondents had acquired national college of education/ordinary national diplomas 14(18.7%) and senior secondary school certificates 10(13.3%) respectively. The survey equally revealed that 32(42.7%) of the respondents had worked for between 4 and 6years, 21(28% ) of them were noted to have worked for between 1 and 3years, 13(17.3%) had worked for between 7 and 9 years and insignificant proportion 9( 12.9% ) had worked for 10 years and above. In terms of employment status, the largest proportion of the respondents 67(89.3%) were in the middle management cadre, 5(6.6%) were top management staff, while insignificant proportion of 3(1.3%) were low level management staff.

### **Instrument**

A standardised and validated questionnaire with the Correlation Coefficient of 0.78 for consistency test as used by Irawanto (2015) was used in this study. In this instrument, demographic questions such as age, gender, education, among others; which were used as control variables, were incorporated. Age was coded into five categories of (1=under 20 years; 2 = 21- 30years; 3 = 31- 40years; 4= 40 - 50years and 5 = 51 years and above). Education was measured by four categories (1 = SSCE; 2 = Diploma; 3 = Bachelor degree; 4 = Masters' degree/professional certificate). Gender was coded with 1 = male and 2 = female. Also, the research questions were designed in a Likert Scale format and scored; ranging from strongly agreed (5), agreed (4), undecided (3), disagreed (2) to strongly disagreed (1). Therefore, the grand mean score of  $5+4+3+2+1= 15/5= 3.0$  was obtained and used as basis of comparison.

Both descriptive and inferential statistics were used in this study. While, descriptive statistics such as simple percentages were used to analyze the demographic variables, inferential statistic was used to establish the relationship between the independent variable and dependent variable.

**RESULTS**

**Table 1: Influence of Workers’ Participation in Decision Making and their Commitment to Organization’s Job Performance**

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	1.11	0.44	0.72	2.55	0.19
Employees’ Participation	0.92	0.12		7.75	0.00

**R = 0.72, R<sup>2</sup> = 0.52, Adjusted R<sup>2</sup> = 0.51, F-value = 60.06**

Evidence from Table 1 shows that significant relationship existed between workers’ participation in decision making (t=7.75; p≤ 0.01) and their commitment to job performance. This result attests to the fact that workers’ participation is a contributing tool to ensuring employees’ improved commitment to organization job performance. That is, workers’ participation in decision making is positively related to employees’ commitment. The R-squared value of 0.52 is an indication that an involvement of workers in decision making contributed significantly to their commitment to organization job performance. This implies that about 52% of workers’ commitment to organization job performance could be explained by workers’ involvement in decision making, while the remaining 48% variation is explained by stochastic error term (e). This means that 48% of changes in employees’ level of commitment are explained by some varying factors not captured in the model. The analysis of variance (ANOVA) in Table 2(b) equally shows that the F value of the model (60.0) was significant at the 0.01 level; showing the fitness of this model for the study. Therefore, there was a significant influence of employees’ participation in the decision making process (t=7.75; p≤0.01) on their commitment.

**Table 2: Relationship Between Workers’ Commitment and Organizational Performance**

		Workers’ Commitment	Organizational Performance
Employees’ Commitment	Pearson Correlation	1	0.433*
	Sig(2-tailed)		0.002
	N	75	75
Organizational Performance	Pearson Correlation	0.43	1
	Sig. (2-tailed)	0.02	
	N	75	75

**\*Correlation is significant at the 0.05 level (2-tailed)**

Results in Table 2 show that there was a moderate correlation between workers' commitment and organizational performance, with the correlation coefficient of 0.43. This implies that the higher the level of workers' commitment, the better the level of organizational performance; all things being equal. One of the best ways of making workers to be committed to the organizational objectives is to involve such workers in the decision making process, as opined by Ahiauzu and Ashawo (2012). This means that in the banking sector, workers should be encouraged to participate in decision making, if improved organizational performance is to be attained. However, this strategy naturally needs serious deliberation on the part of both management and staff, in order for quality decisions to be taken, which explains the extent of participation of employees in the decision-making process in organizations. Essentially, quality decision making seeks to show the degree of participation of employees as major stakeholders in organizations, a part-way variable; explaining organizational performance. From the above table, it is obvious that workers' level of commitment is capable of enhancing organizational performance significantly, as these variables moderately correlate at 0.01 percent level of significance.

### CONCLUSION AND RECOMMENDATIONS

The study further established the significant influence of employees' participation in decision making on their job performance. Therefore, quality time must be provided for engaging employees in continuous dialogue and to get appropriate inputs for decision making. This is very important as employees are the assets to any organization and they should be seen as such, by engaging them in decision making, with a view to promoting the goals of the Nigerian banking sector. In addition, employees believe that they are better off, in view of their participation in decision-making; and by so doing, the organization gains through collaborative efforts and improved commitment on the part of the workers in terms of effective execution of assigned tasks.

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