

FOSTERING ORGANIZATIONAL COMMITMENT THROUGH EMPLOYEE PARTICIPATION IN DECISION MAKING

Ngozi MOGBOLU,

Department of Business Administration, Delta State University, Abraka

Anthony A. KIFORDU,

Department of Business Administration, Delta State University, Abraka

anthony.kifordu@yahoo.com, aakifordu@delsu.edu.ng

&

Demaro ARUBAYI,

Department of Business Administration, Delta State University, Abraka

Abstract

The present study was carried out among bank staffs in Warri and Abraka, Delta State. The study seeks to ascertain the effect of employee participation in decision making on organizational commitment of bank staffs in Delta State. The population of study comprised employees of banks in Warri and Abraka, Delta State. The sample for the study was given as 240. Out of the 240 questionnaires administered to the participants only 220 were returned while 20 were not returned. The data obtained from the questionnaires were analyzed using descriptive statistics such as frequency count, percentage, mean, and standard deviation to answer the research questions. The hypotheses developed was tested using regression analysis. The findings show that there is a significant positive relationship between employees' participation in decision making and organizational commitment. The study, therefore, recommends among others that the management of the institutions should continue to allow employees to participate in the decision-making process for increasing employee commitment.

Keywords: *Organizational Commitment, Employee Participation, Decision Making.*

DOI: 10.58934/jgeb.v4i15.211

1. INTRODUCTION

The management's strategic planning and the employees' dedication to their jobs are what drive an organization's growth. Involving all employees in making effective decisions is ostensibly a bold move by leaders to improve the working environment in an organization (Al-Dabbagh, 2020). It has been discovered that integrating employees in organizational decision-making can

generate a variety of fresh ideas and boost diversity in the company's growth strategy. Through the participation of all employees in decision making, setting goals and achieving them can become simple (Adu-Gyamfi et al., 2021).

The mental and emotional engagement of individuals in group settings that motivates them to contribute to and share responsibility for collective goals is referred to as participation. The concepts of engagement, contribution, and accountability are crucial when it comes to decision-making. Employee involvement is all about fostering an atmosphere where people may influence decisions and actions that affect productivity in their line of work. Because employees are viewed as the company's greatest asset, this encourages management to be more pro-active in meeting their requirements (Ezeanolue & Ezeanyim, 2020). The benefits of integrating employees in organizational efforts have been well documented by researchers. They consist of improved management decision-making skills, a happy work environment, improved worker welfare, decreased operating costs due to waste reduction, and high worker productivity in all company sectors (Jones, Kalmi, & Kauhanen, 2010). According to Ezeanolue and Ezeanyim (2020), these advantages were further distilled into motivation, dedication, creativity, empowerment, and job satisfaction.

The level to which companies let or encourage staff to contribute to or participate in corporate decision-making is known as employee participation decision making, or EPDM. As a management tool for enhancing organizational performance by pursuing the objectives that managers and employees share, EPDM has gained recognition. This is made possible by including employees in the creation of the mission statement, the formulation of rules and processes, selection, promotion, and selection of benefits. In many organizations, the senior management team makes decisions without considering the opinions of the workers at the lower administrative levels. When a choice appears to be unfavorable to the employees, who often carry out decisions, it might be challenging for top management to implement it (Dede, 2019).

Because it is often thought to lower withdrawal behaviors like tardiness, absenteeism, and quitting the organization, organizations reward employee commitment. These ideals, it is undeniable, seem to have potentially detrimental effects on the performance of the entire business. It is becoming more widely accepted that committed individuals who are highly motivated to devote their time and efforts to furthering organizational goals are an organization's most valuable resource (Hunjra, 2010). They offer the intellectual capital that

many firms now consider to be their most important resource. Additionally, workers who are dedicated to the company and succeeding in their goals are better suited to create the social capital necessary for organizational learning.

Employees today behave like business owners when they operate in teams and each person does all possible to distinguish himself from the rest. These items raise their degree of dedication to the company, which in turn raises the performance of the company. In Nigeria, there is a high rate of employee turnover, absenteeism, tardiness, and nonchallant behavior, which is said to be due to a lack of commitment on the part of the workforce. This study set out to investigate employee involvement in decision-making and organizational commitment based on this notion.

The problem

The constant complaint heard throughout the nation is that the average Nigerian worker frequently feels uncommitted to his job and organization and is less interested with its aims and objectives. Any organization that deals with the issue of poor organizational commitment faces threats. According to studies, employee involvement in decision-making enhances corporate commitment. Different results, though, have been recorded by other research. To the best of my knowledge, no research has been done to ascertain the degree of decision-making authority granted to staff members in Delta State banks and whether this affects how committed they are to the business. Therefore, this study set out to remedy this problem.

Objectives

1. To determine the extent to which employee's participation in developing the mission statement enhances organizational commitment.
2. To ascertain the influence of employee's participation in policies and procedure formulation on organizational commitment.

Hypotheses

H₀₁: Employee participation in developing the mission statement does not have any significant influence on organizational commitment.

H₀₂: Incorporating employee in the establishment of policies and procedure does not have any significant influence on organizational commitment.

2. LITERATURE UNDERPINNING

Employee Participation

Employee participation, according to Khandakar, Huq, and Sultana (2018), is the emotional and mental involvement of workers in groups that allows them to contribute to organisational goals and share responsibility for putting them into action. It is described as the direct or indirect participation of workers in various elements of their work-life inside the business by Alemayehu (2019). These concepts make it very obvious that seeing employees as significant stakeholders within the firm is a key component of employee involvement.

Decision Making

Decision making, according to Abdulai and Shafiwu (2014) as cited in Chukwuemeka (2020), is "the process of recognizing and selecting a plan of action to solve a specific problem." In the decision-making process, it can also be characterized as a cognitive process for selecting a logical choice from the given possibilities. Decision making, according to Eromafuru (2016), is a process of defining problems and selecting a plan of action among the choices generated.

According to Welhrich and Koontz (2010), decision making is at the heart of planning. They asserted a plan cannot be claimed to exist unless a decision has been made - a commitment of resources, direction, or reputation. As a result, decision making is the allocation of organizational resources to a specific course of action. In this regard, decision-making is at the heart of any management activity, requiring managers to employ creativity, subjectivity, reason, and, at times, quantitative methods to issues of corporate, group, or individual importance.

As stated by Eromafuru (2016), the end goal of a manager is to produce relevant options, prune them, and then make an informed decision. Because of the perverse nature of the necessity for decision making, it may be regarded a crucial aspect of the managerial job. To reach the desired objectives, managers must decide how to plan, organize, staff, control, and direct organizational activities. As a result, a decision must be taken on how to most effectively and efficiently use and allocate organizational resources to achieve goals. He further elaborated that, management must decide on how to carry out its activities amidst constant, precarious, and unwholesome organizational climate in order to minimize or avoid likelihood of environmental threats while attempting to maximize exploitative opportunities.

From the above definitions, we can infer that decision making is not an exclusive preserve of the top management alone; other members of the organization do make decisions appropriate for their own needs. The difference, however, is the dimension, direction, timing, and the scope of the decision. Effective decision making permeates all aspects of the management process. The necessity of good decision making cannot be overstated for any manager, regardless of their position in the organization. Employee participation in such managerial decisions is also necessary. As stated by Chukwuemeka (2020), it is very important in management to give employees a say in molding what impacts them directly or indirectly. As a result, it can be viewed as a collaboration between management and staff. Employees must, however, be able to exert upward control on management decisions during the sharing process.

Organizational Commitment

Cole and Bruch (2006) defined organizational commitment as an individual's emotional attachment to and involvement in an employing organization. Porter, et al., (1974) explained that commitment is characterized by three factors, namely (1) a strong belief in and acceptance of the organization's goals and values, (2) a willingness to exert considerable effort on behalf of the organization, and (3) a definite desire to maintain organizational membership. Therefore, an employee's commitment to an organization embraces his/her bond with and responsibility to the organization, which pushes him/her to want to contribute to the organization and its mission.

There are three components of commitment, namely affective commitment, continuance commitment, and normative commitment (Allen and Meyer, 1990; Meyer and Allen, 1991). According to the authors, affective commitment refers to the emotional attachment that an employee has with his/her organization and its goals such that he/she identifies with, is involved in, and enjoys membership of the organization. Continuance commitment reflects a readiness to remain with the organization as a result of consideration of the costs associated with discontinuing the relationship. Finally, normative commitment incorporates a sense of obligation

For many decades, particularly in the early days of management theory development,

Employee Participation in Decision Making

According to Amos et al., (2008) and Judge and Robbins, an organization is an intentionally organized social unit that consists of two or more people and functions on a continuous basis to achieve a common aim or set of goals (2009). They went on to say that an organization is a group of individuals who work together to achieve a common goal, and to meet its goals, vision, and enhance productivity, management should involve all stakeholders in the firm. Examples of stakeholders are employees, internal teams, customers, vendors, suppliers and even members of the surrounding community or local economy who are affected by business decisions (Moriarty, 2010). Engaging all stakeholders in the running of a business is an extension of the principle of democracy in the workplace (Nigusu, 2018). There are as many definitions of employee participation in decision making as there are authors on the subject, according to Westhuizen (2010).

According to Elele and Fields (2010), participative decision making (PDM) is the opportunity for an employee to provide input into the decision-making process related to work matters (i.e., work organization, task priority) or organizational issues, for example, when they have a say on promoting new strategy ideas. Participative decision making is a managerial strategy which has been argued to affect the performance, organization commitment, turnover, motivation and satisfaction of the employees, organization productivity (Muindi, 2011; Agwu & Olele, 2014). Making decisions requires mapping out the possible consequences of actions, determining the importance of human factors, and deciding on the best course of action to pursue (Florence, 2011; as cited by Chukwuemeka, 2020). It is also a means of choosing amongst alternatives, according to Moorhead and Griffin (2004). Greenberg (2011) argues that both individual and collective decision making are difficult and complex to attain, though the result is dependent on firms, where the stakes are high, and the impact is well-known.

3. THEORETICAL FRAMEWORK

This study was anchored on the Goal Setting Theory. The Goal Setting Theory (GST) proposed by Edwin Locke in 1968 serves as the foundation for this investigation. According to the notion, people are driven to strive towards achieving specified goals or objectives that they have established for themselves or are a part of. People are more aware of what is required and work harder to achieve the objectives when they are a part of the entire process. Participatory decision-making and employee performance are related to the notion. GST explains why

individuals are driven to strive for the objectives they jointly establish. Goal setting theory is like management by objectives (MBO) in that when goals are confirmed, performance is reviewed and opportunities for improvement are raised. According to the management interpretation of this theory, job duties and tasks should be created so that employees have access to job autonomy. This will boost their dedication, morale, and sense of fulfilment as they work towards achieving predetermined goals or targets.

Empirical Review

The link between employee participation in decision-making and organisational commitment has been studied extensively. There are now opposing viewpoints in the literature about this, both favourable and negative. Below is a survey of some of these studies from various countries, including Nigeria:

Ezeanolue and Ezeanyim (2020) used the survey research design to study employee involvement in decision-making and productivity in manufacturing firms in the South-East of Nigeria. A questionnaire was distributed at random to 2,416 employees of the chosen firms, of which 470 respondents made up the sample size. The research's conclusions showed that in the South-East manufacturing businesses that were chosen, there was a considerable beneficial impact of employee consultation, employee engagement, and staff delegation on organisational productivity. Accordingly, the study found that employee involvement in decision-making had a positive, significant impact on organisational productivity and advised management of the chosen manufacturing firms to allow for more employee involvement in workplace decision-making as well as allow employees to participate in policy development since they would be the ones to put it into practice.

4. TOOLS AND METHODS

The study used a descriptive survey design. The use of random sampling was made because every unit in the population has an equal probability of being chosen for the sample. Taro Yamani formula was used to determine the sample size of 240. The data collected from the field were analyzed and weighted mean was used in answering the research questions. The response options in the instrument are weighted. The acceptance point for the items was 2.50 and any mean below 2.50 was regarded as rejected, not prevalent and as unpopular view. As the data consists of single dependent variable and multiple independent variables, multiple

regression analysis were deployed and SPSS 25 was used to generate results. Hypothesis testing were carried out using multiple regression statistics.

5. RESULTS AND DISCUSSIONS

Analysis of Research Questions

Research Question 1: To what extent would employees' participation in developing the mission statement enhance organizational commitment?

Table 4.1 Responses on Mission Statement and organization performance

S/N	Items	Mean	Std. Dev	Obs
1	Encouraging employee to contribute in mission statement development enhance workers commitment to the organization	3.68	.647	220
2	Employee participation in mission statement development helps to encourage employee to put in more efforts at work	3.66	.674	220
3	Participation of employee in mission statement development encourage workers to put in more hours of work	3.73	.640	220
4	Employee's participation in mission statement development helps to foster employee commitment	2.79	1.506	220
5	Allowing employee to participate in mission statement development enhances the chance of workers effective utilization of capital and materials	3.99	.676	220
Grand mean/standard deviation		3.57	.828	

SPSS Package, 2023

The descriptive statistics on employees' participation in mission statement is shown in table 4.1. The mean score for all the measuring variables shows that respondents agree and support all facts raised. On the 5-point scale, the mean score that ranges from 2.79 to 3.99 is significantly positive while the standard deviation for all the items revolves between 0.64 and 1.51 is very good. Additionally, item 5 (Allowing employee to participate in mission statement development enhances the chance of worker's effective utilization of capital and materials) had the highest mean value (3.99). With a grand mean of 3.57, the outcome suggests that mission statement attracts organizational commitment. Therefore, we conclude that employee participation in formulation of mission statement has positive effect on organizational commitment.

Research Question 2: What is the influence of employee incorporation in the establishment of policies and procedures on organizational commitment?

Table 4.2: Mean of policies procedures and organizational commitment of bank staff

S/N	ITEMS	Mean	Std. Dev.	Obs
1	involving the employee in the establishment of policies and procedure enhance workers punctuality	3.55	1.50	235
2	Incorporation of employee in the establishment of policies and procedure help to reduce workers stress	3.07	1.39	235
3	Incorporation of employees in the establishment of the policies and procedure help to improve workers job output	3.08	1.35	235
4	Incorporation of employee in the establishment of the policies and procedure help to foster employees' commitment	2.84	1.43	235
	GRAND MEAN	3.14	1.42	

SPSS Package, 2023

The descriptive statistics on influence of employee incorporation in the establishment of policies and procedures on organizational commitment is shown in table 4.2. The mean score for all the measuring variables shows that respondents agree and support all facts raised. On the 5-point scale, the mean score that ranges from 2.84 to 3.55 is significantly positive while the standard deviation for all the items revolves between 1.35 and 1.50 is very good. Additionally, item 1 (involving the employee in the establishment of policies and procedure enhance workers punctuality) had the highest mean value (3.55). With a grand mean of 3.14, the outcome suggests that employee incorporation in the establishment of policies and procedures attracts organizational commitment. Therefore, we conclude that employee incorporation in the establishment of policies and procedures has positive effect on organizational commitment.

Hypotheses Testing

Hypothesis One:

H₀₁: Employee participation in developing the mission statement does not have any significant influence on organizational commitment.

Table 4.3 Regression analysis of Employee participation in developing the mission statement on organizational commitment.

MODEL	R	R²	R² Adjusted		Standard error of estimate
Mission Statement	.594	.353	.351		.287
ANOVA Model 1	Sum of squares	Mean square	Df	F	Sig
Regression	11.428	11.428	4	138.685	.000
Residual	20.931	.082	215		
Total	32.359		219		

SPSS Package, 2023

Table 4.3 presents the regression analysis. It shows that the correlation coefficient R between level of employee participation in developing the mission statement and decision making is 0.594 (i.e. $R = 0.594$) which indicates that there exists a moderate positive relationship between organizational commitment (dependent variable) and level of employee participation in developing the mission statement (independent variables). It can be seen from the table that the R^2 which is the coefficient of determination is 35.3%. This implies that 35.3% improvement in organizational commitment can be attributed to the level of employee participation in developing the mission statement in banks.

The analysis of variance (ANOVA) indicated that, the F- statistics is 138.685 with p-value of .000 which is less than 0.05. This implies that the model is fit. Hence, employee participation in developing the mission statement has significant effect on organizational performance in banks.

H₀₂: Incorporating employee in the establishment of policies and procedure does not have any significant influence on organizational commitment.

Table 4.4: Regression analysis of Incorporating employee in the establishment of policies and procedure on organizational commitment.

MODEL	R	R ²	R ² Adjusted		Standard error of estimate
Policies/procedures	.482	.232	.229		.81036
ANOVA					
Model 1	Sum of squares	Mean square	Df	F	Sig
Regression	47.270	47.270	4	71.983	.000
Residual	156.292	.657	215		
Total	203.563		219		

SPSS Package, 2023

Table 4.4 presents the regression analysis. It shows that the correlation coefficient R is 0.482 (i.e. R = 0.482) which indicates that there exists a weak positive relationship between organizational commitment (dependent variable) and incorporating employee in the establishment of policies and procedure (independent variables). Results also showed that the R², which is the coefficient of determination, is 23.2%. This implies that 23.2% improvement in organizational commitment can be associated with employees’ participation in the establishment of policies and procedures. The analysis of variance (ANOVA) indicated that, the F- statistics is 71.335 with p-value of .010, which is less than 0.05. This implies that employees’ participation in the establishment of policies and procedures has significant positive effect on organizational commitment.

Discussion

The research first, identify the effect of employees’ participation in developing the mission statement enhance organizational commitment. The findings showed a moderate positive relationship between organizational commitment (dependent variable) and level of employee participation in developing the mission statement (independent variables) in banks selected. This implies that organizational commitment of employees in the organisations is affected by the level of workers’ participation in developing the mission statement. The findings from this study corroborates the findings of Nwosu et al., (2020) who studied the Employees’ Participation in Decision Making and Employees’ Productivity, at the end they found a positive significant relationship between employee participation in mission statement development and employee productivity. Kuye and

Sulaimon (2011) who studied the relationship between level of Employee Involvement in Decision Making and Firms Performance, at the end they found a positive significant relationship between employee involvement in decision making and firms' performance. According to Rehman, Khalid and Khan (2012), there is a significant positive relationship between employee decision making and employee/organizational performance in public and private sector banks.

Furthermore, the research analyzed the influence of employee incorporation in the establishment of policies and procedures on organizational commitment. A moderate positive relationship was observed with correlation coefficient "R" being 0.597. In addition, the significant value was 0.000 which indicated that employee incorporation in the establishment of policies and procedures have significant effect on organizational commitment. On that note, the null hypothesis, which stated that "Incorporating employee in the establishment of policies and procedure does not have any significant influence on organizational commitment", was rejected.

6. CONCLUSION

The study concludes based on the findings from the analysis that, employee participation in developing the mission statement have a significant influence on organizational commitment, also Incorporating employee in the establishment of policies and procedure have a significant influence on organizational commitment and finally employee participation in bonus/benefit determination have a significant influence on organizational commitment Conclusively, this study has shown that employee participation in decision-making practices has significant effect on organizational commitment in Bank staffs.

Recommendations

1. The management of the institutions should continue to allow employees to participate in the decision-making process. This, as can be deduced from the responses of the respondents that decision making will make them render services of good quality and rendering services of good quality, will have a positive effect on the effectiveness, efficiency, commitment and productivity of the institutions.
2. The management should always allow the employee to participate in decision making because it fosters commitment.

REFERENCES

- Abdulrahman, A. (2016). Employee Participation in Decision-Making (PDM) and Firm Performance. *International Business Research*, 9 (7), 342-365.
- Anthony, A. (2017) Employees’ commitment and its impact on organizational performance. *Asian Journal of Economics, Business and Accounting* 5(2): 1-13,
- Bhatti, K. K. and Qureshi, M. T. (2007). Impact Of Employee Participation On Job Satisfaction, Employee Commitment, And Employee Productivity. *International Review of Business Research Papers*, 3(2), pp 54-68.
- Bwire, J.M., Ssekabuko, J. and Lwanga, F. (2014) employee motivation, job satisfaction and organizational performance in Uganda’s Oil Sector. *Global Advanced Research Journal of Management and Business Studies*, 3, 35-324.
- Chukwuemeka, S.O. (2020) “Employee participation in decision making and organizational performance in public organization in Anambra State, Nigeria”, *International Journal of Business and Law Research*, 8, (3):79-88.
- Daniel, C. O. (2019) “Impact of employee participation on decision making in Nigerian Banking Sector”, *IOSR Journal of Business and Management*, 21, (2)14-20.
- Dede, C. H. (2019). Employee participation indecision making and organizational productivity: Case study of Cross River State Board of Internal Revenue, Calabar. *international Journal of Economics and Business Management*. 5 (1), 84-94
- Eibli, K., Nadari, a., Yazadani, B. o., & zahai, N. n. (2014). Effect of participative decision making on job satisfaction. *danashkda parastai wa mamai ormai*, 12(2), 101-108.
- Ejikeme, I. E & Ukandi, D. G. (2015). Employees’ participation in decision making and the hospitality industry in Nigeria. An Investigative Study of Selected Hotels in the Federal Capital Territory, Abuja, Nigeria. *Academic Journal of Economic Studies*. 1(4): 54–66
- Ezeanolue, E.T. and Ezeanyim, E.E. (2020) “Employee participation in decision making and organizational productivity in manufacturing firms in South-East, Nigeria”, *International Journal of Innovative Development and Policy Studies*, 8, (1).110-124.

- Irefin, P. and Mohammed A. M. (2014). Effect of employee commitment on organizational performance in Coca Cola Nigeria Limited Maiduguri, Borno State. *Journal Of Humanities And Social Science*, 19 (3) 33-41
- Isichei, E. E., & Godwin, U. D. (2015). Employees' Participation in Decision Making and the Hospitality Industry in Nigeria, An Investigative Study of Selected Hotels in the Federal Capital Territory, Abuja, Nigeria, *Academic Journal of Economic Studies*, 1(4), 54-6.
- 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.
- Nwosu, H.E. (2014). Materials, Management and Firm's Profitability. *The International Journal of Business & Management Vol 2 (7)*, 80-93
- Nwosu. H. E. (2015). Effect of Strategic Planning on Organizational Performance: A Study of Selected Brewing Firms in Nigeria. *The International Journal of Business & Management*, 3(2), 162-186.
- Ojokuku, R. M. & Sajuyigbe, A. S (2014). Effect of employee participation in decision making on productivity of selected small and medium scale enterprises in Lagos, Nigeria. *European Journal of Business and Management*.6, (10). 93-97
- Olowe, F.T. et al (2013). Empirical Study of the Impact of Microfinance Bank on Small and Medium Growth in Nigeria. *International Journal of Academic Research in Economics and Management Sciences*, 2 (6): 116 -127.
- Oluwatoyo, A., Opoko, A., & Ezma, I. (2017). Employee Participation In Decision-Making In Architectural Firms. *Urbanism. Arhitectură. Construcții*. 8 (2); 193-207
- Oyebamiji, F. F. (2018). Influence of employees' participation in decision making on organization productivity: A Study of Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso, Oyo State, Nigeria. *International Journal of Innovative Social Sciences & Humanities Research*. 6(3),8-17

Pathak, A., & Singh, M. (2012). Relationship between Employee Participation & Job Satisfaction among the employees in HDFC Bank Ltd. *International Journal of in Multiciplinary and Academic Reserach*, 3(3), 182-195.

Zubair, A., Bashir, M., Abrar, M., Baig, S., and Hassan, S. (2015), Employee's Participation in Decision Making and Manager's Encouragement of Creativity: The Mediating Role of Climate for Creativity and Change. *Journal of Service Science and Management* 08(03):306-321.