Influence of Employees Participation in Decision Making on Organization Performance: A Study of Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso, Oyo State, Nigeria

Oyebamiji, Funmilola Florence

Department of Purchasing and Supply
The Polytechnic, Ibadan, Nigeria

ABSTRACT
This study examines the influence of employees’ participation in decision making on organization performance with particular reference to Ladoke Akintola University of Technology (LAUTECH) Teaching Hospital, Ogbomoso, Oyo State, Nigeria. Purposive random sampling technique was used to select Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso Oyo State, Nigeria, while simple random sampling method was used to select two hundred and five (205) respondents. Data were sourced via a structured questionnaire and frequency, percentage, means, standard deviation and linear regression analysis were employed to analyze the data. Results reveal that both direct participation and representative participation have positive and significant impact on organizational performance. Furthermore, results indicate that level of employees’ participation in decision making in Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso is very low due to unwillingness of management to share decision-making with employees. The study therefore concludes that employees’ participation in decisions making is an alternative paradigm to organization performance. Subsequently, the study recommends that employees should be allowed to make contribution in policy development as they play a major role in policy implementation and this among others will increase organizational performance.

Keywords: Direct Participation, Representative Participation, Decision Making, LAUTECH

INTRODUCTION
Employee participation in decision-making attracted the attention of practitioners, researchers and scholars in labour relations circles. Several studies have shown that allowing employees to participate in decision making leads to increase in motivation, job performance, and organizational growth (Gollan & Wilkinson, 2007; Kim, McDuffie & Pil, 2010; Bhatti & Qureshi, 2007). Komal (2013) believes that worker participation is merely a managerial technique that can be used effectively in certain situations. According to Ojokuku and Sajuyigbe (2014), employee participation in decision making has been recognized as a managerial tool for improving organizational performance by striving for the shared goals of employees and managers. This is actualized by way of allowing workers’ input in developing the mission statement, establishing policies and procedures, pay determination, promotion, and determining perks. Employee participation in decision making has become a significant topic in human resource management (HRM), and is regarded as one of the chief ingredients of employee voice, which many management scholars have observed to be a growing management concept (Brinsfield, 2014).

In Nigeria, concept of employee participation is still at infancy stage. This is evidenced by incessant industrial conflicts and worker agitations which have led to confrontations between government, management and staff with some very dire consequences, especially in health sector. The Prevalent strike
actions within health sector have contributed to low performance. Agan (2017) observes that over 90 per cent of patients died due to strike actions. He attributed incessant strikes in the health sector to disagreements and professional rivalry among the various unions, adding that at the end, it is the Nigerian people that are suffering and dying. With specific reference to Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso, Oyo State, there was no industrial harmony since medical personnel began their strike on September 28, 2015, till today the atmosphere remains eerie. Studies have attributed this menace to the frivolous employees’ involvement in decision making (Ojokuku & Sajuyigbe, 2014). This lack of employee involvement in decision making on the part of the government has resulted in a lot of turbulence, laxity, high rate of absenteeism and resignations. The consequence of this action has forced many patients to be flying abroad for proper treatment while some died because they could not afford it. LAUTECH teaching hospital Ogbomoso has experienced worker agitations, in 2015 doctors, nurses and other health workers went on strike due to issues such as delayed salaries, delayed promotions, arbitrary transfers, nepotism, cronism and discrimination.

Employee involvement in decision making is very critical to the survival of every organization and therefore needs serious attention to be able to address this attitude and ensure harmony in employer-employee relationship. The involvement of employees in decision-making allows them to feel as of part of the organization to ensure the achievement of organizational goals.

Based on this background, this study intends to examine the effect of employees’ involvement in decision making on organization performance with particular reference to LAUTECH Teaching Hospital, Ogbomoso, Oyo State.

Objectives of the Study

The general objective of this study was to examine the influence of employee’s participation in decision making on organization performance with particular reference to LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria. The specific objectives of the study are to:

i. determine the influence of direct participation on organizational commitment and job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria.

ii. establish whether representative participation has impact on organizational commitment and job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria.

iii. identify obstacles to the participation of personnel in decision-making in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria.

Research Questions

i. To what extent does direct participation influence organizational commitment and job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria?

ii. Does representative participation have impact on organizational commitment and job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria?

iii. What are the obstacles to the participation of personnel in decision-making in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria?

Research Hypotheses

H₀₁: Direct participation has no significant influence on organizational commitment and job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria

H₀₂: Representative participation has no significant impact on organizational commitment and employee job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria.

Concept of Employees Involvement

Employee involvement means that every employee is regarded as a unique human being, not just a cog in a machine, and each employee is involved in helping the organization meet its goals (Nwoko & Emerole, 2017). Nachiket (2014) views employee involvement as ‘a range of processes designed to engage the support, understanding and optimum contribution of all employees in an organization and their commitment to its objectives’ to enable them contribute to the continuous improvement and the ongoing success of their work. Agyeman (2012) sees employee involvement as a unique human being not just a part in a machine and each employee is involved in helping the organization meet its goals. He further
explained that each employee’s input is solicited and valued by his or her management. Employees and management recognize that each employee is involved in running the business. According to Pyman (2015), the involvement of employees in the organizational operations not only motivates them but also enables them to contribute more effectively and efficiently. Further, he explains employee as a process involving participation, communication and decision making which leads to industrial democracy and employee motivation. Employees with high level of involvement could be described as one whose job is the center of his/her life. As such, many theorists have hypothesized that employees with high level of involvement will put forth substantial effort towards the achievement of organizational objectives and less likely to lead to turnover (Komal, 2013; Komal, Samina & Akbar, 2011). According to Ojokuku and Sajuyigbe (2014), employee involvement in decision making, sometimes referred to as participative decision-making (PDM) is concerned with shared decision making in the work situation. Ojokuku and sajuyigbe (2014) define employee participation in decision making as the process in which two or more parties influence each other in making certain plans, policies or decisions. Nel et al. (2005) add that participation refers to influence in decision making exerted through a process of interaction between employees and managers, and based on information sharing. In the same vein, Wei (2012) states that participation includes the involvement of people in the process through which decisions are reached in corporate and workplace decision making. Wood (2010) defines employee participation as a management style that actively seeks employees’ inputs, allowing employees to contribute to the resolution of work related issues. Westhuizen (2010) provides a more comprehensive and broad definition of employee participation by defining employee participation in decision making as the totality of forms, that is direct or through the representatives of the employees by which individuals, groups, collectives secure their interests or contribute to the decision making process.

Forms of Employee Participation
Two forms of employee participation can generally be identified, namely direct and indirect participation (Nel et al., 2005).

Direct Employee Participation: According to Keller and Werner (2011), direct participation occurs when employees share in some or all decisions that are made at an enterprise level by them. Direct participation customarily entails that the subordinates participate, speak for themselves about work or matters related to work.

Indirect Employee Participation: According to Nel et al., (2005), the indirect participation of employees in decision making is one whereby employees participate through trade unions. According to Anstey (1997), collective bargaining (CB) is an indirect form of employee participation in decision making, and it is the most common form of employee participation worldwide.

Theoretical Review
This study anchors on Human capital theory because the theory plays at both the individual and organizational level in terms of creating value and stimulating new knowledge and innovation. Human capital theory argues that workers with higher skill levels receive higher compensation because they are more productive (Armstrong, 2006). Employee involvement may require workers with more general skills to perform more complex tasks, which might result in more rigorous selection and hiring criteria and increase the demand for and wages of more educated workers. New practices may also require more firm-specific skills, which would increase employer-provided training and wages as well. The employers regard employee involvement as a benefit because problem-solving tasks and job redesign relieve the tedium of traditionally-organized work. Conversely, if employee involvement requires extra effort and tighter work demands, then plants with employee involvement might offer better compensation (Bhatti & Qureshi, 2007).

Empirical Review
Previous studies have divergent views on the relationship between employee participation and organization performance. For instance, Oluwatoyo, Opoko and Ezma (2017) examine the impact of employee participation on the performances of the architectural firms in Nigeria. Results reveal that the
positive impact of employee participation in decision making on firm performance varied with the nature of the decision. Nwoko and Emerole (2017) also examine the effect of employees’ participation in decision making on organisational performance, with reference to National Root Crops Research Institutes Umudike. Result shows that there is a positive relationship between employees’ participation in decision making and work commitment of the employees in the institution. In a similar study, Ikechukwu and Chidinma (2017) examine the effects of employee participation on minimum wage determination, with reference to the Nigerian Labour Congress. The major findings reveal that meetings with government representatives, collective bargaining process, exerting upward pressure on the government and advising government are the major ways that the members of Nigerian Labour Congress actively participate in minimum wage determination in Nigeria. Udu and Aturu-Aghedo (2016) also examine the impact of participative decision making on the performance in the Federal Airports Authority (FAAN), Lagos, Nigeria. The findings of the study reveal that the command and control strategy is no longer an adequate model in FAAN; a more collaborative framework that engenders greater organizational commitment and improved performance is in use as at the time of study which is considered appropriate for decision making in organizations.

In a similar study, Jemilohun, Ekanem and Adebara (2015) assess the importance of employee participation in organization decision making process, using the Le Meridien Ibom Hotel and Golf Resort, Uyo as a case study. Result shows that gender and level of education had significant effects on employee relevance in the decision making process while the effects of age, grade of staff and employee work division, showed insignificant effects. Wainaina, Iravo and Waititu (2014) also investigate the effect of employee participation in decision making on academic staffs’ organizational commitment in the private and public universities in Kenya. The study finds that employee participation in decision making significantly influence university academic staffs’ organizational commitment in Kenya. In another study, Ojokuku and Sajuyigbe (2014) examine the effect of employee participation in decision making on performance of selected SMEs in Lagos, South Western Nigeria. Results show that, overall, employee participation in decision making had significant positive impact on organizational performance in the SMEs.

Emmanuel, Chux and Charles (2014) also examine employee participation within the context of a university of technology in South Africa. The findings suggest that while there is a desire on the part of the academics to be incorporated into matters of concern to them and the faculty, there seemed to be an obvious neglect of the contributions that academic staff members make in the faculty. Bamidele, and Ella (2013) also examine the relationship between workers participation in decision making and job satisfaction among academic staff in Nasarawa State University, Keffi. The findings indicated that significantly strong positive correlation was found to exist between job satisfaction and participation in decision-making. Omobude and Igbudu (2012) also investigate the influence of teachers’ participation in decision making on their job performances in secondary schools in Oredo Local Government Area. The study reveals that participation in decision making can influence performance as teachers who participate in decision making tend to perform better. In another study, Owolabi and Abdul-Hameed (2011) examines the relationship between employee involvement in decision making and firms’ performance in the manufacturing sector in Nigeria. The results of the study indicate a statistically significant relationship between employee involvement in decision making and firms’ performance. Komal, Samina and Akbar (2011) also examine the effect of direct participation on organizational commitment in the Pakistan and United States. Results indicate that in both countries types of employee participation are gaining popularity day by day, but unlike in U.S.A., direct participation has a more significant and positive relationship in Pakistan.

**METHODOLOGY**

Descriptive survey design was adopted for the study. Purposive random sampling technique was used to select LAUTECH Teaching Hospital, Ogbomoso Oyo State, Nigeria, while simple random sampling method was used to select two hundred and five (205) respondents from the total population of eight hundred (800) staff. The simple size was determined by the formula suggested by Mugenda and Mugenda
A structured questionnaire was used to collect relevant information from the study’s participants. The questionnaire was divided into different segments with each segment tapping the variables of interest. Reliability and content validities of the research instrument were determined by making use of a test-retest method and experts respectively. The scales were subjected to further item analysis as to determine their psychometric soundness as indicated in Table 1.

<table>
<thead>
<tr>
<th>Scale</th>
<th>No of Items</th>
<th>Reliability alpha coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Performance Questionnaire</td>
<td>7</td>
<td>0.86</td>
</tr>
<tr>
<td>Direct Participation Questionnaire</td>
<td>4</td>
<td>0.79</td>
</tr>
<tr>
<td>Representative Participation Questionnaire</td>
<td>4</td>
<td>0.85</td>
</tr>
</tbody>
</table>

Source: Author’s Computation.

Frequency, percentage, means, standard deviation and linear regression analysis were employed to analyze the data.

**Model Specification and Analytical Technique**

To evaluate the impact of employee involvement on organization performance; mathematically, the model is expressed as follows:

\[
\text{Organization Performance} = f(\text{Employee Involvement})
\]

Employee Involvement is measured by direct Participation and representative participation. Therefore;

\[
\text{Organization Performance} = \beta_0 + \beta_1 \text{Direct Participation} + \beta_2 \text{Representative Participation} + \mu_i
\]

\[\beta_0 = \text{intercept}\]
\[\beta_1, \beta_2 = \text{Regression coefficient}\]
\[\mu_i = \text{stochastic error term}\]

**RESULTS AND DISCUSSION**

Level of Direct Participation among the Staff of LAUTECH Teaching Hospital, Ogbomoso

<table>
<thead>
<tr>
<th>Level of Direct Participation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>15</td>
<td>7.3</td>
</tr>
<tr>
<td>Manageable</td>
<td>25</td>
<td>12.2</td>
</tr>
<tr>
<td>Below Expectation</td>
<td>165</td>
<td>80.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>205</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author’s Computation

Table 2 reveals that one hundred and sixty five (80.5%) respondents agreed that the level of direct participation in decisions making is below. Twenty five (12.2%) respondents agreed that the level of direct participation in decisions making is manageable while only fifteen (7.3%) respondents agreed that the level of direct participation in decisions making is outstanding. The mean direct participation score of the respondents was 79.54 and standard deviation was 22.5. From this, it is clear that majority of the respondents were not allowed to participate in decisions making. Based on this, management of LAUTECH Teaching Hospital, Ogbomoso should allow their staff to involve directly on the decisions that may affect their wellbeing. This may put an end to the incessant strikes rocking the health sector.
Table 3: Level of Representative Participation

<table>
<thead>
<tr>
<th>Level of Participation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>21</td>
<td>10.3</td>
</tr>
<tr>
<td>Manageable</td>
<td>72</td>
<td>35.1</td>
</tr>
<tr>
<td>Below Expectation</td>
<td>112</td>
<td>54.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>205</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Author’s Computation

Table 3 reveals that one hundred and twelve (540.6%) respondents agreed that the level of representative participation in decisions making is below expectation. Seventy two (35.12%) respondents agreed that the level of representative participation in decisions making is manageable while only twenty one (10.3%) respondents agreed that the level of representative participation in decisions making is outstanding. The mean representative participation score of the respondents was 29.27 and standard deviation was 9.25. From this, it is clear that representative of unions in LAUTECH Teaching Hospital, Ogbomoso are not given fair hearing in issues relating to their members. This may be the reason why workers’ agitations have led to confrontations between management and staff of LAUTECH Teaching Hospital, Ogbomoso.

Level of Organization Performance among the Staff of LAUTECH Teaching Hospital, Ogbomoso

Table 4: Level of Organization Performance

<table>
<thead>
<tr>
<th>Level of Job Performance</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>44</td>
<td>21.4</td>
</tr>
<tr>
<td>Manageable</td>
<td>101</td>
<td>49.2</td>
</tr>
<tr>
<td>Below Expectation</td>
<td>60</td>
<td>29.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>205</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Author’s Computation

It is observed from the Table 4, that one hundred and one (49.2%) respondents agreed that the level of organization performance is manageable. Sixty (29.4%) respondents agreed that the level of organization performance is below expectation while only forty four (21.4%) respondents agreed that the level of organization performance is outstanding. The mean organization performance score of the respondents was 41.12 and standard deviation was 5.98. From this, it is clear that majority of the respondents had manageable level of organization performance. This implies that management of LAUTECH Teaching Hospital, Ogbomoso need to make appropriate administrative policies that will improve organization performance, such as participation in decision making.
Mean Response score on Obstacles to the Participation of Employee in the Decision-making process in LAUTECH Teaching Hospital Ogbomoso

Table 5: Mean Response Scores

<table>
<thead>
<tr>
<th>S/N</th>
<th>Statement</th>
<th>Obs</th>
<th>Mean</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A lack of interest, initiative and support of participation from government.</td>
<td>205</td>
<td>4.04</td>
<td>Accepted</td>
</tr>
<tr>
<td>2.</td>
<td>Unwillingness of management to share decision-making with employees</td>
<td>205</td>
<td>4.67</td>
<td>Accepted</td>
</tr>
<tr>
<td>3.</td>
<td>An authoritarian approach of management</td>
<td>205</td>
<td>4.09</td>
<td>Accepted</td>
</tr>
<tr>
<td>4.</td>
<td>Management hesitates to accept employees as a valuable partners in making decisions</td>
<td>205</td>
<td>4.20</td>
<td>Accepted</td>
</tr>
<tr>
<td>5.</td>
<td>High level of education among employees</td>
<td>205</td>
<td>4.29</td>
<td>Accepted</td>
</tr>
<tr>
<td>6.</td>
<td>An adequate understanding of employees concerning their new roles in management.</td>
<td>205</td>
<td>4.11</td>
<td>Accepted</td>
</tr>
<tr>
<td>7.</td>
<td>Perception of management towards employees as an antagonist</td>
<td>205</td>
<td>4.21</td>
<td>Accepted</td>
</tr>
<tr>
<td>8.</td>
<td>Fear of unknown on part of the management</td>
<td>205</td>
<td>4.12</td>
<td>Accepted</td>
</tr>
<tr>
<td>9.</td>
<td>Corruption being perpetrated by the management</td>
<td>205</td>
<td>4.17</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

**Grand Mean**  
4.2

Source: Author’s Data Analysis

From the Table 5, the grand mean of 4.2 which is above the criterion mean of 3. Criterion mean of 3 was generated by adding the total assigned values of the responses and dividing by the total number of responses \((5+4+3+2+1 = 15/5 = 3)\). Thus any mean score up to 3 and above was interpreted as acceptable by respondents while 2.99 and below is adjudged rejected by the respondents. This shows that respondents agreed that the above listed items are the obstacles to the Participation of Employee in the Decision-making process in LAUTECH Teaching Hospital Ogbomoso. Moreover, a grand mean of 4.2 indicates the level of acceptance of the items as obstacles to the Participation of Employee in the Decision-making process in LAUTECH Teaching Hospital Ogbomoso. The result is similar to the findings of the Ikechukwu and Chidinma (2017); Udu and Aturu-Aghedo (2016); Etim, Ubabudu, Umoh (2015); Bamidele, and Ella (2013) and Omobude and Igbudu (2012), that fear of unknown and unwillingness of management to share decision-making with employees are the major obstacles to the participation of employee in the decision-making process.

**Testing of Hypothesis**

**H01**: Direct participation has no significant influence on organizational commitment in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria

**H02**: Representative participation has no significant influence on employee job performance in LAUTECH Teaching Hospital, Ogbomoso, Oyo State, Nigeria

Table 6: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R²</th>
<th>F-statistic</th>
<th>Beta</th>
<th>t-statistics</th>
<th>Durbin - Watson</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Participation</td>
<td>0.118a</td>
<td>2.843</td>
<td>.118</td>
<td>1.686</td>
<td>2.010</td>
<td>0.000</td>
</tr>
<tr>
<td>Representative</td>
<td>0.186a</td>
<td>7.262</td>
<td>.186</td>
<td>2.695</td>
<td>2.191</td>
<td>0.008</td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s Data Analysis

The result in Table 6 shows that direct participation has positive and significant influence on organizational performance. Additionally, direct participation independently contributes about 14% to the organizational performance. The estimated Durbin - Watson value of 2.010 clears any doubts as to the
existence of positive first order serial correlation in the estimated model. The F-statistic of 2.843 indicates that the overall regression plane is statistically significant. Therefore, null hypothesis is rejected while alternative hypothesis is accepted. This implies that direct participation in decision-making is a strong predictor of organization performance.

Result in Table 6 also reveals that representative participation has positive and significant influence on organization performance. Additionally, representative participation independently contributes about 35% to the organization performance. The estimated Durbin - Watson value of 2.191 clears any doubts as to the existence of positive first order serial correlation in the estimated model. The F-statistic of 7.262 indicates that the overall regression plane is statistically significant. Therefore, null hypothesis is rejected while alternative hypothesis is accepted. This implies that representative participation in decision-making is a catalyst to organization performance.

CONCLUSION
Based on the findings, it was concluded that the level of employee participation in decisions making in LAUTECH Teaching Hospital Ogbomoso is below expectation. By implication, employees in LAUTECH Teaching Hospital Ogbomoso are not given fair hearing in issues that affecting their wellbeing. Study also confirmed that employee participation types have positive relationship with organization performance. The study therefore concludes that employees’ participation in decisions making is an alternative paradigm to organization performance.

RECOMMENDATIONS
Based on the result of the findings and conclusion, the following recommendations are necessary:

i. Management must make it a part of its standard policy to ensure all staff opinions, suggestions, view are subjected to their merit and accepted where applicable.

ii. Managements need to increase their interactions with employees in staff meetings and increasing guided discussions of topics related to issues in the organization.

iii. Employees should be allowed to make contribution in policy development as they play a major role in policy implementation and this among others will increase organizational performance.

iv. Employee suggestion schemes and attitude surveys should be implemented where employees can be interviewed to determine their perceptions of various organizational issues especially those that affect their working life.

v. Enlightenment program for workers on their right to seize the opportunity of involvement in decision making.

REFERENCES


Bamidele, M.A & Ella, C (201). Workers Participation In Decision Making And Job Satisfaction Among University Academic Staff. The International Research Journal. 2(2),1-12.


Wainaina, L., Iravo, M., & Waititu, A. (2014). Effect Of Employee Participation In Decision Making On The Organizational Commitment Amongst Academic Staff In The Private And Public

Wei, H. (2012). Contextual Analysis on the Choice of Employee Participation Schemes in
