

**INVESTIGATING THE IMPACT OF EMPLOYEES INVOLVEMENT IN  
DECISION MAKING ON EMPLOYEE PRODUCTIVITY IN THE  
MANUFACTURING SECTOR IN KENYA: A CASE OF TATA CHEMICALS  
MAGADI**

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REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN  
RESOURCE MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA**

**2013**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the senate of the Open University of Tanzania a dissertation titled: *“Investigating the Impact of Employees Involvement in Decision Making on Employee Productivity in the Manufacturing Sector in Kenya: A Case of Tata Chemicals Magadi”* in partial fulfilment of the requirements for the degree of master of Human Resource Management of the Open University of Tanzania.

.....

Dr. Chacha Matoka

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I, Moses Okiya Tunga, declare that, this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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Signature

.....

Date

**DEDICATION**

This work is devoted to all those who in one way or the other contributed to its completion. The research project would have been worthless without the support, prayers and inspirations from my parents Jemima and Henry, my lovely wife Ann, my son Wesley and my pastor Andrew. I dedicate it to them.

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**ABSTRACT**

This study examines the impact of employee involvement in decision making on employee productivity in the manufacturing sector in Kenya taking Tata Chemicals Magadi as its case study. It looks into demographic influences on the desire for involvement in decision making. The study finally endeavors to understand the form of employee involvement suitable for the manufacturing setup in Kenya and thus recommend appropriately. A quantitative study approach was used in this research. Data on employee involvement was collected by means of questionnaires to a sample of 65 respondents drawn from employees of Tata Chemicals Magadi Limited. Responses from the survey were statistically analyzed using descriptive statistics, product moment correlation and regression analysis and presented graphically. The results of the study indicate a significant relationship between employee involvement in decision making and employee productivity; a significant variation in the desire for involvement based on age, gender, education and rank. The findings also reveal an inclination towards direct forms of employee involvement in decision-making. This study suggest the need for the management of manufacturing firms to demonstrate high level of commitment to employee involvement in decision making.

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**LIST OF ABBREVIATIONS AND ACRONYMS**

CBA	:	Collective Bargaining Agreement
E.A	:	East Africa
EI	:	Employee Involvement
EP	:	Employee Productivity
GDP	:	Gross Domestic Product
HR	:	Human Resource
ICT	:	Information Communication Technology
ISO	:	International Standards Organisation
MNCs	:	Multinational Companies
NGOs	:	Non Governmental Organizations
PDM	:	Participatory Decision Making
SPSS	:	Statistical Package for Social Sciences
SS	:	Senior Staff
TCML	:	Tata Chemicals Magadi Limited
TQM	:	Total Quality Management
USA	:	United States of America
USG	:	Junior Staff

## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 Background of the Problem

The manufacturing sector in Kenya has put in billions of dollars in projects aimed at improving quality and quantity of their products and services. Massive investments have been seen in employees' capacity building but employee productivity has remained a challenge over the years amid the escalating challenges of globalization. The pressure is mounting on firms to rethink of new approaches to counter the negative effects of international competition.

The manufacturing sector has a potential of 30% of the GDP of Kenya's economy yet the current performance stands at a low of 14% (Economic Survey, Kenya, 2012). In order to realise the vision 2030 goals of uplifting the country to a middle level industrial status, the untapped potential and the underperforming manufacturing sector of the economy has to be addressed. Moreover, the country has of late been grappling with increasing cases of firms winding up businesses while others are downsizing in the wake of competition not mentioning the frequent industrial strife in which a firm's performance plays a major role.

In order to bring about efficiency and cost effective productivity in business, it is believed that this inter-alia largely depend on employees involvement in decision making (Hewitt, 2002). A survey of literature indicate that the whole concept of employee involvement has its roots in broader concepts such as industrial democracy and workers control that followed industrial revolution in Europe in the mid 19<sup>th</sup> century (Armstrong, 2009).

The scientific management theory of the early twentieth century proposed a centralized command with decisions on improvement resting at managerial level. Later came in the mid twentieth century the human relations thinkers with their conviction that beyond the technological inputs, high performance could be achieved if employees were allowed some participation in the decisions relating to their work.

To them, productivity problems lay not neither with the unions nor with employers but with the processes of their interactions. Involvement of workers in decision-making is considered as a tool for inducing motivation in the workers leading to positive work attitude and high productivity (Kuye, 2011).

Despite the relative importance of PDM as a factor of productivity, it has received little academic scholarship in Africa (Elele, 2010). A few attempts have been made to study comparatively how western and eastern management practices such as employee involvement play out within the African context endowed with different cultural orientation. Moreover, a survey of literature reveals that very little research has been conducted to ascertain the impact of employee involvement on employee productivity per se, in order to make informed generalisations.

This study is important to government policy makers, employers, employees and academicians seeking information on how best to organize work place relations practices to enhance productivity. It unearths knowledge and give recommendations to all stakeholders in the industry on the best practice of employee involvement by addressing the characteristics to be adopted in the manufacturing industry.

## 1.2 Statement of the Problem

In the battle to perform and with increasing demands for services and products, many manufacturing firms are facing mounting pressure to rethink, redesign and adopt the best practice models to increase their effectiveness and improve their prospects for long term survival and continued contribution to their national economies. The Tata conglomerate of India took over Magadi Soda Company in 2006. Akin to many mergers and acquisitions occurring in the manufacturing industry, the company put in millions of dollars in a pure ash project to improve both the quality and volume of its products.

Significant investments were put in training the newly recruited employees to increase their expertise and develop their capacity to operate the new state of art manufacturing plant. Moreover, a new management structure was put in place in which the mother company decided to centralize all major decision making organs to India, via a highly integrated ICT system.

**Table 1.1: Tata Chemicals Soda Ash Production**

<b>Production</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Budget</b>	615,000 tons.	615,000 tons.	615,000 tons.	615,000 tons.
<b>Actual</b>	604,923 tons.	594,100 tons.	545,502 tons.	555,998 tons.
<b>Variance</b>	10,077 tons.	20,900 tons.	69,498 tons.	59,002 tons.

**Source: TCML Annual reports**

It is notable that despite the significant investments and organizational restructuring put in place by TCML in the past four years to improve performance in the global soda ash market, employees' productivity has not matched this effort; productivity

has instead continued to decline (see table 1.1 below). In order to make an informed decision, there is a glaring need to understand the explanation for this state of affairs and come up with practical ways of addressing it.

Research has shown that although an employee can increase productivity with technologically advanced equipment, it implies a concern for both effectiveness and efficiency in which employee behaviour comes to play (Robbins, 2001). Sullivan (2011) observed that control and authority in an organization can enhance or hinder decision making which is an important ingredient of productivity. According to him, productivity is maximized when there is enough balance so that employees have enough control, authority and permission to make most operational decisions.

A modern forward looking business does not keep its employees in the dark about vital decisions affecting them (Kuye, 2011). Employees need trust and involvement in decision making at all levels and this in turn creates an environment where both management and workers voluntarily contribute to a healthy industrial relations (Noah, 2009; cited by Kuye, 2011). Thus PDM induces motivation in the worker leading to positive work attitude and high productivity.

However, a review of literature indicates a lot of skepticism among researchers and practitioners alike on the actual value and relevance of employee involvement in decision-making on productivity. It is in view of the foregoing that this study is intended examine whether there is any significant relationship between PDM and the perceived employee productivity at TCML. The focal concerns of this study are the extent to which employee involvement influence productivity and further assess variables that may determine preference for employees' involvement if any.

### **1.3 General Objective**

The main objective of this study is to investigate the impact of employees' involvement in decision making on employee productivity in the manufacturing industry in Kenya; a case study of Tata Chemicals Magadi.

### **1.4 Specific Objectives**

- (i) To find out if employees involvement in decision making in an organization has a significant impact on their productive efficiency.
- (ii) To determine how demographic variables of age, gender, education and job rank influence employees preference for involvement in decision making in manufacturing organizations in Kenya.
- (iii) To suggest the best approach to employees involvement in decision making in the manufacturing industry in Kenya.

### **1.5 Research Questions**

- (i) To what extent does involving employees in decision making impact their productive efficiency in the organization?
- (ii) To what extent does employees demographic differences of age, gender, education and job rank affect their preferences to be involved in decision making in manufacturing organizations in Kenya?
- (iii) What is the preferred approach to employee involvement in decision-making in the manufacturing industry?

## **1.6 Significance of the Study**

The knowledge and information drawn from this study is important for policy makers, academics, HR practitioners and employees.

Policy makers are interested in growing the manufacturing industry to adequately contribute to the economy; to edge out globalisation pressures and meet the vision 2030 development goals. Academics on the other hand are looking for the growth in management knowledge. Local academic research on the relationship between employee participation and productivity is less extensive than might be anticipated and is insufficient to advice corporate strategy in the industry.

Business organizations are set up with the profit mind set. Therefore, an understanding of what needs to be done to ensure high productivity will be of great importance to the managerial roles at Tata Chemicals Magadi and other industry players in Kenya.

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Conceptual Definitions

The key ideas in this research are explained below.

##### 2.1.1 Employee Involvement

Employee involvement in decision making sometimes referred to as participative decision making (PDM) is concerned with shared decision making in the work situation. It is a participative process that uses the entire capacity of the employees and is designed to encourage increased commitment to the organizations success by involving workers in those decisions that affect them and by increasing their autonomy and control over their work lives, employees will become more motivated, committed and more productive (Ford and Fottler, 1995).

Hung *et al.* (2006) define employee involvement as the process in which two or more parties influences each other in making plans, policies and decisions that have future effects on all those making the decisions and those represented by them. It is creating an environment in which people have an impact on decisions and actions that affect their jobs.

##### 2.1.2 Decision Making

Decision-making is the act of making a judgement concerning an issue at hand. It is a mental process resulting in the selecting of a course of action among several alternatives scenarios. Armstrong (2006) defines decision making as the capacity to

make sound and practical decisions which deal effectively with the issues and are based on thorough analysis and diagnosis. This study will specifically focus on work related decisions.

The management and operations of organizations are controlled by the decisions made on a daily basis. It is therefore not an overemphasis to point out that well thought out and informed decisions will enhance productivity while poorly or ill informed decisions will be counterproductive. The line drawn between positive and negative productive outcomes is a function of the kind of decisions made. Some scholars have pointed out that employees down the organization structure are pretty well informed of their work thus involving them in making decisions about their work will enhance productivity.

### **2.1.3 Employee Productivity**

Employee productivity refers to the level of performance of an employee at work. It is the output of the employee's effort in the execution of their work related activities. At the corporate level, employees' productivity is measured in terms of volume, speed and quality per each shilling spent on labour costs or alternatively as revenue per employee.

Productivity is maximized when there is enough balance so that employees have enough control, authority, and permissions to make most operational decisions (Sullivan, 2011). It therefore follows that involving employees in decisions concerning their work is an important ingredient to productivity. This study looks at employees' performance relative to their perceived ability.

#### **2.1.4 Manufacturing Sector**

The Wikipedia encyclopaedia define the manufacturing sector of the economy as one that deals with the production of goods for use or sale using labour and machine, tools, chemicals and biological formulation. The term may refer to a range of human activity from handicraft to high-tech but is most commonly applied to industrial production in which raw materials are transformed into finished goods on a large scale. Such finished goods may be used for manufacturing other more complex products.

The North American Industry Classification Bureau (US Bureau of Labor Statistics, Website) define the Manufacturing sector as one comprising establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand, such as bakeries, candy stores, and custom tailors, may also be included in this sector.

The Kenya National Bureau of Statistics has divided the manufacturing sector in Kenya into the following subsectors; food and beverage manufacturing, textiles, leather and tobacco processing, paper manufacturing, metal and chemical manufacturing among others. Some of the companies that that constitute Kenya's manufacturing sector includes, Bidco, Unga Group, Coca Cola, East Africa Breweries, Unilever, Bata Shoe company, Webuye Paper Mills, BAT, Mabati Rolling Mills and Tata Chemicals.

The subject of this research paper is employees' involvement in decision-making in the manufacturing industry in Kenya and has chosen Tata Chemicals Magadi as its focal point of information.

## **2.2 Critical Theoretical Review**

Human resource scholars perceive people to be one of the most important resources, indeed if not the key resource of organizational success (Armstrong, 2009). Central to the process of managing an organization is how people as a key resource are managed. Various studies on people in organization settings have been done for years and different approaches have been advanced. The more renowned theorists are Fredrick Taylor (1911) Scientific Management theory; Max Weber (1958) and Anthony Fayol (1949) Bureaucratic theory; Elton Mayo (1933) Hawthorne experiments; Abraham Maslow (1954), Fredrick Herzberg (1959) and Vroom (1960) Motivational theories; McGregor (1960) theory X and theory Y and William Ouchi (1981) theory Z.

### **2.2.1 Classical School of Thought**

Taylor, Weber and Fayol are considered to belong to the classical school of thought (Yeatts and Hyten, 1998). Their perspective revolved around an autocratic management style, top down, hierarchical and bureaucratic in nature. Hackman and Oldham, (1980) saw this classical approach as achieving organisational efficiency through work specialization and skills concentration of individuals. The approach called for clear unambiguous channels of authority to allow for centralised command and control of the organization.

The scientific management theory perceived workers as untrustworthy in terms of making decisions hence the need for strict rules and tight controls. Decisions on improvement rested at the managerial level. McGregor's theory X presupposes that workers are lazy, have no initiative and do not want to take risks and therefore they should be left to do the mundane routine activities never to be allowed to steer off the course. The classical approaches are clear in negating involving employees in decision-making.

Later researchers advanced a variety of organisational models to account for participations influence on satisfaction and productivity. Monge and Miller (1986) classified the various models into three categories. The models- cognitive, affective and contingency highlight differences in the propositions with each emphasizing a different explanatory mechanism.

### **2.2.2 The Cognitive School of Thought**

The cognitive theory; otherwise referred to as the human resource model of participation is primarily concerned with the meaningful utilization of subordinates' capabilities. This perspective proposes that employees should be treated fairly, respected and that cooperation with management should be encouraged in line with McGregor's theory Y.

Theory Y view employees as ambitious, ready to take responsibility for their work, desire opportunity for personal growth within the job and want to help achieve organizational goals. Employees' possess the ability for creative problem solving but their talents are underused in most organizations. Given proper conditions,

employees will seek out and accept responsibility, exercise self-control and self direction in accomplishing objectives to which they are committed.

McGregor observed that a positive climate of trust with employees is required for human resource development. This would include managers communicating openly with subordinates, minimizing the differences between superior subordinate relations, creating a comfortable environment in which subordinates can develop and use their abilities. This climate would be the sharing of decision making so that subordinates have a say in decisions that influence them.

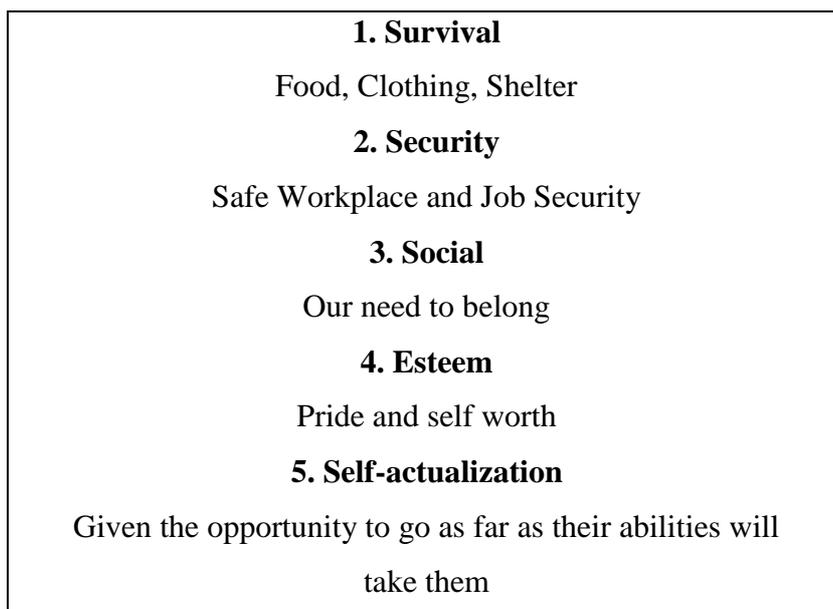
Anthony and Frost, (1974) suggest that PDM is a viable strategy because it enhances the flow and use of important information in organizations. If workers knowledge, skills, experiences and creativity are brought on board in the decision making process, the net result would be effective decisions that would increase productivity.

Workers typically have more complete knowledge of their work than management; hence if workers participate in decision-making, decisions will be made with better pools of information (Monge and Miller, 1986). In addition, proponents of this model suggest that if employees participate in decision-making they will know more about implementing work procedures once decisions have been made. Therefore, this model expects productivity to increase where workers are knowledgeable and have good information about decisions (Melcher, 1976). This model however begs the question as to whether workers are really more knowledgeable than management; this might pass the test in some situations but fail in others.

### 2.2.3 The Affective School of Thought

The affective thinkers (Blake and Mouton, 1964; Likert, 1967; Herzberg, 1959; Maslow, 1954; Mayo, 1933; Ouchi, 1981) are considered as the followers of the human relations school of management. Advocates of this approach believe that in addition to finding the best technological method to improve output, it was beneficial to create positive human relations within the organization.

The affective theorists contend that high performance could be achieved if employees were treated fairly, with respect, and were allowed some participation in the decisions related to their work. They propose that PDM will lead to greater attainment of high-order needs in Maslow's hierarchy of needs (motivation theory) such as self expression and respect that will enhance morale and satisfaction that will in turn lead to increased productivity.



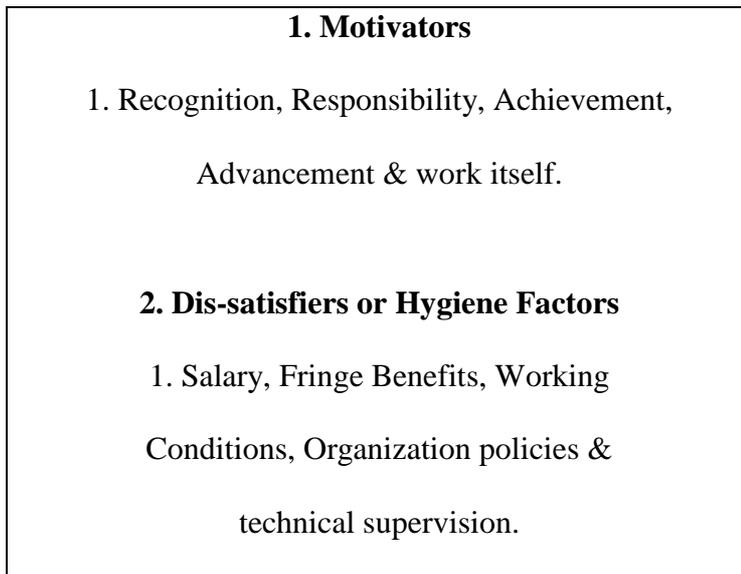
**Figure 2.1: Abraham Maslow's Hierarchy of Needs**

**Source: Author**

Maslow (1959) formulated a needs-based framework for human motivation in which he proposed that humans are motivated by unsatisfied needs and that certain lower factors need to be satisfied before higher needs can be satisfied. The needs progresses from physiological, survival, safety, love and esteem. After a need is satisfied, it stops acting as a motivator and the next need on the rank starts to motivate as it attains the psychological precedence. Maslow observed that employees need extensive involvement in and identification with the organization in order to satisfy their higher order needs. Maslow hierarchy of needs is depicted in the Figure 2.1.

Herzberg (1959) developed his famous two-factor motivation theory in which he identified motivators and hygiene factors. He proposed that factors which motivate people at work are different to and not simply the opposite of the factors which cause dissatisfaction. The research proved that people will strive to achieve “hygiene” need because they are unhappy without them, but once satisfied the effect soon wears off; satisfaction is temporary.

Herzberg observed then as now, that poorly managed organizations fail to understand that people are not “motivated” by addressing “hygiene” needs. People are only motivated by enabling them to reach for and satisfy the factors he identified as real motivators. Examples of Herzberg’s hygiene (maintenance) needs in the work place are; policy, relationship with supervisor or subordinates, status and security. The true motivators according to this theory are; achievements, recognition, work itself, responsibility and advancement (Figure 2.2).



**Figure 2.2: Herzberg's Two Factor Theory**

**Source: Author**

According to the affective theory, the link between employee involvement and productivity is not straight forward. PDM will enhance productivity through intervening motivational processes thus; PDM fulfils needs, fulfilled needs lead to satisfaction, satisfaction strengthens motivation and increased motivation improves workers productivity. To the affective model, workers knowledge has a very little role in productivity. They underscore that PDM will more strongly influence lower-level employees because the manager's higher order ego may be well fulfilled by other aspects of their work (Monge and Miller, 1986). This model however underrates the important role that workers knowledge plays in job execution.

Later developments saw the coining of theory Z. This is a management philosophy that stresses employee participation in all aspects of the company decision-making. The scholar behind this theory was Ouchi (1981) who was studying how American businesses could meet the Japanese challenge. The theory incorporates elements

associated with Japanese approach to management such as trust and intimacy aimed at increasing employee loyalty to the organization.

In theory Z organizations, managers and workers share responsibilities; the management style is participative and employment is long term and often lifelong. Theory Z results in employees feeling organizational ownership which may produce positive attitudinal and behavioural effects such as satisfaction and motivation to enhance productive efficiency. Involvement programmes strive to give employees more control over their jobs while making them more responsible for the outcomes of their efforts. An adaptation of the theory in use by practitioners is quality circles whereby each team manages itself and is responsible for its quality, scheduling and problem solving. This tends to boost morale, productivity, quality and competitiveness.

#### **2.2.4 The Contingency School of Thought**

The contingency model of human behaviour proposes that participation affect satisfaction and productivity differently for different people and situations. It is not possible to develop a model that will hold across a wide variety of individuals and situations. They believe that there is no single model that can explain participative effects. Proponents of this theory (Vroom, 1960) have given a variety of theories inclined to personality, particular decisions, relationships between the employees and managers, job levels and values.

Vroom (1960) for instance observed that personality might mediate the effects of participation on satisfaction and productivity. Participation will positively influence

only employees having personalities with low authoritarianism and high needs for independence. In their assessment of “situational” influences, Vroom and Yetton (1973) work ‘decision situations’ considered different situation decisions and provided the basic rules for deciding the optimal level of participation in decision-making.

Vroom and Deci (1960) suggested that the types of problems dealt with at various organisational level influences the appropriateness of participation; it may be less appropriate at the low levels, where jobs are routine and more appropriate at higher levels where jobs involve addressing complex problems.

Proponents of the contingency model feel that assuming that all workers desire participation opportunities is to lack sensitivity to individual needs- the antithesis of the humanization hat ardent proponents of participation advocate. These scholars predicted that participation may only be effective for employees in certain types of organizations- such a research or service organizations, rather than manufacturing organizations or only for middle or upper level employees. They conclude by remarking that there are other intervening variables in the participation process and these must be carefully addressed if participation is to achieve its intended goal of enhancing productive efficiency.

The three models discussed above are all valid approaches to the understanding of PDM in their own right. The espoused arguments in favour of the theories are an explicit indication of the dynamics of grasping the impact of employee involvement in decision-making which this discourse is about. Knowledge about the work to be

done is an important ingredient to productivity just as a motivator transforms innate energies to productive action but this is best enhanced if applied in the appropriate environment.

### **2.3 General Discussion**

Employee relations affect the day-to-day relationship between managers and non-managers in the workplace and the term ‘employee relations’ denotes an assortment of employer led initiatives for improving workplace communication, for engaging employees either directly or indirectly in decision-making and for securing employee compliance with management rules through disciplinary action. The assortments of employer led initiatives that constitute employee relations include communication and, employee involvement (Beer et al 2006).

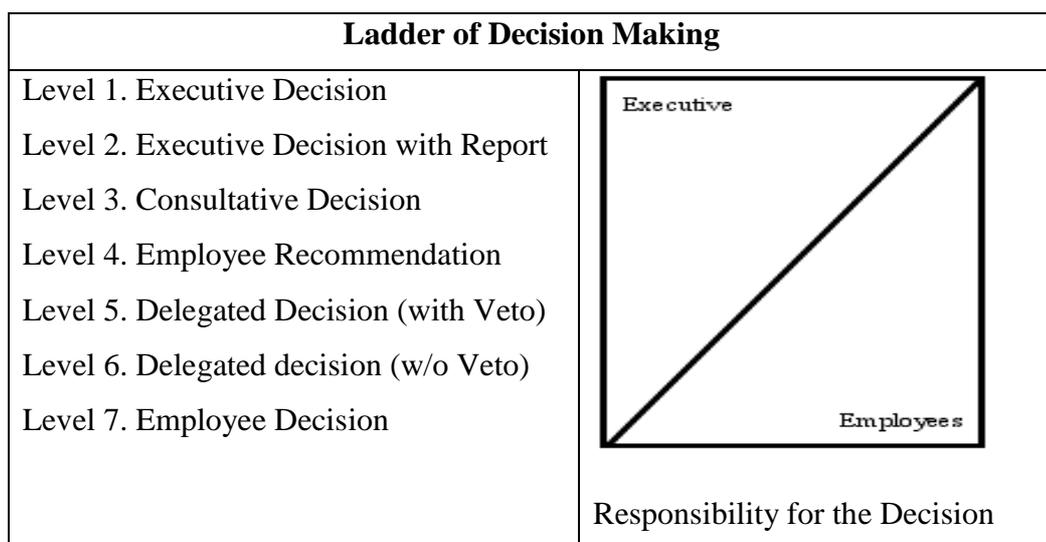
#### **2.3.1 Levels of Decision Making**

As defined earlier, decision-making is the capacity to make sound and practical decisions which deal effectively with the issues and are based on thorough analysis and diagnosis. Well thought out decisions will enhance productivity while poorly or ill informed decisions will be counterproductive.

In organizations, decisions are made at the corporate, business and functional levels. All decision levels must be connected for the proper functioning of the organization. Purcell (1989) identified three levels of decision-making in an organization; upstream first order decisions, downstream second order decisions and downstream third order decisions.

The first order decisions are concerned with long term directions of the enterprise or scope of its activities. This is what other scholars would refer to as corporate decisions that captures the vision and mission of the organization; the essence of its existence. The downstream second order decisions are concerned with internal operating procedures and how the firm is organized to achieve its goals. Other scholars refer to these kinds of decisions as business decisions. Lastly, the downstream third order decisions are those concerned with choices on human resource structures and approaches and are strategic in the sense that they establish basic parameters of employee relations management in the firm.

Thomas Gallagher (2002) observed that there was much discussion in modern management about “pushing decisions down to the lowest level”. However much cynicism is experienced about executive decisions and how employees are involved in decisions. The scholar came up with “a ladder of decision making”, which presents a typology of several levels of decisions.



**Figure 2.3: Gallagher’s**

**Source: Gallagher 2000**

From the highest to the lowest, the ladder incrementally shifts responsibility to make decisions from the executive to employees as shown in the figure 2.3 above.

### **2.3.2 Description of Decision Making Levels**

**Level 1. Executive Decision.** The executive makes the decision and does not inform employees, except possibly through a future meeting or conference or in a periodic report or newsletter.

**Level 2. Executive Decision with Report.** The executive makes the decision and reports, in the near future, to employees. The timely report is significant as (whether as a courtesy or warning). It provides some opportunity for employee feedback prior to implementation of the decision.

**Level 3. Consultative Decision.** The executive asks employees for their ideas, at least in a general way. At best, the employees are engaged explicitly in the steps in the decision-making process (Gallagher, 2000) and can influence the decision with the strength of their statement of values, their information, and their alternatives. The decision, however, rests with the executive.

**Level 4. Employee Recommendation.** The executive assigns or delegates the responsibility to conduct the decision-making process, the four steps, to the employees. The employees offer their recommendation(s) to the executive who makes the decision.

**Level 5. Delegated Decision with Veto.** The executive delegates the authority to the employees to make the decision but retains the authority to exercise veto power if

necessary. (Such a veto could indicate a flawed problem-solving process that failed to engage the executive in interim reviews).

**Level 6. Delegated Decision without Veto.** This is the same process as above; however, the employees make the decision and the executive supports the decision through to a future evaluation period, perhaps a year or two for most programs.

**Level 7. Employee Decision.** The employees make the decision and do not inform the executive, except perhaps as part of the normal reporting protocols, such as in periodic meetings or annual reports.

Gallagher observed that types of leadership affect efforts to push decisions down from the executive to employees. Hierarchical organizations with strict cultural norms may permit only a measure of collateral and individual decision making. Blunt (1978) observed that “ascending participation” was likely to arouse suspicion in Kenya where government and organizational elites were extremely sensitive to measures which could undermine their positions of power at the time of independence. The ascending decision making model which was however widely accepted in Tanzania at the time (1970’s) allowed workers to influence managerial functions and decisions at levels above their own.

It is now becoming almost a general consensus among management practitioners and scholars that quality decisions are ensured by incorporating employees’ values, information and alternatives into decisions. This is believed to increase the potential for decisions to be implemented as employees help to make and ‘own’ the decisions.

### **2.3.3 Historical Developments of Employee Involvement**

The 80's and 90's have seen considerable debate about industrial relations reform and the importance of consultation, employee participation and industrial democracy in achieving these reforms. Within employers' organizations, trade unions and government, there was widespread consensus on the need for greater employees' involvement in decision making in Europe (Davis and Lansbury, 1996).

Employee involvement creates an environment in which people have an impact on decisions and actions that affect their jobs. It is not the goal nor is it a tool, as practiced in many organizations. Rather, it is a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization. Anthony Ang (2002), traced employee involvement from its conceptualization and evolution over time to a set of management thinking upon which a myriad practices implemented in organizations today are founded.

### **2.3.3 Conceptualization of Employee Involvement**

The evolution of the concept of employee participation begins with the "classical organization perspective". The classical perspective (traditional approach) to managing employees was characterised by autocratic management style. It involved top-down, pyramidal, hierarchical, mechanistic and bureaucratic structures with a centralized command and control oriented approach (Lawler *et al*, 1998). The classical era was followed by the human relations school of thought. The human relations movement (mid 1920s to 1930s) emphasized the importance of positive

human relations in addition to technological methods in order to improve output. Inherent in the positive relations was an element of allowing employees participation in decisions relating to their work. Yeattes and Hyten (1998), see this as the genesis of the human resource management, participative management and the high-involvement concepts.

McGregor's (1960) theory Y belonged to the human resource movement. The theory perceives employees to be valuable, responsible and desire opportunity for personal development and want to help the organization achieve its goals. The theory puts its weight on the importance of moving focus of control from outside the individual to within. Maslow's (1954) hierarchy of needs theory emphasizes the need for extensive involvement in and identification with the organization in order to satisfy their higher order needs which in turn will enhance performance of the individual employee.

During the mid 1980s, the term industrial democracy was common currency in both political and academic discourse but less favoured by employers who indicated that it smacked of a challenge to managerial prerogative. Their preference was for employee participation where employees would have an opportunity of a genuine say and influence on decision-making (Davis and Lansbury, 1996).

Proponents of the participative management view emphasize the importance of employee participation in decision-making related to their work. They believe that employees can be trusted to make important decisions about their work and can develop knowledge needed to make these decisions. According to them, the result of

employees' participation is greater organizational effectiveness. Participation in decision-making has a direct positive effect on the employees' social and psychological states which in turn affect employees' performance. They contend that given authority to make decisions on their work, employees will consider both social and technical factors more effectively than can management or engineers. This point is however contentious.

Participative management in the broader perspective should be viewed as a multidimensional concept (Cotton *et al.* 1988) closely aligned to the spirit of a democratic society of engaging employees as willing co-producers of, valuable contributors to, as well as co-owners of a better future. Many writers view it as a management style that actively seeks employees' inputs, allowing employees to contribute to the resolution of work-related issues (Appelbaum *et al.*, 1999). The 1990s saw less reference to industrial democracy and more to employee participation and consultation focusing mainly on the influence employees exert on decision making at work. Consultation and participation have been regarded as important processes often linked to workplace performance (Davis and Lansbury, 1996).

### **2.3.5 Recent Developments in Employee Involvement**

Recent developments have seen the emergence of high-involvement management concept an approach adopted by organizations to improve performance. Research has shown that, involvement increases ownership and commitment, retains best employees and fosters an environment in which people chose to be motivated and contributing.

Benson *et al.* (2006) defined high involvement work practices as a specific set of human resource practices that focus on employees' decision-making, power, and access to information, training and incentives. Lawler (1986) used the term to describe management systems based on commitment and involvement as opposed to the old bureaucratic model based on control. He hypothesized that employees will increase their involvement with the company if they are given the opportunity to control and understand their work.

High involvement management involves treating employees as partners in the enterprise whose interests are respected and who have a voice on matters that concern them. The aim is to create a climate in which continuing dialogue between managers and the members of their teams take place in order to define expectations and share information on the organization's mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved.

High performance management or high-performance working strategy has been adopted by HR practitioners to make an impact on the performance of the organization in such areas as productivity and quality (Armstrong, 2009). As defined by Appelbaum *et al* (2000), high-performance work systems comprise of practices that can facilitate employee involvement, skill enhancement and motivation. It calls for designing work in ways that enable employee collaboration in problem solving and provide incentives to motivate workers use their discretionary effort'. Sung and Ashton (2005) include high-involvement as one of the three broad areas of high-performance work system.

Ichniowski et al (2000) reviewed a number of theories that proposed that high skill, high involvement workplaces are believed to be more effective than traditional 'top-down' management regimes. They divide these theories into two distinct basic groups; working harder and working smarter.

“Working harder” theories focus on the effort and motivation of workers. People may work harder if they find elements of a job to be interesting or enjoyable, and this may come from rewards or feedback. They are also less likely to resent aspects of the job if they themselves have contributed to its design.

On the other hand “working smarter” theories focus on changes in the structure of the organizations that produce improvements in efficiency. Innovative work practices can lead to improved efficiency. Workers can suggest improved work practices because they have a more intimate knowledge of the job than managers or external consultants. Moreover, open discussion allows employees to modify their own work processes to fit more effectively with others as they become aware of the 'bigger picture.'

The researchers point to the need to change work culture from 'rate-busting' - discouraging high levels of performance - to one that values greater efficiency. Theories in the second group may emphasize innovative work practices which can also lead to improvements in organizational structure that are independent of motivational effects. They suggested the adoption of cross-training and flexible job assignment to reduce the cost of absenteeism; delegating decision-making to self-

directed teams to reduce supervisory levels; training in problem solving and computer skills to enhance benefits of information technology and finally, involving workers and unions in decision making to reduce grievances.

It is clear that such changes associated with employee involvement are complex and make it 'difficult to isolate any single causal mechanism that produces their effects on economic performance.' Nevertheless Ichniowski *et al*, (2000) conclude that the companies which adopt such practices 'should enjoy higher productivity and quality, leading to lower costs and higher product demand, all else equal.' But this may come at a cost because employee involvement programmes can be expensive due to extra meetings and related activities.

### **2.3.6 Model for Employee Involvement**

In their study, Tannenbaum and Schmidt (1958) developed a model for employee involvement. The model provide a five levels continuum for leadership and involvement that includes an increasing role for employees and a decreasing role for the supervisor in the decision making process almost similar to Gallagher's (2000) ladder of decision making. The levels in the continuum include progression as described below.

**Level 1 Tell-** The supervisor makes decisions and announces it to staff. Here the supervisor provides complete direction. This is ideal for government law/ regulations and safety issues.

**Level 2 Sell-** The supervisor makes a decision then attempts to gain commitment of staff by selling the positive aspects of the decision. This is ideal where commitment is needed but it is not open to employees' influence.

**Level 3 Consult-** The supervisor invites input into a decision from staff while retaining authority to make the final decision.

**Level 4 Join-** The supervisor invites employees to make decision with the supervisor. Here, the supervisor considers his/her voice equal in the decision making process.

**Level 5 Delegate-** The supervisor turns the decision to another party (employee).

The researchers concluded that “join and consult” presents an effective approach to build satisfaction among employees thus will enhance their performance. They termed this, “employee centred approach” to involvement. They however caution not to make it excessive as the supervisor may be seen to abdicate his duty or deserting the subordinate who may feel given more responsibilities than their position requires. This may lead to negative outcomes on productivity as the subordinate will feel overworked but underpaid.

### **2.3.7 Typologies of Employee Involvement**

How to involve employees in decision making and continuous improvement activities is a strategic aspect of involvement. Lawler (1992) states that knowledge about employee involvement is still developing and a great deal more needs to be learned. Defining employee involvement as a management approach is problematic because of the elasticity of the concept and plurality of ideas associated with it Collins (1994). Consequently, different scholars have come up with different typologies in an attempt to put employee involvement in proper perspective.

Sisson (1994) coined the terms “traditional Vs current perspectives”. Traditionally, employees have been involved in decision-making processes through indirect participation of unions and works council representation. The traditional direct participation initiatives were largely concerned with improving quality of working life, absenteeism and labour turnover. The current practise of direct participation focuses on enhancing business performance and is linked to strategic goals of innovation and customer satisfaction.

Oosthuizen and Du Toit (1999) had almost a similar classification to Sisson with their “direct, indirect and financial participation”. To them, direct participation involves face-to-face contact between the manager and the subordinate whereas the indirect participation occurs via representatives typically elected from employees groups. On the other hand financial participation is economic in nature where the employee shares in the success or failure of the organization through share ownership or profit sharing schemes.

The third typology looks at the “supplemental Vs replacement initiatives” proposed by Van Anken and Munetta (1994). The first category is biased towards programmes intended to facilitate communication, coordination and opportunities for change. These includes, suggestion schemes, quality circles, ad hoc participation groups and cross functional task forces. Replacement initiatives includes the institutionalised self-managing work teams for problem solving, decision making and managing work processes as part of their daily job.

Another perspective of understanding participation is looking at it from the “management style” angle. Tannenbaum and Schmidt’s (1973) came up with a

continuum of employee involvement in which managerial decisions move through three broad management styles; directive, consultative and participant which depict a graduating degree of employees participation. Shapiro (2000) developed the “employee involvement continuum”. The lower level depict minimal involvement (Tayloristic) where the employee is merely informed of managements decisions without playing any part in their formulation. At the furthest end of the continuum is job involvement shifting focus to job-redesign requiring some change in the basic organization structure; work teams/groups become the primary units of involvement. Richardson’s (1985) perspective of “levels of involvement” resembles Shapiro’s employee involvement continuum.

The plethora of typologies indicates a lack of consensus among writers and researchers with regard to how best employee involvement programmes may be contextualised in the organization setting. As discussed above, the position adopted on employee involvement by management becomes one of the most profound of all strategic issues, with ethical, social and political dimensions, as well as affecting all aspects of human resource management (Torrington and Hall, 1995).

The literature reviewed indicates that the myriad dimensions of the concept of employee involvement calls for more studies to understand its impact in the organisation. Many questions still linger on as to its actual role. For instance, does employee involvement ‘work’? Does it enhance employee commitment and effectiveness? What are the effective channels of involvement? Does it work for all cadres of employees? Is its impact the same across organizations in different sectors of the economy or national boundaries?

Many researchers have taken various approaches in an attempt to put employee involvement in its proper perspective. This research is a quest in attempting to unearth the role that employee's involvement in decision-making plays in the manufacturing industry.

## **2.4 Empirical Studies**

Studies in employee involvement in decision-making took researchers interest towards the mid 20<sup>th</sup> century when the concept of industrial democracy was gaining momentum. Some of the relevant studies are discussed in the section following below beginning with studies conducted in the west narrowing down to E. Africa.

### **2.4.1 Wilson N. and Peel M. (1991) the Impact of Absenteeism and Quits of Profit-Sharing and other Forms of Employee Participation.**

The research was based on engineering and metal working firms in the UK to investigate how employee participation affects absenteeism and quit rates. Quits and absenteeism are regarded as symptoms of declining firm's performance. Wilson and Peel found out that firms with profit sharing or share ownership schemes had significant lower absenteeism and quit rates than other firms. Secondly firms with high employee participation schemes recorded significantly lower absenteeism and quit rates than firms without such schemes. A seemingly conflicting result that deserves further research was the observation made that, firms with a high perceived degree of participation experienced higher than average absenteeism rates.

Evidence pertaining to the effects of participation and voice on temporary labour withdrawal was mixed. Some forms of participation (works councils) appeared to lower absenteeism but others (joint job evaluation schemes) had the opposite impact.

#### **2.4.2 Cotton J. *et al* (1988), “Employee Participation: Diverse Forms and Different Outcomes”.**

The researchers reviewed empirical studies of PDM in terms of various forms and outcomes with an emphasis on employee involvement in decisions on two important outcomes, productivity and job satisfaction. The researchers came up with six forms of participation; participation in work decisions, consultative participation, short term participation, informal participation, employee ownership and representative participation. The results show that different forms of participation were associated with markedly different outcomes.

For instance, they found that participation in work decisions appears to increase productivity but increases satisfaction less consistently. Secondly, informal participation and employee ownership enhances productivity and satisfaction, whereas short-term participation is ineffective on both criteria.

The findings support the idea that PDM is a multidimensional concept clearly backing the contextual or contingency model. The researchers recommend that PDM must be evaluated form by form to assess its effectiveness accurately and call for future development of conceptual and empirical work on PDM in order to extend this view.

#### **2.4.3 Baffuor G. G. (1999), the Effects of Participation and Work Design on Firm Performance**

The researcher studies the simultaneous influence of employee participation and work design on performance of firms in the US.

Findings revealed that firms with higher levels of participation, a parallel organizational structure that makes organizations less rigid, tend to have higher levels of flexible work design. Secondly, firms with higher levels of employee participation, a more flexible organization structure and flexible work design outperform those without.

Baffour notes that not all dimensions of employee participation would necessarily lead to higher levels of performance. There is the need for managers to be eclectic about the dimensions of employee participation they should focus on. For instance, acquisition of skills and tools necessary for effective participation is very critical to employee participation programmes. Any attempt to involve employees without giving them the ability and capacity such as training in decision-making and problem solving is bound to fail. The research recommends managers to adopt employee participation programmes aimed at facilitating transition towards more flexible structures because of the performance enhancement potential of these programmes.

#### **2.4.4 Sun H. *et al.* (2000) Employee Involvement and Quality Management**

The study investigates the empirical relationship between employee involvement and quality management in manufacturing companies. The logic for EI is that the people closest to a problem or opportunity for improvement are the best placed to make decisions for improvement if they have control of the improvement process.

The researchers found that EI is positively correlated with TQM enablers. The two are seen to reinforce each other. Employee involvement enhances the implementation of quality management programmes just as TQM programmes

provide an avenue for employees to be involved in the organization. The research also found out that EI is positively correlated with improvements in business performance. A significant correlation was however found only in the high EI group.

A final significant find in this study was that EI positively influenced the contribution of TQM to the improvement of business performance. TQM programmes accompanied by employee involvement tend to be more successful. Programmes ownership is an ingredient to successful implementation.

In order for EI to succeed, the researchers recommend that employees must be trained to attain higher skills in leadership, teambuilding and decision making and that they should be rewarded for quality improvements and better customer service. The reward should motivate people to participate further.

#### **2.4.5 Lashley C. (2000) Empowerment through Involvement: A Case of TGI Fridays Restaurants**

The study was conducted to assess the relationship between employee involvement and empowerment as a way to improve service quality in hospitality operations. They see a connection between involvement, empowerment and service efficiency. Empowerment is defined as an environment in which people have the ability, the confidence and the commitment to take responsibility and the ownership to improve the process and initiate the necessary steps to satisfy customer requirements. This is done within well-defined boundaries in order to achieve organizational values and goals.

The findings revealed that some forms of empowerment aim to involve employees in aspects of service operations without necessarily sharing decision-making power with them. Employees at TGI Fridays were limited to a consultative and task focused roles where they could be invited to make suggestions about service quality or problem detection, but management still makes decisions.

The researcher came up with a framework to describe the degree of empowerment. The framework describes five dimensions of working arrangements with the traditional top-down organization on one extreme and the more empowered approach on the other. These are identified as; task dimension (low discretion- high discretion), task allocation (seeks permission- responsible autonomy), power (own task- influence above the job), commitment (calculative- moral) and culture (control oriented- trust oriented).

Employees at TGI felt empowered to give the performance they felt customers required as the consultative approach clearly improved information flow and detection of problems or faults. However the somewhat command and control management structure in which management made decisions albeit informed by employees views did create frustrations and inefficiencies thus limiting the effectiveness of empowerment.

The HR strategy at TGI Fridays was seen to be consistent in many ways with tensions inherent in service offer to customers. On one hand the need to come up with “one best way” working method which is highly prescriptive giving few opportunities for employee discretion and on the other, extensive choice allows

customers some element of customization that calls for some exercise of discretion and creativity in some aspects of their service performance. Empowerment for them therefore, means accepting responsibility for customer satisfaction but also being able to apply discretion in the way they deliver service.

#### **2.4.6 Scott and Marshall (2004), Participation in Decision Making: A Matter of Context**

The study was conducted on a cross section of employees in the public, private and local government in Australia. The researchers found out that participation directly contributed to task variety, autonomy and task identity and influenced job satisfaction which in turn enhanced commitment. An observation emerging from this study indicated that PDM contributed to performance effectiveness and led to greater gains in the work place. Although a significant relationship was established between perceived performance effectiveness and job satisfaction, it was not strong. The study further found out that participation offers various levels of influence in decision making ranging from formally established consultative committees to the development of good relations with managers and supervisors at the informal level.

They conclude that, significant improvement in performance is more likely when the role of PDM is clearly defined through goal setting (Lathan *et. al*, 1994), locus of knowledge (Scully *et al*, 1995), involvement in generating alternatives, planning and evaluating results (Black, 1997), task strategy formulation (Lathan *et al*, *ibid*) and cooperative problem solving (Tjosuold, 1982). The researchers further concur with Black and Gregersen (1997) that while employees may like to participate, this does

not necessarily lead to positive impacts on productivity, commitment or job satisfaction.

The researchers recommend practitioners to promote participation to the highest practicable level for all employees in the organization. This is informed by the findings that PDM benefits task performance and performance effectiveness and makes employees feel better off as a result of such a process. They however caution that if PDM is perceived by employees to be a manipulative management tool, it will further erode the trust, satisfaction and commitment it was intended to uphold. In addition, the study recommends the need for further multi- dimensional studies in order to understand the role of PDM. The reality is that the context largely shapes the level and range of employees' participation and this varies markedly across organizations.

#### **2.4.7 Appelbaum S. H. *et al* (2005), A Case Study Analysis on the Impact of Satisfaction and Organisational Citizenship On Productivity**

The survey was conducted on the manufacturing industry in Canada to measure employee satisfaction and to determine the correlation between employee satisfaction and productivity. The study found a correlation between average job satisfaction, low motivation and resulting low productivity. They concur with Vroom's expectancy theory that employees will not work to their full potential if they perceive that the organization does not appraise their efforts and reward them accordingly. Maslow' model of hierarchy of needs would explains this scenario that participation in decision making process satisfies the higher order needs of

employees which leads to job satisfaction and in turn results in higher motivation and increased productivity.

The scholars further found that low productivity was directly related to poor communication between management, supervisors and employees. The necessity and benefits of effective delivery and reception of information, instruction and emotion within the organization cannot be overemphasized. This study recommends that productivity is improved by increasing employee involvement and communication in the organization.

#### **2.4.8 Hung *et al*, (2006), Productivity and Turnover in PCPs; the Role of Staff Participation in Decision Making**

The study was conducted to assess how decisions are made in primary care practices aiming to unearth the association between staff participation in decision-making and productivity. This was done by compiling data from a cross-sectional survey on organisational structures of 49 primary medical care givers in the US and employed regression analysis to examine the association among practice productivity and staff participation in decision making.

The findings revealed that staff participation in decisions regarding quality improvement, practice change and clinical operations was positively associated with practice productivity whereas formal structures such as staff meetings were not. The findings harbour support for informal forms of participation such informal meetings or chance encounters as opposed to formal routine meeting structures which many healthcare providers give precedence. Productive efficiency results from enhanced

information sharing, employee satisfaction and morale which arise from participation.

The lack of a connection between PDM and turnover for some personnel among the health care providers was attributed to what the affective theory suggests that other personnel (clinicians) are motivated by other organizational features or professional circumstances. This study concludes by suggesting the implementation of a participative model emphasizing greater staff involvement in practice decisions. This to them, will enhance information sharing, work satisfaction and commitment on organisation decisions which lead to beneficial outcomes such as increased productivity.

#### **2.4.9 Elele J. and Fields D. (2010), “Participation in Decision-Making and Organizational Commitment: Comparing Nigerian and American Employees”**

The researchers conducted a comparative study to assess the extent to which cultural differences or similarities impacted on the relationship between PDM and organizational commitment in the public sector environment. The survey units were compared based on three cultural differences; in-group collectivism; performance orientation; and power distance. The Nigerian culture compared to Americans exhibits high in-group collectivism, a high power distance and low performance orientation. The purpose of the study was to assess the extent to which cultural differences or similarities between Nigeria and America impact on the relationship between PDM and organisational commitment.

The paper draws a distinction between the actual and desired levels of participation. Workers do not have an equal desire for PDM at work; some may not be interested in participating in decision-making. Thus the relationship between the actual and desired levels of PDM may affect employees' outcomes in an organisational setting. This relationship comes in three forms; decisional deprivation, decisional equilibrium and decisional saturation. The desired levels of participation are affected by contingencies such as culture and as such the Americans were found to have a higher desire for PDM and commitment in the public sector than Nigerians.

The researchers concur with the views of Hofstede (1980, 2001) that Anglo-derived management practices such as PDM may not have the same effects if applied on other settings with substantially differing cultural dimensions.

#### **2.4.10 Kuye O.L and Sulaimon H.A (2011), “Employee Involvement in Decision Making and Firms’ Performance in the Manufacturing Industry in Nigeria”**

Data was collected from 670 firms and analysed using descriptive statistics and correlation and regression analyses. The firms studied indicated to practice employee involvement although at varying degrees. The results of the survey found a significant relationship between employee involvement in decision-making and firm's performance. Firms with a deep employee involvement recorded better performance compared to those with shallow involvement.

The researchers identified some benefits and outcomes of having employees participate in decision-making in organization. The benefits of employee

involvement in decision making include; increases in employee morale and job satisfaction; productivity improvement and the enhancement of greater trust and a sense of control on the part of employees. On the hand possible outcomes include; quality improvements, employee commitment and acceptance of decisions (decision ownership) and an increase in the adaptive capacity of the organization.

The researchers cite Lathan *et al.* (1994), who observed that not much research has been done on the value of PDM on the quality decisions made and Wagner (1994) who was of the opinion that PDM may serve primarily to make employees feel good about their jobs but has little increase to a firm's performance. Kuye and Sulaimon (2011) recommend that manufacturing firms should demonstrate high levels of commitment to employee involvement in decisions in order to enhance their productive efficiency.

#### **2.4.11 Blunt P. (1978) Social and Organizational Structures in East Africa: A Case for Participation**

The study was conducted in E. Africa a decade after independence and looks at the question of job satisfaction focussing on how managers and workers share power in organizations, the best way of achieving management / worker cooperation and the best ways workers can develop greater sense of personal involvement. The study shifts focus from in-plant variables which were central to change agents' framework at the time, to the impact of community and family aspects on organisational structure. Blunt describes two types of participation; ascending and descending participation. In ascending participation, workers are able to influence managerial

functions and decisions at levels above their own. On the other hand, the descending approach to participation allows workers to take over managerial duties and have greater say in the control of their own jobs and immediate work environment. Based on political ideological differences between Kenya (Capitalist) and Tanzania (Socialist), descending participation would be ideal for Kenya while ascending participation would do for Tanzania at least at the time immediately after independence.

He warned that the imported bureaucratic structures common in East Africa at the time contradicted all the administrative principles of the traditional systems in the region. They lack democracy, are inflexible, authoritarian and hierarchical and would only serve but to cement conflict, retard productivity and create alienated workers. Blunt concludes that participation is necessary in modern organizations because of the remarkable similarities that exist in the traditional aspects of government of East African societies. He advocates the blending of traditional systems into the organisation structure.

#### **2.4.12 Labour Commissioner (2011) Ministry of Labour Annual Report for the Period 1ST January to 31<sup>st</sup> December 2011**

The ministry of Labour and Human Resource Development in Kenya is responsible for the promotion of “decent work for all” through formulating, coordinating and implementing sound labour and employment policies for the attainment of social justice, industrial peace and enabling environment for employment creation in line with the country’s vision 2030 development goals.

The Labour department is mandated to perform the following functions: Administration and enforcement of labour laws, maintenance of industrial peace and harmony, such as settlement of labour disputes and apprehension of strikes and lockouts, coordination and participation in international labour affairs e.g. ILO, African Union and regional fora and finally advice government, workers and employers on labour issues.

The report notes that 18 strikes were reported in 2011, in the private sector, involving 12,754 employees and loss of 150,989 man-hours. The majority of the strikes related to employee relations touching on CBA disagreements, poor terms and conditions of employment, and relating to salary increment. Needless to say, the strikes led to loss of revenue and affected economic growth projections in both the immediate and short term.

By virtue of Kenya being a member of the ILO, in order to enhance International Labour Standards and in particular decent work agenda, the implementation committee on decent work country programme met and made relevant follow-up activities relating to decent work. These activities led to the development of five sector policies in the following: Road sub-sector, Gender, HIV and AIDS, cross cutting issues and community participation guidelines. The department also participated and attended meetings at the East African Community on decent work, social security and social development. A Draft cabinet memo on the development of National Social Protection Policy was developed and submitted. To undertake its mandate, the ministry utilizes inputs from labour stakeholders including academicians, researchers, workers, unions of workers and employers.

## **2.5 Research Gap**

A survey of literature indicates that very few studies have been conducted in Africa on a topic that has attracted much attention of western and eastern academics yet the global environment suggest that understanding the management implications of management practices applied across cultural settings is a strategic necessity (Sagie and Aycan, 2003). This becomes an issue as Hofstede (1980) observed that management practices may work differently across national borders. Therefore more local research needs to be undertaken to allow for more comparative analysis.

Moreover, the few studies conducted in Africa have mostly taken a comparative analysis of the practice of PDM per se between the western/eastern and African nations. The observations made by Black and Gregersen (1997) that PDM does not necessarily lead to positive impact on productivity calls for more explicit studies on the correlation between the two variables.

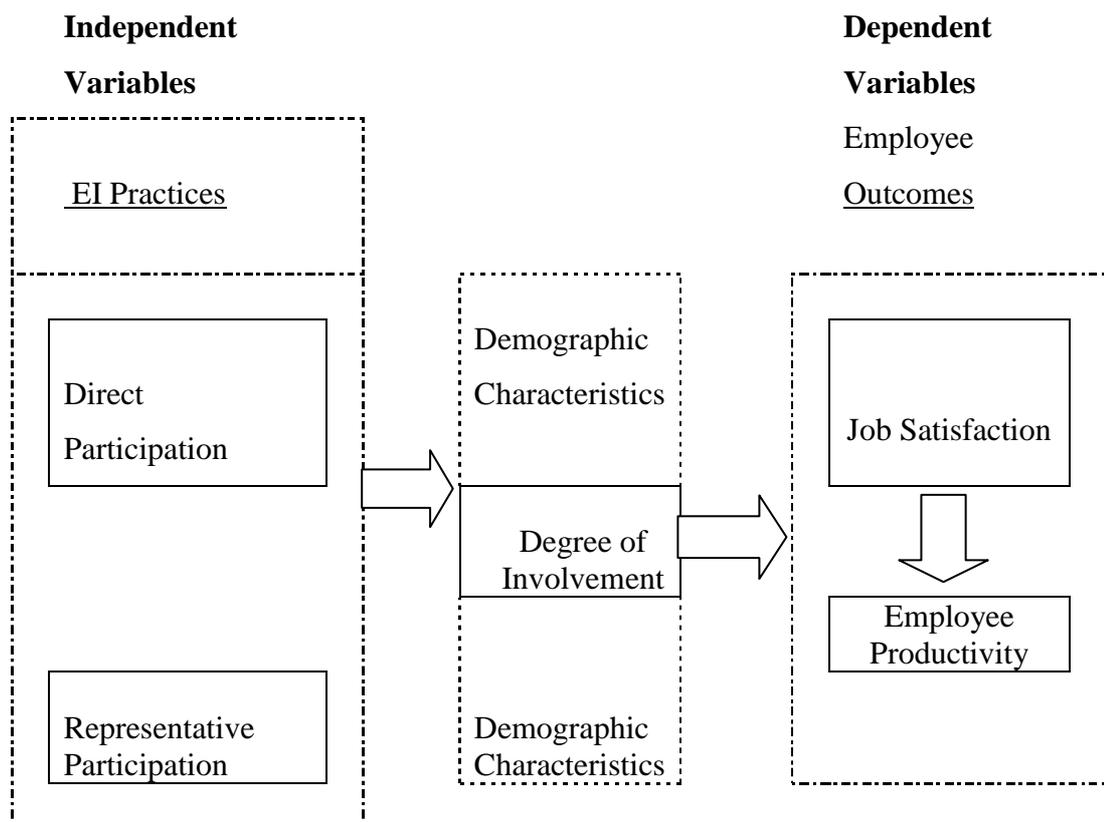
There have been only a few studies published concerning management practices such as PDM in Kenya's organizations. Empirical research of PDM in Kenya's manufacturing industry is almost deficient yet the manufacturing industry currently facing global challenges has great potential for the country's economy. What exist are efforts undertaken by NGO's to involve communities in self help projects, cooperative movements and government civic education initiatives.

In addition, the only published paper cited in the literature review about Kenya focuses on the contradictions between imported bureaucratic forms of organization and the ethnic structures in E. Africa. It has little to do with assessing the impact of

employee involvement in decision making on productivity which is the objective of this research.

### 2.6 Conceptual Framework

The phrases conceptual framework is a broader idea of a research that contains key concepts and issues which a researcher wants to explore in the study (Strauss and Cobin, 1998). A conceptual framework could be viewed as a basic structure of a research consisting of certain abstract ideas and concepts that a researcher wants to observe, experiment or analyze.



**Figure 2.4: Conceptual Framework: PDM and Employee Productivity**

**Source: Author (2012)**

The key concepts in the model are briefly defined in the following sections.

Growing evidence shows that a firm's performance rests increasingly on the involvement of workers in decision-making. This research is premised on the perception that involving employees ensures that their knowledge, experiences and creativity is brought on board in an environment of information sharing and cooperative problem solving to enhance job satisfaction to improve their productive efficiency. Involvement is here classified into two broad categories; direct and representative participation. The success or failure of EI programmes lies in the degree of involvement adopted by organizations and the interplay of demographic factors. The concepts that are explored in this study concerning the link between employee participation in decision-making and employee productivity are depicted below in a modified version of Sumukadas (2006) model (Figure 2.4).

### **2.6.1 Description of the Conceptual Framework**

The above model adopted for this research broadly depicts the relationship EI → employee outcomes indicating them as independent and dependent variables respectively. The model intentionally looks into the two broad classification of EI practices; direct and representative classification. The model takes cognizant of the effects of situational (demographic) factors on the relationship between EI and productivity. The model proposes two kinds of relationships, first; EI practice(s) has a direct influence on productivity and secondly, there is some form of a mediating relationship between them.

### **2.6.2 Direct Participation**

Direct participation in decision making involves face to face contact between the manager and the subordinate (Oosthuizen and Du Toit (1999). Sisson (1994)

observed that traditionally, direct participation initiatives were largely concerned with improving quality of working life, absenteeism and labour turnover. The current practise of direct participation focuses on enhancing business performance and is linked to strategic goals of innovation and customer satisfaction.

### **2.6.3 Representative Participation**

Oosthuizen and Du Toit (1999) perceive indirect participation as that occurring via representatives typically elected from employees groups through indirect participation of unions and works council representation. Representation may go all the way to the board level as is the case in the labour relations in Germany.

### **2.6.4 Degree of Employee Involvement**

Employee involvement is creating an environment in which employees have an impact on decisions and actions that affect their jobs. Allowing employees a say in determining decisions about their work and its environment ensures that quality inputs (information) are considered in the process. Moreover the mere act of involving employees acts as a motivator in the sense that it gives them a sense of emotional satisfaction and fulfillment that in turn propels employees' productivity. Involvement runs on a continuum from low or no involvement on one end to high or deep involvement on the other. The level of involvement determines the outcome.

### **2.6.5 Job Satisfaction**

Job satisfaction refers to the positive and favourable attitudes and feelings people have about their work. It is a sense of emotional fulfilment affected by among other things relationships at work (Armstrong, 2009). When employees are allowed a

voice in matters concerning their work, they feel valued and respected and that they matter to the organization. Job satisfaction leads to motivation as ascribed in Maslow's hierarchy of needs. Satisfied employees experience a sense of partnership in the organization with the employer and as such are compelled to give their best effort for success; failure will only have negative repercussions to both parties.

## **2.7 Statement of Hypotheses**

Organization behaviour researchers propose that EI practices have the potential to improve productivity. This study therefore hypothesizes that;

**H1.** The adoption of employees' involvement practices has no significant impact on employee productivity.

Proponents of the contingency theory propose that participation affect satisfaction and productivity differently for different people and situations. Accordingly, based on our conceptual model, we hypothesize that;

**H2.** Demographic characteristics of age, gender, education and job rank does not mediate employee involvement's effect on productivity in manufacturing organizations in Kenya.

Cotton *et al.* (1993) is cited by Sumukadas (2006) as having pointed out that the most effective forms of EI are long-term, involve direct-participation and allow "high access". Vroom (1960) predicted that some forms of participation may only be effective for employees in certain types of organizations. According to him, participation is best suited for research or service oriented organizations, rather than manufacturing organizations.

We may therefore hypothesize that;

***H3.*** The adoption of direct forms of employee involvement does not enhance job satisfaction in manufacturing organizations in Kenya.

## CHAPTER THREE

### 3.0 RESEARCH METHODOLOGY

#### 3.1 Research Paradigm

In scientific perspective, this work is based on positivism. Positivism works with observable social reality aimed at arriving at some law like generalisations to predict behaviour in terms of probability at least, if not with absolute certainty (Collins Fisher, 2010). Saunders define research paradigm as a way of examining phenomenon from which particular understanding can gained and explanation attempted, (Saunders *et. al*, 2010). It is based on a set of assumptions, concepts and values held by a community or researchers. There are two major research approaches (Quantitative and Qualitative) that can be used in carrying out research. To investigate the relationship between PDM and employee productivity, the study took a quantitative approach.

The objective of this study was to explore, describe, understand and encapsulate the interplay between the two variables by collecting data from the field. This approach was aimed at generating a thorough understanding of the attributes of the variables in order to undertake a correlation analysis to predict their behaviour. Responses were sought from the case study of employees of TCML on issues relating to PDM and employee productivity. A case study approach was thought ideal as it allows for a detailed account of phenomena in a specific setting (Saunders et al, 2010).

#### 3.2 Research Design

Research design is the overall strategy used by the researcher as a means of collecting and analysing data in order to answer the research questions (Cooper and

Schindler, 2003:146). This study adopted a quantitative, non-experimental and correlational research design. The choice was informed by the research's intention to numerically measure variables and without manipulating the independent variable, it seeks to understand the interrelationship between employee involvement and employee productivity.

### **3.2.1 Area of the Study**

The research was conducted at TCML premises located 120km south west of Nairobi Kenya and 30km to the Kenya-Tanzania border. This is where the factory and local head offices are located in the remote semi-urban area of Magadi Township of Kajiado County in the Great Rift Valley region. The inhabitants of the area are predominantly the Maasai people who are pastoralists. 90% of the town's multi-ethnic resident's work for TCML directly or indirectly. The company manufactures soda ash and industrial salt which are transported by road, rail and sea to the customers in Africa and overseas.

### **3.2.2 Population of the Study**

A population is defined as a group of individuals, objects or items from which samples are taken for measurement or it may refer to an entire group of persons or elements that have at least one thing in common; (Dawson; 2002). The entire workforce at TCML is 441 employees but this study targeted a population of 414 employees of TCML who have been in the organization for more than five years to date. These are the people with firsthand information on what has been happening in the organisation between the two regimes.

The population comprised twenty five management staff, sixty nine senior staff and three hundred and twenty junior staff. In terms of gender, there were twenty five women and three hundred and eighty nine men all with varying academic portfolios ranging from high school certificates to post graduate schooling.

The choice of TCML was due to the fact that it is a MNC with a diversified cultural profile comprising Asians, Europeans and Africans. Moreover, the company has been in operation for over a century. This was thought to be a good representation of manufacturing firms in Kenya. The survey population was indentified from the TCML employee database availed by the HR department.

### **3.2.3 Sample and Sampling Techniques**

Investigating all items in a population involves a great deal of time, money and energy and this may prove a huge task if not impossible in some cases. It is therefore quite often as Kothari (2004) observes, to select only a few items (sample) from the population for study purposes.

A sample was used to study the population as it would not have been feasible to study the entire population given the time and financial limitations. A stratified random sampling technique adopted in selecting the participants to capture demographic diversity of the population and other parameters of interest to this study. Stratified random sampling technique is used in heterogeneous populations where the aim is divide the population into two or more relevant significant strata based on one or a number of attributes (Saunders *et al.*, 2009).

The population was broken down into three strata of ranks in the organisation structure namely; Management, Senior Staff and Junior Staff. A random sample was then drawn from each subset of the ranks. Dividing the population into a series of relevant strata means that the sample is more likely to be representative as it ensures that each stratum is represented proportionally within the sample (Saunders, 2009). From a sampling frame of 414 employees of TCML (HR data base), a sample of 65 participants was drawn. The size of the sample was based on the factors mentioned above.

Sample size for the three strata was arrived at as follows:

N – Represents the population of study (414).

n – Represents the sample size (65).

P – Represents the proportion of population included in the sample.

$$P = n/N \quad P = 65/414 \quad P = 0.157$$

The number of elements selected from each stratum was therefore as follows;

n1 (Management)	= P × N1	n1 = 0.157 × 25	n1 = 4
n2 (Senior Staff)	= P × N2	n2 = 0.157 × 69	n2 = 11
n3 (Junior Staff)	= P × N3	n3 = 0.157 × 320	n3 = 50

The sample of 65 participants was distributed as Management (4), SS (11) and USG (50). From each stratum, sample units were selected through a simple random technique of lottery based on employees' employment identification numbers. This ensured an equal opportunity for selection and a true representation of the research population.

### **3.3 Data Collection**

There are basically two types of data in research circles; primary and secondary data. This study used primary data that was collected firsthand from the informed source who were employees of TCML. The choice of this method was derived from the fact that the prime objective of the research involved perceptions of the individual respondents in that specific organisation.

However, secondary information came in handy as reference material in building a background to this research. Questionnaires were used as instruments to collect the primary data from the field. There are four specific objectives that informed the preference of questionnaires as observed by Kothari, (2004). First, questionnaires focus on required information and translates it into a set of specific questions that respondent's can and will reply.

Secondly, it is ideal for the large number of respondents. Thirdly, it also minimizes the response error, as respondents have adequate time to give well thought out answers and lastly, questionnaires are free from the challenge of interviewer bias. After conducting a pilot test on the questionnaire and reviewing errors, the closed-question questionnaires were distributed to the selected respondents with the help of a field assistant. The respondents were expected to read and understand the questions on their own and write down replies in the spaces provided. Closed-question questionnaires have fixed alternative questions in which responses of the informants are limited to the stated alternatives (Kothari, 2004). They are simple to administer and relatively inexpensive to analyse.

### **3.4 Data Analysis**

Data analysis is an exercise of examining what has been collected in a survey and making inferences based on it (Dawson, 2002). The collected questionnaires were first edited to examine possible errors before conducting further analyses and then tested against the objectives. Computerized SPSS statistical tool came in handy in the analysis of the data.

Descriptive statistical techniques were employed in the study to measure demographic characteristics of the respondents in order to answer questions relating to employee involvement and employee productivity. These are statistical procedures that describe, organize and summarize the main characteristics of sample data and include measures of central tendency (averages - mean, median and mode) and measures of variability about the average (range and standard deviation) (Kothari, C. R, 2009). They give the reader a 'picture' of the data collected and used in the research study. Tables of mean's, frequencies and percentage distributions were used to present data in an informative way.

In addition, inferential statistics were applied to establish the degree of the relationship between PDM and employee productivity. Inferential statistics examine the relationship within a set of data to enable a researcher make inference or judgement about the population based on relationships within the sample data (Malhotra, 2003).

#### **(i) Variable Measures**

A five point Likert scale was used to measure both employee involvement and productivity. Mean indices were performed from respondents data whereby an index

below the mean would indicate low employees' involvement or a decline in productivity while an index above the mean would indicate high employees' involvement or a growth in productivity.

**(ii) Test of Hypotheses**

Product-moment correlation was used to examine the existence of relationship between employee involvement in decision making and employees' performance while a Regression Analysis was conducted to ascertain the amount of variations in the dependent variable which could be associated with changes in the value of the independent or predictor variable in the absence of other variables. This was used to test hypothesis (**H1**). The choice of Karl Pearson's coefficient of correlation technique was informed by the assumption that there exist a possible linear relationship between the two variables and that the two are "causally" related in nature where EI was considered as the independent variable while EP is the dependent variable.

Hypothesis (**H2**) was tested by conducting bivariate analyses to assess the association between EI and other demographic variables of age, gender, education and job rank. Cross tabulation was employed in this analysis where frequency counts were done on the variables drawn from respondents' data to determine the nature of variation in the relationship. Bivariate analysis is used to find out if there is any connection between one variable and a number of other variables (Dawson, C. 2002).

Hypothesis (**H3**) was tested using univariate statistics otherwise known as frequency count. According to Dawson (ibid), univariate analyses are used when the goal of the

researcher is to describe just what has been found; counting responses and reproducing them. This is normally conducted on one variable to assess its manifestation and in this case, the ideal form of involvement for the manufacturing set up.

### **3.5 Ethical Issues**

According to Saunders et al (2009), research ethics refers to appropriate behaviour of the researcher in relation to the rights of those who become the subject of or are affected by the research work. Following below are the fundamental ethical considerations observed in the conduct of the research.

Scientific validity was observed by referencing all work and ensuring there was no plagiarism or fabrication of information. Data was processed fairly, accurately and lawfully and conclusions were made based on the actual findings. In addition, participants were notified of the research with the help of management and no one was coerced into participating in the study. Participation was strictly voluntary based on full information about the participant's rights and use of data. Communication to participants was in simple and clear language for ease of comprehension. The advance information included the estimated duration of completing questionnaires, harms and benefits, confidentiality matters and communication of results.

In order to ensure guarantee of confidentiality, names of respondents were not to be included on the questionnaires. Moreover, the research kept to its primary objective that information of a sensitive nature was not to be divulged and all information was not to be used in any other form other than a research project to protect confidentiality of the organisation.

### **3.6 Validity of the Data**

Validity of data addresses the question of whether a data collection process is really measuring what it purports to measure. A data collection process is valid to the extent the results are actually a measurement of the characteristics the process was designed to measure, free from influence of extraneous factors (Ekinici and Riley, 1998). To achieve a desirable level of validity of the research findings, a lot of effort had to be made because it is challenging to get the desired data from a private company. Since the research intended to collect information through a survey, the development of the questionnaire therefore required careful thinking to encompass all the desired information helpful to the research. A pilot study was done to increase validity. Respondents were persuaded to support the research by giving genuine information and return completed questionnaires the aim being to get as many responses as possible for use in constructing the empirical part.

### **3.7 Reliability of the Data**

Reliability addresses the question of whether the results of measuring processes are consistent on occasions when they should be consistent. Consistency means ‘not self-contradictory’, (Ekinici and Riley, 1998). It is the extent to which data collection techniques or analysis procedures will yield consistent results (Saunders et al (2009).To increase the reliability of the measuring instrument; the research ensured that questions on test items on the questionnaire were not ambiguous, tricky or confusing but straight forward and that the researcher upheld objectivity in the analysis of data. A pilot test of the data instrument was be done prior to the actual data collection activity.

## **CHAPTER FOUR**

### **4.0 RESEARCH FINDINGS, ANALYSIS AND DISCUSSION**

#### **4.1 Research Findings - Introduction**

A total of 65 copies of the questionnaire were administered on a selected sample of employees of TCML out of which only 57 were completed and returned representing 87.69% percent response rate. Eight respondents of the junior staff category did not return the questionnaires; however an 84% response rate for this cadre was thought to have a minimal impact on the results.

##### **4.1.1 Demographic Profile of Respondents**

The results in table 4.1 below indicate that the majority of the respondents were males, constituting 91.2 percent of all the respondents. Respondents who were between ages 31 and 40 years old made up 49.1 percent of the entire respondents. Those who were less than 30 years old constitute only 14 percent, while 51 years and above constituted a proportion of 8.8 percent of the entire respondents.

Also, in terms of educational qualification, the majority of them were diploma holders (49.1 percent). Respondents who were holders of Bachelor's degree and above constitute 28.1 percent while those who had post high school certificates made up 21.1 percent. Respondents with an education below high school constitute an insignificant 1.8 percent. In terms of rank, 73.7% of the respondents were junior staff; 19.3% senior staff while management constituted 7%.

**Table 4.1: Demographic Profile of Respondents**

<b>Variable</b>	<b>Description</b>		<b>Frequency</b>	<b>Percentage</b>
Sex	Male		52	91.0%
	Female		5	9.0%
	<b>Total</b>		<b>57</b>	<b>100%</b>
Age	30 and Below		8	14.0%
	31-40		28	49.0%
	41-50		16	28.0%
	51+		5	9.0%
	<b>Total</b>		<b>57</b>	<b>100%</b>
Education	O Level and below		1	2.0%
	Certificate		12	21.0%
	Diploma		28	49.0%
	Degree		16	28.0%
	<b>Total</b>		<b>57</b>	<b>100%</b>
Rank/Position	Junior Staff		42	73.7%
	Senior Staff		11	19.3%
	Management		4	7.0%
	<b>Total</b>		<b>57</b>	<b>100%</b>

Source: Author

## 4.2 Data Analysis

To derive useful meaning from the data, and examine the propositions of this study, data from the survey was analyzed using descriptive and inferential statistical techniques.

### 4.2.1 Variables and Measures

With respect to employee involvement in decision-making, the mean index of the participants was 3.61 while the mean index for employees' productivity was 3.98 (Table 4.2).

**Table 4.2: Mean Indices of Involvement and Productivity**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Involvement	57	2	5	3.61	.807
Productivity	57	1	5	3.98	1.009
Valid N (list wise)	57				

**Source: Author**

Employee involvement in decision-making was measured on two items adopted from the works of Elele and Fields (2010). The five-point Likert scale which ranges from “no involvement to substantial involvement” was used to measure the degree to which employees from different hierarchical levels in a firm are involved in its decision making. The scores on the two items were summed up and averaged to determine the mean index of employees’ involvement in decision making (Table 4.3). An index of less than 3.61 was considered as low or shallow employee involvement in decision making while an index above 3.61 was considered as high or deep employee involvement in decision-making.

**Table 4.3: Measure of Employees Involvement in Decision Making at TCML**

<b>Involvement</b>					
	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cum. Percent</b>	
Valid	1.5	1	1.8	1.8	1.8
	2	2	3.5	3.5	5.3
	2.5	2	3.5	3.5	8.8
	3	18	31.6	31.6	40.4
	3.5	6	10.5	10.5	50.9
	4	16	28.1	28.1	78.9
	4.5	7	12.3	12.3	91.2
	5	5	8.8	8.8	100.0
<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	

**Source: Author**

The results below indicated that 29 respondents representing 50.9% felt that there is a low involvement of workers in decision making at TCML, while 49.1% felt that their organization adequately involves its employees in decision-making.

For convenience purposes employees operating efficiency was used to measure employees' productivity. A five-point Likert scale was applied to measure the extent to which employees' felt that their productivity had either declined or improved over a period of four years into the research. The scores on the item were summed up and averaged to determine the mean performance index of the employees (Table 4.4). An index of less than 4.0 indicated a decline in productivity while an index above 4.0 denoted growth in productivity. The results below show that 64.9% of the respondents felt that their productivity had declined while 35.1% indicated an increase in their productivity.

**Table 4.4: Measure of Employees Productivity at TCML**

Productivity					
		Frequency	Percent	Valid Percent	Cum. Percent
Valid	1	1	1.8	1.8	1.8
	2	5	8.8	8.8	10.5
	3	8	14.0	14.0	24.6
	4	23	40.4	40.4	64.9
	5	20	35.1	35.1	100.0
<b>Total</b>		<b>57</b>	<b>100.0</b>	<b>100.0</b>	

Source: Author

#### 4.2.2 Test of Hypothesis One (H1)

Hypothesis (H1) states that “*The adoption of employees' involvement practices has no significant impact on employee productivity*”.

The first step was to establish if there was any significant relationship between the two variables. This was tested through correlations coefficients test. Pearson's product moment correlations coefficient (0.386) indicates that employee involvement in decision-making and employees' performance are significantly and positively correlated with each other at 0.01 level of significance (Table 4.5). Thus, there is a significant relationship between employee involvement in decision-making and employees' productivity.

**Table 4.5: Pearson Product Moment Correlations of Employee Involvement and Productivity**

		<b>Involvement</b>	<b>Productivity</b>
Involvement	Pearson Correlation	1	.386**
	Sig. (2-tailed)		.003
	N	57	57
Productivity	Pearson Correlation	.386**	1
	Sig. (2-tailed)	.003	
	N	57	57

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

**Source: Author**

The impact of employees' involvement in decision making on productivity was tested through a Regression Analysis (see Table 4.6).

**Table 4.6: Regression Analysis of the Relationship between Involvement and Productivity**

**(a) Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.386 <sup>a</sup>	.149	.134	.939

a. Predictors: (Constant), Involvement

b) ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.498	1	8.498	9.640	.003 <sup>a</sup>
	Residual	48.484	55	.882		
	<b>Total</b>	<b>56.982</b>	<b>56</b>			

a. Predictors: (Constant), Involvement

b. Dependent Variable: Productivity

(c) Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.239	.575		3.892	.000
	Involvement	.482	.155	.386	3.105	.003

a. Dependent Variable: Productivity

**Source: Author**

Table 4.6b, shows that the analysis of variance of the fitted regression equation is significant with F value of 9.640. This is an indication that the model is a good one. Since the p-value is less than 0.05 (.003), it shows a statistically significant relationship between the variables at 95 percent confidence level. Thus, employee involvement in decision making has a significant impact on employees' productive efficiency. The R2 statistic in Table 4.6a indicates that the model as fitted explains 14.9 percent of the total variability in employees' productivity. In other words, 14.9 percent of the total variability in employees' productivity can be explained by employee involvement indecision-making. The value of  $R^2 = 0.149$  shows that

employee involvement in decision-making is a good predictor of employees productivity. The standardized coefficients (Beta) value in Table 4c reveals that the independent variable is statistically significant at 0.05 significant levels.

#### **4.2.3 Test of Hypothesis Two (H2)**

Hypothesis (H2) states that, “*Demographic characteristics of age, gender, education and job rank do not mediate employee involvement’s effect on productivity in manufacturing organizations in Kenya*”.

The test for this was achieved by employing bivariate statistics specifically cross tabulation on four demographic variables significant to the study namely; age, education, gender and rank in the organization structure. The analysis of the influence of the age of respondents on the desire to be involved in decision making indicate that there is a significant difference for the age groups. The desire for more involvement increases with age up to fifty years (25%-28.6%-31.3%) then begins to decline as the respondents’ age advances beyond fifty years (20.%). The age group between 41-50 years indicated the highest desire for involvement while the age group above 50 years scored the lowest desire.

The results also indicate that a across all age categories the majority of the respondents preferred some form of mid-point level of involvement as indicated in Table 4.7. The second analysis involved the relationship between the level of education of respondents and the desire for involvement. The results are shown in Table 4.8.

**Table 4.7: Relationship between Age and Desire for Involvement**

Age		Desire to be Involved in Decision Making			Total
		Low	Average	High	
Below 30	Count % within age of respondent	1 12.5%	5 62.5%	2 25.0%	8 100.0%
31-40	Count % within age of respondent	5 17.8%	15 53.6%	8 28.6%	28 100.0%
41-50	Count % within age of respondent	1 6.3%	10 62.5%	5 31.3%	16 100.0%
51+	Count % within age of respondent	2 40.0%	2 40.0%	1 20.0%	5 100.0%
Total	Count % within age of respondent	9 15.8%	32 56.1%	16 28.1%	57 100.0%

**Source: Author**

The Table 4.8 indicates that high school leavers are comfortable with some average level of involvement in decision-making. Respondents with post high school certificate show some variations in that 25% desire some little or no involvement, 66.7% want some meaningful involvement while 8.3% yearn for greater involvement. As we move up academic ladder to diploma holders, we see reduction in the percentage seeking low and average involvement (10.7% and 50%), and an increase in those desiring greater involvement (39.3%). A reverse trend appears for the degree holders with an increase in low and average desire (18.8% and 56.3%) and a decline in the desire for greater involvement (25.0%). Generally, the desire for high involvement increases gradually with respondents' level of education up to the

diploma level. There is however a decline in the desire for higher involvement and a move towards average involvement as we approach respondents who hold a degree level of education.

**Table 4.8: Relationship between the Level of Education and the Desire for Involvement**

Education Level		Desire to be Involved in Decision Making			Total
		Low	Average	High	
High School	Count	0	1	0	1
	% within education level of respondent	0.0%	100.0%	0.0%	100.0%
Post High School Certificate	Count	3	8	1	12
	% within education level of respondent	25.0%	66.7%	8.3%	100.0%
Diploma	Count	3	14	11	28
	% within education level of respondent	10.7%	50.0%	39.3%	100.0%
Degree	Count	3	9	4	16
	% within education level of respondent	18.8%	56.3%	25.0%	100.0%
Total	Count	9	32	16	57
	% within education level of respondent	15.8%	56.1%	28.1%	100.0%

**Source: Author**

The third test for hypothesis ( $H_2$ ) involved the parameter of gender. The results are as shown in the table 4.9 below.

**Table 4.9: Relationship between Gender and the Desire for Involvement**

Gender of Respondent		Desire to be Involved in Decision Making			Total
		Low	Average	High	
Male	Count	7	31	14	52
	% within Gender of respondent	13.5%	59.6%	26.9%	100.0%
Female	Count	2	1	2	5
	% within Gender of respondent	40.0%	20.0%	40.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>9</b>	<b>32</b>	<b>16</b>	<b>57</b>
	% within Gender of respondent	15.8%	56.1%	28.1%	100.0%

**Source: Author**

As far as the gender of respondents is concerned, the data analyzed indicates that women have a higher desire for involvement in decision making compared to men (40% against 26.9% respectively). It is interesting to note that a similar percentage (40%) of women preferred some little or no involvement in decision making compared to men at 13.5%. The majority of the male respondents preferred middle ground involvement (59.6%) compared to female respondents' 20%.

Finally, as far as hypothesis two was concerned, an analysis on the rank of respondents and their desire for involvement in decision making are illustrated in the Table 4.10.

**Table 4.10: Relationship between Rank and the Desire for Involvement**

Rank of Respondent		Desire to be Involved in Decision Making			Total
		Low	Average	High	
Junior Staff	Count	6	24	12	42
	% within Rank of respondent	14.3%	57.1%	28.6%	100.0%
Senior Staff	Count	2	6	3	11
	% within Rank of respondent	18.2%	54.5%	27.3%	100.0%
Management	Count	1	2	1	4
	% within Rank of respondent	25.0%	50.0%	25.0%	100.0%
<b>Total</b>	<b>Count</b>	<b>9</b>	<b>32</b>	<b>16</b>	<b>57</b>
	% within Rank of respondent	15.8%	56.1%	28.1%	100.0%

**Source: Author**

The results indicate a minimal difference in the percentage of respondents' desire for high involvement in decision making in terms of job rank. However the junior staff scored highly (28.6%) compared to SS, (27.3%) and managements (25.0%). The desire for involvement generally appears to increase as you move down the ranks. This is evident from the percentage figures in all levels of involvement; low involvement, (USG 14.3%, SS 18.2%, Mngt. 25%), average involvement (USG 57.1%, SS54.5%, Mngt. 50%). The percentages for high involvement are as shown above.

#### **4.2.4 Test of Hypothesis Three (H3)**

Hypothesis (H3) states that, *“The adoption of direct forms of employee involvement does not enhance job satisfaction in manufacturing organizations in Kenya”*.

The test to this hypothesis was realized on conducting a univariate frequency count on the preferred form of involvement. The results shown in Table 4.11 below indicate that the majority of employees of TCML preferred a direct form of involvement in decision making with a score of 45.6 percent.

**Table 4.11: Preferred Form of Involvement**

		<b>Form of Involvement Desired</b>			
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Direct	26	45.6	45.6	45.6
	Indirect	20	35.1	35.1	80.7
	Hybrid	11	19.3	19.3	100.0
	<b>Total</b>	<b>57</b>	<b>100.0</b>	<b>100.0</b>	

**Source: Author**

### **4.3 Discussion of Research Findings**

The analysis of the results is associated with key theories that explain the role that employee's participation in decision-making play in enhancing productivity in the organization. In reference to the literature reviewed, the results provide support for PDM as having a positive influence on productivity from an employee's perspective though at varying degrees of influence. Kuye and Adeola, (2011) found out that employee involvement had over 50% influence over the performance of firms compared to the results of this study which revealed a less than 15% influence on productivity.

The results could be due to a difference in focus of the researchers, one on the firm as a whole and the other on the individual or even the cultural settings which matters

as observed by Elele (2010) and Hofstede (2001). The current study however concurs with these researchers (Kuye and Adeola, *ibid*) that firms with low involvement may not match the performance of those that highly involve their employees in decisions. Sun et al (2000) and Lashley C (2000) adds to the matrix that employee involvement positively enhances the contribution of TQM and employee empowerment to the improvement of business performance and service efficiency respectively.

The research findings for TCML could be explained through McGregor's theory Y and Monge and Miller (1986) who observed that subordinates have capabilities, experiences, knowledge, skills and creativity in work and problem solving thus a climate of sharing decisions making will enhance their productive efficiency. Anthony and Frost (1974), Sun et al (2000) and Hung *et al* (2006) are of the view that people closest to a problem are best placed to make decisions for improvement if they have control of the improvement process. Previous research claims by Humphreys (2000), Scott (2004) and Appelbaum *et al.* (2005) that productivity could be increased by increasing the involvement of workers in elements that are truly job related has received backing. PDM can therefore be used as ploy by management to get the most out of workers (Appelbaum, *ibid*).

The results could also be argued in support of the affective theories proposition that participation in decision-making leads to the attainment of higher order needs of morale, job satisfaction and motivation which in turn enhances quality and productivity (Miller, 1999; Scott, 2004). The results of this study point to a correlation between job satisfaction, motivation and productivity albeit at a lower level of significance. This finding is similar to Scott and Mashall (2004) observation

that the relationship between performance effectiveness and job satisfaction was not strong. This is in contrast to Appelbaum *et al* (2005) who found the relationship strong. An analysis of some responses agree with Black and Gregersen (1997) perception that while some employees may like to participate, this did not necessarily lead to positive impacts on productivity or job satisfaction. This could be looked from the angle that different people may be motivated by different things.

Cotton *et al* (1988) found informal involvement to lead to greater satisfaction and productivity. Similar results have been found by other scholars. Thierry (1996) observed that low productivity was a result of low job satisfaction and low motivation in line with Vroom's (1964) expectancy theory. The theory stipulates that employees will not work to their full potential if they perceive that the organization does not appraise their efforts and reward them accordingly. According to Maslow's theory, employees need extensive involvement in and identification with the organization in order to satisfy their higher order needs. The perceived connection between participation and productivity is also supportive of Herzberg's, Two-factor theory whereby PDM is considered a motivator for productivity.

Data analysis revealed some manifestation of contingency elements in PDM. Contingency theorists are of the view that PDM will result in different effects for different people in different situations. This is apparent in the differing desire for involvement as indicated by the varying demographic categories studied. Vroom and Deci (1960) and Kahnweiler and Thompson (2000) felt that assuming that all workers desire participation opportunities is to lack sensitivity to individual needs; this study has shown that some employees depending on age, education, job or

gender may not be interested in PDM. Elele and Fields (2010) found a difference in participation based on cultural differences between Nigerian and American workers.

The findings of this research support a previous study by Monge and Miller (1986) that the lower cadre employees had a more desire for involvement in decision making. This is in sharp contrast to Vroom (1960) observation that participation may be less desirable or of much value at the lower levels where jobs are mostly routine in nature. Monge and Miller (*ibid*) explained the scenario that PDM influence the lower level employees because managers higher order ego may well be fulfilled by other aspects of their work.

Age wise, the results show a greater desire for involvement among the middle age group (41-50 years). This is the group in its mid career stage who have settled in their jobs and wish to exercise their wealth of knowledge and experiences to achieve personal satisfaction as well as organizational goals. They feel a sense of maturity and exhibit confidence to make important decisions concerning their work. The results on the correlation between education and PDM pointed out that diploma holders have a higher desire for PDM compared to degree holders. The reason could be that majority degree holders are at management level and are therefore endowed with decision-making responsibilities by virtue of their jobs.

Moreover, compared to the senior staff and management, the lower cadre employees exhibited a lower degree of job satisfaction. The reason could be that the higher cadre employees are motivated by the opportunity to partake in decision-making (Appelbaum *et al*, 2005). Cotton *et al* (1988) found that PDM increases productivity

but job satisfaction less consistently. They observed that greater levels of participation allows employees to be more effective, however, they may be less happy with their increasing workloads. The relationship between the actual and the desired levels of PDM may affect employees' outcomes in the organization. Kahnweiler and Thompson (2000) call for what they called decisional equilibrium; matching the actual to the desired levels of involvement.

Scott and Marshall (2004) called for multi-dimensional studies by observing that the context largely shapes level and range of employees' participation and that this varies markedly between individuals and across organizations.

Participation in decision-making provides employees a direct or indirect voice in decisions and a chance to influence others in different levels of the organization (Cotton et al 1988). The results of this study indicate that workers are more inclined towards direct forms of involvement as opposed indirect forms. Traditionally, direct participation initiatives were largely concerned with improving quality of working life, absenteeism and labour turnover Sisson (1994). The current practice of direct participation focuses on enhancing business performance and is linked to strategic goals of innovation and customer satisfaction.

Oosthuizen and Du Toit (1999) define direct participation as involving face-to-face contact between the manager and the subordinate whereas the indirect participation occurs via representatives typically elected from employees groups. Cotton *et al* (ibid) observed that direct, long term and high access informal forms of involvement result into highest performance outcomes.

Some of the direct approaches to involvement would include joint decision-making and delegated authority involving. Direct employee participation with management in making work related decisions may be formal or informal. Hung *et al* (2006) found out those formal structures such as staff meetings had little impact on practice productivity compared to the informal unplanned meetings in the course of work. Another form of direct involvement is the consultative participation where employees' opinions are considered by managers in their decision-making. Tannenbaum and Schmidt (1958) present consultation as the effective approach to enhance performance.

Attitude survey is another valuable way of involving employees by seeking their views on matters that concern them. It can provide information on employee preferences, potential problem areas and diagnose the cause of particular problems (Armstrong, 2009). Suggestion schemes have also proved valuable as a means for improving the efficiency of an organization especially where there are no recognised formal channels of communication.

Finally, project teams in the form of quality circles or improvement groups can be employed as a means of getting employees involved in making decisions that can enhance their productivity. The onus is on the management to assess its structures and choose the best combination that would best serve its needs as Cotton *et al* (1988) clearly affirms that different forms result in different outcomes.

## CHAPTER FIVE

### 5.0 CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Conclusions and Recommendations

The contribution made by the manufacturing industry in the economy cannot be overstated. All the so called developed world economies owe their status to manufacturing. Beyond the massive technological developments, the intangibles (human factor) are becoming the core strategy focus in order to be successful in today's business environment (Saini, 2006). Some of the most significant HR intangibles in this regard include employee involvement in decision making in the organization (Ulrich and Brockbank, 2005).

A review of literature reveal that very little research has been conducted on this topic in Africa, a continent that is at its developing stage. Moreover the studies done have focused on comparing how Western management practices play out in the African context. The aim of this study was to find out the impact of employee involvement in decision making on productivity in the organizations within the manufacturing industry of the Kenyan economy. The study conducted at Tata Chemicals Magadi took a quantitative approach using questionnaires to collect data from a sample of respondents.

The findings reveal that though employee involvement significantly influenced employees' productivity, the level of involvement appears low. The management appears not to have salvaged themselves from what Blunt (1978) referred to as the colonial mindset of master and servant where decision-making was the prerogative

of the master (management). In addition, the results also reveal that demographic characteristics (age, gender, education, rank) of employees influence their desire for involvement and thus the outcomes of their participation in decision making. Moreover, the findings show an inclination towards direct forms of involvement in decision making as opposed to representative involvement.

These research findings have substantial importance for managerial roles within employee relations and human resources of manufacturing companies. It supports the recommendations of Kuye and Adeola (2011) on the need for manufacturing firms to exhibit high level of commitment to employee involvement in decision making in order to enhance their performance. An intensive employee involvement in decision making could be the new way of operating and surviving the turbulence caused by the globalisation syndrome. This should however be done without losing sight of the contingents. The study will also be useful to future researchers.

In conclusion therefore, if Tata Chemicals Magadi and by extension the manufacturing sector in Kenya needs to grow and edge out competition, its managers should encourage increased involvement of employees in decision making activities.

## **5.2 Suggestion for Future Research**

The following suggestions are made: Future studies may need to be done to cover the other organizations in Kenya's manufacturing industry in order to justify generalisation of the findings. Second, a similar study may be done to replicate it in the service sector of the economy to compare findings. These might be relevant for labour policy direction in the vision 2030 development goals. Third, future research

to investigate the influence of employee involvement in decision making on labour turnover might be useful as organizations would not wish to lose its talented resources to competitors. Finally, the study was done in the private sector. It would be more informative if future research was conducted on the public sector of Kenya.

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## **APPENDICES**

### **Appendix I: Researchers Introduction Letter**

Moses Tunga

P.O Box 10

Magadi

October, 2012,

#### **RE: RESEARCH ON EMPLOYEE INVOLVEMENT IN DECISION MAKING**

I am a post graduate student at the Open University of Tanzania pursuing a Master of Human Resource Management course. I am conducting a survey on employee involvement in decision making in your organisation as part of the requirement of this course.

You have been randomly selected to participate in this important exercise that will benefit both you and your organisation and other stakeholders. The purpose of this questionnaire is to gather data that will be used to reach a conclusion and recommend appropriately.

Please note that any information you give will be treated with utmost confidentiality and will be used solely for the purpose mentioned.

Thank you for your participation.

Moses Tunga

## Appendix II: Self Administered Questionnaire used to collect data

This questionnaire will take a maximum of 12 minutes.

Do not indicate your name anywhere in this questionnaire.

Questionnaire No.....

Date.....

Please tick in the box to indicate the appropriate response?

<b>Sex</b>	Male	Female		
<b>Position/Rank</b>	USG	SS	Management	
<b>Education</b>	Form 4 and Below	Certificate	Diploma	Degree
<b>Age</b>	Below 30	31- 40	41- 50	50+

### Section A

Please use these options provided to respond to the following questions;

**Strongly agree = 5   Agree = 4   Neutral = 3   Disagree = 2   Strongly disagree = 1**

<b>Factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. All employees are allowed a voice in solving problems arising from work.					
2. My supervisor asks for my opinion about how work gets done.					
3. Do you mind your supervisor making decisions affecting your work without asking for your opinion?					
4. This is a very hierarchical organisation; the decisions are made at the top with little input from those doing the work.					

**Section B**

Please use these options (**Improved significantly = 5**    **Improved slightly = 4**

**Constant = 3**    **Decreased slightly = 2**    **Decreased significantly = 1**)

<b>Factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5.</b> How would you describe your level of performance in the last four years?					

**Section C**

Please use these options (**Strongly agree = 5**    **Agree = 4**    **Neutral = 3**    **Disagree = 2**    **Strongly disagree = 1**)

<b>Factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6.</b> If given more room to participate in making decisions concerning your work, do you think this will have any positive impact on your current performance?					
<b>7.</b> Some employees prefer that their concerns at work should be addressed through their representatives rather than them facing their superiors directly. What do you think?					

**Section D**

Please use these options (**Always = 4**    **Often = 3**    **Rarely = 2**    **Never = 1**)

<b>Factor</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>8.</b> Do you readily do things by yourself without being followed around?				
<b>9.</b> How readily do you take your own initiative at work?				
<b>10.</b> How many times have you thought of changing your current job?				
<b>11.</b> Have you ever thought of leaving your current employer if given an opportunity elsewhere?				

**THANK YOU FOR PARTICIPATING**