

# **EMPLOYEE INVOLVEMENT AS AN EFFECTIVE MANAGEMENT TOOL IN DECISION-MAKING: A CASE STUDY OF MERCHANT BANK (GHANA) LIMITED**

by

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## Declaration

I hereby declare that this submission, 'Employee Involvement as an Effective Management Tool in Decision- Making in Organizations' is my own work towards the Commonwealth Executive Masters of Business Administration (CEMBA) and that to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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## **Dedication**

I dedicate this work to Siisi Quagraine, my husband for his boundless encouragement, support and love and my children Fiifi, Maame, Yoofi and Yoosi Nhyira for their love.

# KNUST



## **Abstract**

Like all developing economies, Ghanaian industries are facing competitive pressures and rapidly changing market conditions. Decision-making and its implementation is therefore very crucial to the fortunes of any organization as it is through the successful implementation of policy decisions that the goals and objectives of an organization can be achieved to improve organizational performance. Employees are the fuel that runs the engine of the organization and it is believed that their non-involvement in the decision-making process creates tensions between management and staff. It leads to lost man hours among others which adversely affect the fortunes of the organization. This study, therefore, sought to determine the impact of employee involvement as a management tool in decision-making and its implementation in organizations by determining the causes of low employee involvement in decision-making and the consequences of such action on implementation of decisions. The type of research design for this study is exploratory and it relied on secondary information such as reviewing available literature and primary data. The research findings suggested that employee involvement in decision-making contributes to effective decision implementation and also creates an enabling environment for creativity and growth as employees see themselves as stakeholders and owners of the decision making implementation smooth. It was also revealed from the research that when employees see themselves as not being part of the decision-making process, they become discontented and apathetic which is likely to adversely affect organizational performance. It is recommended that employees' views are sought on matters that affect their lives and work and they should also be empowered to take decisions through which they will have a sense of self-worth and a feeling of belonging that will make them give of their best in the organization.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background to the Study**

Over the years, worker unrest and agitations has rocked many organizations the world over and non-involvement of employees in the decision-making process has accounted for many of these.

Decision-making in organizations has been the preserve of top management without the involvement of those on the lower rungs of the ladder of management, yet they are the very ones expected to see to the implementation of these decisions.

The non-involvement of lower level management in decision-making also means that vital input from employees is often not factored into decisions made. This gives rise to the problems that are experienced in organizations when it comes to the acceptance of these decisions and its implementation because employees feel slighted and of no importance because their views were not sought.

They also do not feel as being part of the decision process but rather decisions are taken and 'pushed down their throats'. This leads to resistance to compliance or a lackadaisical attitude to implementation.

Employee involvement or participation in decision-making is a concept that has not been widely understood and accepted by many as forming a very important part of human relations in organizations.

The impression given by those who propose it is that it will eliminate conflicts and disagreements between the employees and management body when it comes to implementation and compliance since decisions are taken both in the interest of the employee and the organization as a whole. (McGregor, 1960)

Employee participation if practiced would ensure a favorable atmosphere for implementation would be created as staff would have a feeling of trust and a sense of belongingness and therefore take ownership of decisions and see to its successful implementation.

Those against the concept of employee involvement in decision-making view it as a waste of time, lowering of efficiency and weakening the effectiveness of management. (Apostolou, 2000)

To another group of managers, it could be a manipulative technique to get employees to do what has been decided by deluding them into thinking they have a say in the decision process when in actual fact they are only being told to do what has already been decided. (Albrook, 1967)

In view of the increasing realization of the adverse effects of non commitment and aloofness of employees to decisions taken both in the interest of employees, the organization and its effects on productivity and performance, management of organizations are now beginning to involve employees in decision-making.

It is the employees that make things happen. They put their shoulder to the wheel to get the organization's machinery moving. Without their contributions everything comes to a standstill and the goals of the organization cannot be efficiently and effectively achieved. They should, therefore be given the recognition as the most important resource (asset) in the organization. (Cotton, 1993)

When this is done employee involvement it is believed would lead to an increase in productivity and also the achievement of the objectives of the organization. In these days of keen competition, to achieve growth and stability, eliciting employee's commitment towards achievement of organizations goals is very crucial. The greatest challenge facing management of organizations is how to effectively motivate and involve employees towards achieving organizational goals.

The Industrial Relations Act of 1965 (Act 299) and amended by NLCDD 189 of 1967 enclosed in the statute books of the country, was a form of worker participation generally known as Collective Bargaining. This was to establish a legal relationship between the employer and the employee in the area of negotiation of Service

Conditions, Working Conditions, the setting of targets and the taking of critical decisions which affect the working environment of both.

Theorists and researchers such as McGregor (1957) and Herzberg (1966) have strengthened this evidence that a wide variety of benefits may accrue to an organization that systematically develops and consciously encourages the participative style of management that is involving employees in decision-making.

Through this, productivity and efficiency would be greatly improved and some amount of strain and stress associated with working in some organizations would be removed.

## **1.2 STATEMENT OF THE PROBLEM**

In recent times, a number of organizations both local and international have witnessed a number of industrial conflicts and worker agitations which has led to confrontations between management and staff with some very dire consequences.

For example, the strike actions of staff of Bank of Ghana, (The Statesman, 25/04/2007), Ghana Railways Company, Barclays Bank (Ghana News Agency, 03/10/06) among others. All these have arisen as a result of employees feeling dissatisfied about some decisions that have been taken by management and Board of the various organizations without any active involvement of the staff body and such decisions have been viewed

by employees as detrimental to their welfare and the growth, sustainability and survival of the organizations.

Non-involvement of employees in the decision-making process could lead job dissatisfaction which eventually would lead to lost man hours, low productivity among others that would adversely affect the fortunes of organizations and eventually the gross domestic product of the nation at large.

With the labeling of this era as the Golden Age of Business by then President of Ghana, John Agyekum Kufuor in his state of the nation address in parliament in February 2001, (Daily Graphic, Friday 16<sup>th</sup> February, 2001), the development of this nation has reached a very critical stage where it is the expectation of all and sundry, no matter where you find yourself to put the best of one's capabilities and abilities to the realization of this goal.

The improvement of the standard of living of the people demands contributions from all sectors of the economy if any significant and meaningful progress is to be made. The onus falls on every citizen of the nation and it becomes prudent that every thing possible is done to push this agenda to the fore for the good of all.

However, as organizations are grappling with the problem of involvement of employees in effective decision-making, against this background, the topic under consideration would seek to research and identify the main causes and effects of low or non-

participation of employees in effective decision-making and recommend appropriate measures to address them.

### **1.3 RESEARCH OBJECTIVES**

#### **1.3.1 General Objective**

The broad objective of this research was to study employee involvement as an effective management tool in decision-making in organizations using Merchant Bank as a case study.

#### **1.3.2 Specific Objectives**

Specifically, the research sought to:

- i. Determine the causes of low employee involvement or participation in decision-making.
- ii. Determine the consequences of low employee involvement in decision-making on the implementation of management decisions
- iii. Identify ways of involving employees in decision-making
- iv. Assess the benefits of employee involvement in decision-making
- v. Make recommendations on how to improve the involvement of employees in decision-making.

### **1.4. RESEARCH QUESTIONS**

- i. How would employee involvement in decision-making contribute effectively to implementation of decisions in Merchant Bank?

- ii. In what ways could employees be involved in the decision-making process and implementation of decisions in Merchant Bank?
- iii. To what extent can employees be involved in decision-making in Merchant Bank?
- iv. What are the effects of low employee involvement in management decision-making and implementation in Merchant Bank?

## **1.5 OVERVIEW OF METHODOLOGY**

Information and data required for this research was mainly from secondary and primary sources. Secondary sources were used for reviewing of literature on the subject. Primary sources in the form of questionnaires and interviews were used to gather data. The questionnaire had both closed and open-ended questions.

Personal interviews were had with key informants like the Human Resource Manager and the Union Chairman. Emphasis was placed on individuals occupying certain key positions who could provide the requisite information.

Simple Random Sampling Technique was used in selecting respondents to the questionnaires. This technique was chosen because it afforded each employee equal opportunity of being selected and it was also be more convenient as compared to the other methods.



Data collected from respondents were summarized and tabulated. To give a clearer view of the data gathered, statistical tools like graphs were employed.

## **1.6 RELEVANCE OF STUDY**

Employee involvement in achieving desired organizational goals is a crucial task that must be vigorously pursued as it seems that there has not been a complete acceptance of the importance of the role employees' play in decision-making and its effect on implementation.

Managers and staff half-heartedly practice worker participation with a prejudiced mind. It is, however, incumbent upon managers to educate and involve their workers in the decision-making process in the organization.

Effective human relations cannot be created nor developed through the provision of welfare facilities such as salaries, car loans, mortgage loans, bonuses among others when employees are not involved in the decision-making process.

It is developed by frequent interaction with employees, showing genuine respect and sympathy for them and demonstration of goodwill and cooperation.



Employees may not be happy even if they are given the best of Conditions of Service and yet perceive management as treating them with contempt as nonentities whose input are not needed in decision-making but can be handed down anything.

It is the researcher's hope and expectation that this study will in the end help identify the causes of non-involvement of employees in decision-taking, recommend ways to get employees involved in the decision-making process and supplement as well as complement similar researches undertaken and serve as a useful reference for academic purposes.

It is also aimed that the study will help managers understand and accept the concept of worker participation in decision-making and that there is much more to be gained in achieving good human relations between employees and also in the achievement of organizational goals and objectives.

## **1.7 SCOPE OF STUDY**

This research covered the involvement of employees in decision-making using Merchant Bank (Ghana) Limited as the case study. The Bank has 23 branches scattered in the country but its Accra Main, Adabraka and Achimota branches were the branches used.

## **1.8 LIMITATION OF WORK**

Limitations faced in the course of the research were accessibility to information, difficulty in accessing the target sample during working hours due to the busy nature of their operations, inability to use a large sample size due to time and resource constraints, unwillingness of employees to pour out their grievances for fear of victimization if found out.

## **1.9 PLAN OF WORK**

The study has been organized into five chapters. Chapter one gives a general background and introduction to the topic of study. Chapter Two deals with the review of literature pertaining to the research study. Different forms of worker participation and benefits would also be looked into. Chapter Three gives an explanation of the research process and the methods adopted for collecting, coding and analyzing data will be made. Chapter Four is a discussion of the results of the questionnaires distributed and the interviews had. Chapter Five focuses on the summary of Findings, conclusions drawn and recommendation made on the topic under research.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

“Something about management looks so easy that we all think we could succeed where others fail. But management is really not easy. They must be good at strategy, persuasion, and negotiation. Vision, fortitude, passion, intelligence, ethical standards, courage and tenacity are also de rigueur”. (Teal, 1996)

A variety of management practices centered on empowerment and trust are designed to increase employee commitment to organizational objectives and performance improvement.

The term employee involvement is often used interchangeably with employee participation, but employee involvement practices tend to take place at individual or workgroup level, rather than at higher decision making levels.

Changing conditions of the market space and place and the keen competitiveness of the environment over the last few years has convinced shareholders and management of organizations to adopt a new paradigm based on new values.

The speed with which new products are springing up in the banking sector has set many a Management Board to have hard and tough times in coming up with ways in order to compete in the global marketplace.

If the market place is changing then the organizational culture also have to change and this involves understanding the current culture, its role and dealing with the culture changes in depth.

There is the need for speed and greater flexibility and these it is believed can be gained through employee involvement. When flexibility is high, employees feel free to innovate and do their personal best without being tied to red tape and bureaucracy. Red tape whether real or perceived irritates employees and slows or shuts them completely down.

Employee involvement is an old idea constantly being revitalized by organizations and new generations of practitioners throughout the world. For instance, the oldest documented system of formal employee involvement is a document called “employee suggestion system”, established by Eastman Kodak in 1898.

However, employee involvement was revolutionalized when McGregor (1957) and Herzberg (1966) first started writing about the topic in their articles “The Human Side of Enterprise” and “Work and the Nature of Man”.

When an organization truly wants to create a positive work environment that is based on high trust, exceptional customer service, collaborative teamwork, operational excellence, and creative problem solving, then the leadership team must being to

understand, invest in, and be responsive to the needs of the group that represents the organization's most valuable assets, and is also one of its most important customers, the employees.

The return on such nominal investments will come in the form of higher levels of employee motivation, creativity, productivity, and commitment that will move the organization forward with greater profitability. A fundamental Total Quality Management precept is that employees must be involved and empowered.

## **2.2 What is Employee Involvement?**

Employee involvement is a process for empowering employees to participate in managerial decision-making and improvement activities appropriate to their levels in the organization.

According to the Chartered Institute of Personnel and Development (CIPD, 2001):

Employee involvement is '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'.

Employee participation is also defined as 'a process of employee involvement designed to provide employees with the opportunity to influence and where appropriate, take part in decision making on matters which affect them'.

Employee involvement is creating 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. It is rather a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization.

Employee involvement (EI) has been conceptualized as the process of developing ‘a feeling of psychological ownership among organizational members’ and has been implemented via the participation of employees in information processing, decision-making and/or problem solving. (Kearney, 1997)

Employee involvement has been identified as one of the seven elements of world-class manufacturing that can make both the smallest and largest companies competitive in the global market (Kearney, 1997)

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. 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.

One of the greatest underlying factors in the success or failure of any organization is the power of its people and how well that power is focused towards meeting organizational

objectives. Organizations that can tap the strengths of their people will be stronger and more competitive than those that cannot. (Apostolou, 2002)

Numerous studies, all point to the fact that employee involvement does influence organizational effectiveness; some of which includes lower absenteeism, (Marks et al, 1986), enhanced work attitudes (Steel and Lloyd, 1988), higher individual work performance (Bush and Spangler, 1990), lower employee turnover and increased returns on equity (Vandenberg et al, 1999), and improved organizational learning culture (Thompson, 2002).

Employee involvement is also expected to lead to increased product or service quality, greater innovation, stronger employee motivation, lower costs but a higher speed of production, and lower employee absenteeism and turnover (Lawler, 1996).

### **2.3 Decision-Making**

Decision-making makes it possible to adopt the best course of action in carrying out a given task. It becomes necessary to find out the best way when there are different ways of performing a task and the action finally selected should produce the best results and should be acceptable to both the workers and management.

Satisfied workers put in their best efforts and this results in higher output which satisfies management who may come forward to share the gain with the workers, thus, there is improvement in the overall efficiency of the organization.



Torgersen & Weinstock (1972) talk of decision-making as the essence of management. Even though other organizational participants might take decisions, the decision-making capability of the manager will play a major role in the success of the organization.

Decision-making is defined by Stone and Freeman (1984) as “the process of identifying and selecting a course of action to solve a particular problem’. Weihrich and Koontz (1993) define decision-making as “the selection of a course of action among alternatives”.

Decision making in organizations has been described as a process of behaviour with the economic model at one extreme and the social model at the other extreme (Kimberly and Rotman, 1987). This description implies that only irrational decision making accords human values precedence over economic values. Leaders must find some middle ground between these extremes for it is evident that neither set of values can be ignored.

In many organizations, managers have been confronted with the tasks of making severe, undesirable and unpleasant cuts of personnel and services in a hasty manner, because, in part, they failed to heed economic values in earlier decisions.

Similarly, organizations have often been forced to retract decision, and to act in confusing manners, in chaotic situations, because they failed in part, to heed to human values in reaching earlier decisions.



## **2.4 Some Decision-making Theories**

- 2.4.1 Rational Decision Making where “rational people make decisions in this theory based on the optimal choice of greatest benefit to them.
- 2.4.2 Tradeoff: These are often involved in decision-making in that to obtain one thing we want, we may have to sacrifice one or more things we want.
- 2.4.3 Biases – These are when managers are often overoptimistic about the outcome of projects and choose people and actions that please them.

## **2.5 Empowerment**

Various researches and studies have found that employee empowerment leads to a truly nurturing environment where the employees can learn, grow, improve and enhance their functioning or performance abilities.

Employee empowerment also provides for creating an environment of trust, importance in the eyes of the employees and since it enhances the capability of the respective employees; the same also leads to the creation of a positive work environment within the organizational set up.

Empowerment means that all employees feel that they have the responsibility and authority to participate in decision-making and problem solving in their appropriate operating levels.

It is obvious that a whole company of skilled and capable problem solvers will have a distinct competitive advantage over an organization that only a few key distributors and an array of drones. (Apostolou, 2002)

Empowerment involves decentralizing power within the organization to individual decision makers further down the line. Team working is a key part of the empowerment process and members are encouraged to make decisions for themselves in line with guidelines and frameworks established in self managing teams.

Empowerment requires that management takes risks by turning over some control of the organ to the employees and this control must be planned and authorized. It behoves management to appreciate that relinquishing control to the effected and skilled employees will result in a more productive organization with better teamwork and faster problem solution.

An empowered human resource that is employees will be able to respond more quickly to changes, improvements, new customer requirements as they begin to act independently in pursuit of their expectations and within the boundaries of their authority.

Apostolou (2000) wrote that employee involvement and empowerment is a long term commitment, a new way of doing business, a fundamental change in culture. He said employees who have been trained, empowered and recognized for their achievements see their jobs and their companies from a different perspective.

According to him the cultural effect being sought is a sense of ownership of the company among its employees. Such employees “own” the company in that they feel personally responsible for its performance.

By involving the people in the initial processes of decision-making, genuine commitment is obtained even if the original ideas are not theirs. Organizations that involve their employees in decision-making have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision-making process.

## **2.6 Methods of Employee Involvement**

There are several keys to involvement among which are financial and job security. Share ownership and profit distribution plans can help to foster an interest in a company’s affairs at the competitive level which is often hard to get across in the normal day-to-day routine of workplace activity. Apostolou (2000)

With regards to job security, having no doubts that one will still be with the company for a long time to come are likely to encourage a sense of belonging.

Methods of getting employees involved are many and varied and these include suggestion systems, teams, focus groups, surveys, self-directed work groups, incentive programmes among others.

The aim is to determine the most effective option that will be linked to specific organizational goals. Certain key actions need to take place to be able to implement employee involvement. These, according to Apostolou are: Giving the employee the responsibility, training the employee to accept responsibility, communicating and giving feedback and giving rewards and recognition.

Workers are being asked by management to join employee involvement programmes in order to improve the quality of their work lives by making the case that the days of destructive adversary, labour management relations are over and that a ruthless competitive economic world requires that workers and management cooperate so that both survive.

It is therefore in the best interest of both workers and supervisors to increase happiness and satisfaction on the job as happy and satisfied employees are productive employees who ensure the employer's profit and continued existence of the company and the worker's job.

Management, at such programs usually want access to workers' knowledge of the job, cooperation in the introduction of new technology without protest, flexibility regarding job classifications, work rules, job assignments, the contract for the purpose of greater efficiencies as well as contract changes and sometimes contract concessions.

## **2.7 Conditions for Employee Involvement in decision-making**

According to Apostolou, (2002) if the employee involvement process is sincere and valid, it should meet the following six conditions where Management involves the Union at the highest levels as an equal partner from planning through implementation, and evaluation of employee involvement; the Union equally selects with management any consultants who are hired to set up and coordinate employee involvement committee.

It is a voluntary process for both union and company. The Union selects, elects or appoints its representatives on the committees that deal with employee involvement. Collective bargaining and grievance matters are not a part of the program. These subjects remain outside of employee involvement.

Management must also agree to the proposition in writing that no workers can be laid off or downgraded as a result of ideas generated by the workers in employee involvement committees. Money savings of employee involvement are shared with workers through items such as more money in the paycheck, free training, upgrading, a shorter workweek, etc. The union and management jointly determine this.

Management actions on cooperation should be the same as management words. Management encourages a good relationship in its labour relations with the union as it simultaneously seeks to settle grievances at the lower levels. The right hand of

management employee involvement co-operations should not be chopped off by the left hand of management hostility and confrontation with the union. Words and actions must be consistent.

According to Apostolou (2000), if the above terms are not followed by management, then the workers and union can quite rightly suspect that the program or process is a fraud designed to weaken if not bust the union.

If the union believes that employee involvement is not legitimate, it should demand that management accept the six conditions outlined above or expose this program as phony and urge workers not to participate.

In the words on of one national union, the union should educate its people that illegitimate employee involvement is “is an attempt to create a shop floor structure controlled by management, and pushing management’s point of view, aimed at undermining the union steward system and bypassing the union. The ultimate goal is to get rid of the union altogether, or transform it into a totally company union.”

Lawler (1993) a professor of management at the University of Southern California did a study of Fortune 100 firms on which business strategy offers the highest returns: process re-engineering, total quality management or employee involvement and the winner was employee involvement. Each of these three strategies produces an effect



but their studies indicate that employee involvement is a stronger driver of financial performance than total quality management or re-engineering, he said.

Re-engineering, Lawler said, is basically a onetime change. You do it once and it has an impact, but it's not something you can do time after time. You can only downsize so much. You can't downsize your way to growth.

In contrast, he said, employee involvement, if well implemented, changes the fundamental relationship between individuals and the organization they work for. It really builds employees in as a business partner, so they know more and they do more to make the organizations successful, particularly in industries where the human component is important that is most knowledge work, high-tech and many kinds of service industries.

## **2.8 Forms of Employee Involvement**

Employee involvement programmes can take a variety of forms including job participation, consisting of permanent programmes in which employees take a formal, direct role in decisions relating to job issues; consultative participation, including long term interventions like quality circles and employee suggestion schemes, in which employees' opinions are sought as managers engage in decision-making

It could also use representative participation, in which employees elect councils or board members to represent their interests to management or downward

communication, through newsletters and team briefings and various forms of financial participation via gain-sharing, profit-sharing and employee-ownership schemes (Lawler, 1996)

According to Lawler (1986), it is however incorrect to assume that the mere existence of such organizational programmes as proxies for individual feelings toward involvement, and the individual acceptance of these practices.

A more accurate test would operationalise involvement through the individual employee's attitude and behaviour. These types of operationalisation recognizes that the individual employee must perceive that the opportunity for involvement exists and that the employee must endorse it by actually putting involvement into practice in his or her daily work routine.

An organization may have well-written policies concerning involvement, and top management may even believe it is being practiced, but these policies and beliefs are meaningless until the individual perceives them as something important to his or her presence in the organization (Vandenberg et al., 1999).

Kristi M. Branch writes in Chapter 10: Participative Management and Employee and Stakeholder Involvement that participative management addresses the relationship between the organization and its workers and stakeholders.



It addresses fundamental issues of governance within organizations and the role of employees and external stakeholders in all levels of organizational decision-making”.

According to the writer, the literature on participative management and employee involvement is of interest now because it addresses the interactive relationship between the broader socio-political system and the workplace, in both empirical and philosophical or normative terms, and then tiers that examination down to look at the relationship between organizational design, managerial approach, workplace conditions, job and manager motivation and satisfaction.

She continues to write that the traditional logic of organizing to give simple work to employees at the bottom of the pyramid who then report through a supervisor up a hierarchical chain of command to senior executives who provide direction, coordination and control.

This does not work well for organizations managing knowledge intensive tasks and as the number and visibility of high knowledge-based organizations increases, the need for a “new logic” of management has gained currency among both academics and managers (Lawler 1996; Beer et al. 1990; Case 1998) Lawler (1996:22) summarizes some of the principles of this new logic, as shown in the table below.

**Table 2.1      The New Logic of Management**

Old Logic Principle	New Logic Principle
• Organization is a secondary source of competitive advantage	• Organization can be the ultimate competitive advantage
• Bureaucracy is the most effective source of control	• Involvement is the most effective source of control
• Top management and technical experts should add most of the value	• All employees must add significant value
• Hierarchical processes are the key to organizational effectiveness	• Lateral processes are the key to organizational effectiveness
• Organizations should be designed around functions	• Organizations should be designed around products and customers
• Effective managers are the key to organizational effectiveness	• Effective leadership is the key to organizational effectiveness

Source: Lawler III., Edward E. 1996. *From the Ground up: Six principles for Building the New Logic Corporation*. San Francisco: Jossey-Bass Publishers. P.22

In the United States, there is a widespread philosophical belief that people have a right to be involved in making decisions that affect their lives. This is matched by a belief that people who are involved in making decisions have a greater stake in carrying out those decisions than those who are not involved (Bloom 2000:5).

Participatory management is widely perceived as an attribute of socially responsible companies (Collins 1996), with participation in decision making at the workplace seen as central to the democratic vision and basic to the good society (Greenberg 1986).

## **2.9      Dimensions of Employee Involvement**

The core values are reflected in five different perspectives on the purpose and rationale for worker participation in organizations (Bolle de Bal (1992s:603-610):

The Managerial Approach, which is inspired by productivity and efficiency goals (participation is organized at a lower level in order to relieve worker dissatisfaction and morale problems). A key issue in this approach is the extent to which management delegates or retains the power to initiate, frame, and terminative participative processes. It also reflects management's view that the direct participation of workers undermines union power.

The Humanist Psychology Approach, which is inspired by human growth and development goals, (participation as a way to enhance the well-being of the individual by promoting individual creativity, self-esteem, and ego strength).

This approach reflects the movement led by Elton Mayo. It reflects a much more positive view of human nature and emphasizes the need to retrain managers to develop their participative leadership skills and unlearn authoritarian behaviours. It acknowledges the societal function of the workplace and the benefit of participatory restructuring of the workplace, given the central role it plays in the lives of most ordinary people (Pateman 1970).

The Industrial Relations Approach, which is inspired by democratic goals (participation is not only a means to an end in itself but also a way to create a strongly democratic society, characterized by active participative citizens).

This approach reflects the importance of the external environment (not highly recognized in bureaucratic, hierarchical organization design but more widely recognized in organic, open-system designs). Participation in the workplace is seen as contributing to an effective and just society.

The workplace is seen as a point of leverage from which to achieve a more egalitarian redistribution of power, leading to a greater democratization of the entire political process (Emery and Thorsrud 1969; Bachrach and Botwinick 1992; Pateman 1970; Matejko 1986).

The Political Approach, which is inspired by revolutionary goals (participation as a means to change the overall structure of ownership to a collective base and to educate workers to class consciousness). Advancement toward greater worker participation is seen as very dependent upon a strong labour movement.

## **2.10 Benefits of Employee Involvement**

It is to be noted that not everyone subscribes to this positive view of participatory democracy or to the benefits of direct participation in the workplace. As literature on participative management and employee involvement accumulated, a wide range of benefits was elaborated, and organizations were encouraged to adopt a variety of participation strategies, and to cultivate a culture of participation (Denison 1990).

Kanter (1989;1983), for example, pointed out that a participatory work environment is theoretically more effective at enhancing innovations than traditional bureaucratic structures because it promotes the sharing of product knowledge between managers and workers, who are closest to the products being made and work being done and therefore more likely to develop strategies and suggestions for better quality items.

Markowitz (1996) also asserted that giving employees decision-making power boosts their morale and commitment to the organization, which aids productivity; every body benefits: businesses accrue higher profits and stability because they are more secure in their industry niche and workers are more fulfilled and attached to the companies because they have a voice in decision-making.

A summary of expected benefits as listed by Lawler (1990:38-40) are: Improved, more innovative and efficient work methods and procedures (less resistance to new methods may result, and the problem-solving process may produce innovations); better communication between management and workers and across work units

It could lead to attraction and retention of employees (improvement results from increased satisfaction and involvement); reduced tardiness, turnover, and absenteeism; greater staffing flexibility (increased flexibility results from cross-training and teamwork); increased service and product quality (higher motivation and better methods increase the rate of output).

Reduced staff support and supervision requirements (more “self-management” and broader skills reduce the needs for staff support and supervision); more effective resolution of conflict and reduced number of grievances (better communication and an improvement in union-management relationship reduces the number of grievances); better decisions (better input and decision-making processes improve the quality of decisions); expansion of staff skills (problem-solving as well as technical skills are developed); improved morale and job satisfaction

### **2.11 Adverse Effects of Employee Involvement**

Some potential negative consequences were identified as salary and training costs (developing new skills and responsibilities for lower-level participants results in increased salaries and additional training); support personnel (if the new program creates a new structure that needs support and management, support personnel must increase)

Expectations for organizational change and personal growth and development opportunities (any program that talks about participation increases expectations for organizational change and personal growth, which, if it is limited or fails, results in dissatisfaction and cynicism) Resistance by middle management and/or staff support groups (if they are not positively affected by the program, they may resist it) Lost time (participation takes time and can slow decision-making because a number of people have to understand and accept the decision). Lawler (1990)



## **2.12 Four Key Strategies of Employee Involvement**

Though there is no authoritative source or theory that defines participation, Lawler and others (Lawler 1998:197; Lawler et al. 1998; Ledford 1993) provide a good starting point by identifying four key strategies, whose nature and location in the organization are central issues for governance in all organizations and which largely determine the nature and degree of participation available to employees. These are information sharing, knowledge development, rewards and recognition systems and power sharing.

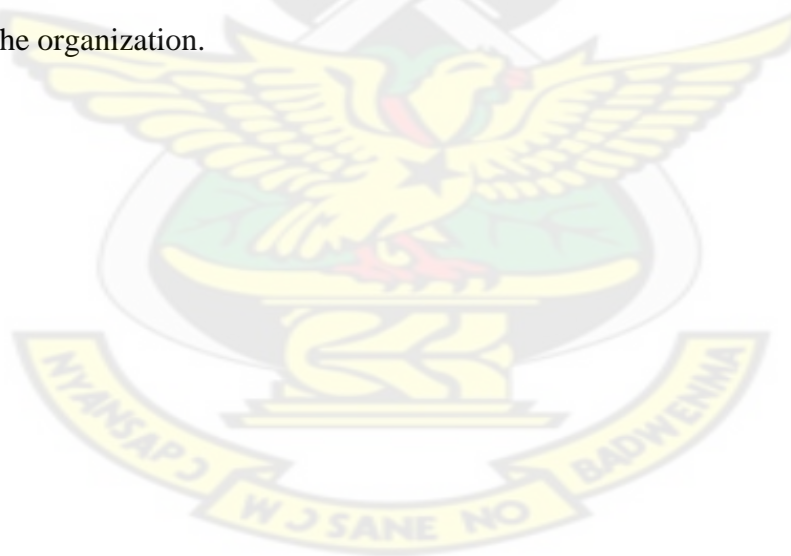
Information sharing about business performance, plans, goals, and strategies, about new technologies and competitors' performance is another. Without business information, individuals are restricted in their ability to make meaningful contributions, participate in planning and setting direction, understand the effectiveness of their performance and that of the organization. Information sharing includes both information disclosure and open communication processes.

Knowledge development and training to provide skills in group decision-making and problem solving, leadership, quality and statistical analysis, an understanding of the business and job skills and cross-training. This knowledge and training enables employees to understand and contribute to organizational performance.

Rewards and recognition systems that are based on the performance of the organization and that are designed to encourage employees to obtain information, add skills, take

more decision-making responsibility, enhance teamwork, and perform in ways that help the business (for example, through the use of individual incentives, work group or team incentives, profit sharing, employee stock ownership plans, stock options plans and non-monetary recognition and awards for performance.

Power sharing, particularly in decision-making, either through parallel structure practices such as quality circles, committees, survey feedback, or suggestion systems, or work design power sharing practices such as job enrichment and redesign, self-managing work teams, mini-business units, and participation on decision-making boards and committees that enable employees to use and apply the information and knowledge effectively; key strategies include locating decisions at the lowest possible level in the organization.





## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY AND ORGANISATIONAL PROFILE**

#### **3.1 Introduction**

This chapter describes the various methods and techniques used by to collect and analyze the data gathered for the study to gain a deeper understanding of the topic under study.

The data collection stage is important since the result of the analysis is dependent on the quality of the data obtained. Therefore, the method selected for data collection must be the most appropriate to assist in achieving the objectives of the study:

In this case it is to be used to determine the causes of low employee involvement or participation in decision-making; determine the consequences of low employee involvement in decision-making on the implementation of management decisions.

It is also to be used to identify ways to arrest this problem in order to improve organizational performance and explore how employees can be involved and the result of involving employees in decision-making as well as make recommendations on how to improve the involvement of employees in decision-making.

### **3.2 Research Design**

This is an inductive study and it is concerned with the development of some criteria which can be used to derive information about the nature of the (members) organization from the nature of the small portion also called the sample of the given organization or group.

The type of research design for this study is exploratory and it is conducted because a problem has not been clearly defined. It helps to determine the best research design, data collection method and selection of subjects.

Exploratory research often relies on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors, and more formal approaches through in-depth interviews, focus groups, projective methods, case studies or pilot studies.

The results of exploratory research are not usually for decision-making by themselves but they can provide significant insight into a given situation. The objective is to gather preliminary information that will help define problems and suggest hypotheses. (Kotler et al, 2006)

This is the best approach if one aims at clarifying understanding of a problem by three primary ways which are Literature Research, talking to experts in the area of study and conducting focus group interviews as claimed by Saunders et al (2000)

### **3.3 Sources of Data**

Secondary information for this research was mainly through various publications culled from the internet, textbooks, journals, reports prepared by various universities. It has been scrutinized to assess its suitability, reliability, adequacy and accuracy.

Primary data being data was collected through personal interviews with the Human Resource Manager and Union Chairman. Questionnaires were also distributed to other categories of staff being managers, officers and clerks of the organization across branches to get a holistic view and understanding of the staff on involvement in decision making in the organization.

### **3.4 Study population and Sample Size**

Merchant Bank (Ghana) Limited is the study population of four hundred (400). A sample of one hundred (100) was undertaken with respondents being randomly selected across four branches to be able to capture the views of all categories of staff being managers, officers and clerks.

### **3.5 Sampling Technique**

An unbiased random selection of individuals is important in this study so that in the end the sample represents the population conceptually. Simple Random Sampling method was therefore used to get the sample size of 100 from the population of 400. This method was used because it assigns equal probability to each unit of the population to be included in the sample.

It is the simplest of the probability sampling techniques and its simplicity makes it relatively easy to interpret collected data. It is also free of classification error and it requires minimum knowledge of the population other than the frame.

For completeness and consistency of responses, data coding and entry as well as tabulation techniques were used for easy analysis.

### **3.6 Sample Size Determination**

The sample size of one hundred (100) was arrived at taking into consideration the extent of variability in the population, time constraints and framework within which the study was to be completed and submitted and also the confidence in the inference made.

### **3.7 Data Collection Tools**

As stated earlier, a sample of one hundred (100) respondents was used and data was collected by means of structured questions that were self administered and personal interviews. Structured questionnaires were used to reduce cost, save time and avoid prejudice.

The first five (5) questions detailed personal information of the respondent. The rest centered on issues related to employee involvement and its impact on the organization. The questions comprised closed and open-ended questions. The open-ended questions were used when it became necessary for respondents to provide additional information.

### **3.8 Data Analysis**

Miles and Huberman (1994) define data analysis as consisting of three concurrent flows of activity that is data reduction, data display and a conclusion drawing/verification part.

Data analysis can also be said to be a process of inspecting, cleaning, transferring and modeling data with the goal of highlighting useful information, suggesting conclusion and supporting decision-making.(internet)

### **3.9 Area and Scope of the Study**

Merchant Bank (Ghana) Limited was chosen as the organization to investigate because the bank over the last few years has been through some trying times but has still come up strong in spite of all the upheavals and also for the reason that it is a solely Ghanaian owned bank and has been in existence since 1971. It is thirty-eight (38) years old and is managed solely by Ghanaians with no foreign influence.

### **3.10 Profile of study Organization - Merchant Bank Ghana Limited**

Merchant Bank (Ghana) Limited was incorporated in June 1971 and certified to commence business in December 1971. It opened to the public in March 1972 and became the premiere merchant bank in providing advisory and financial services to a substantial and diverse client base including the government, corporations, financial institutions and high net worth individuals.

The bank has since taken advantage of the opportunities offered by the introduction of Universal Banking Business in Ghana and has fully developed all three areas of universal banking namely; Retail, Corporate and Investment.

The bank has over 30 years of existence achieved a lot, notably amongst which are: Corporate Initiative Ghana Awards for Best Bank Customer Service, Best Bank Short Term Financing, Best Bank Long Term Financing 2004. Corporate Initiative Ghana

Awards for Best Bank in Trade Finance, Best Bank Advisory Services and Best Bank in Product Innovation in the year 2005. The Bank has two wholly owned specialized subsidiaries namely Merban Investment Holdings Limited and Merban Stockbrokers Limited.

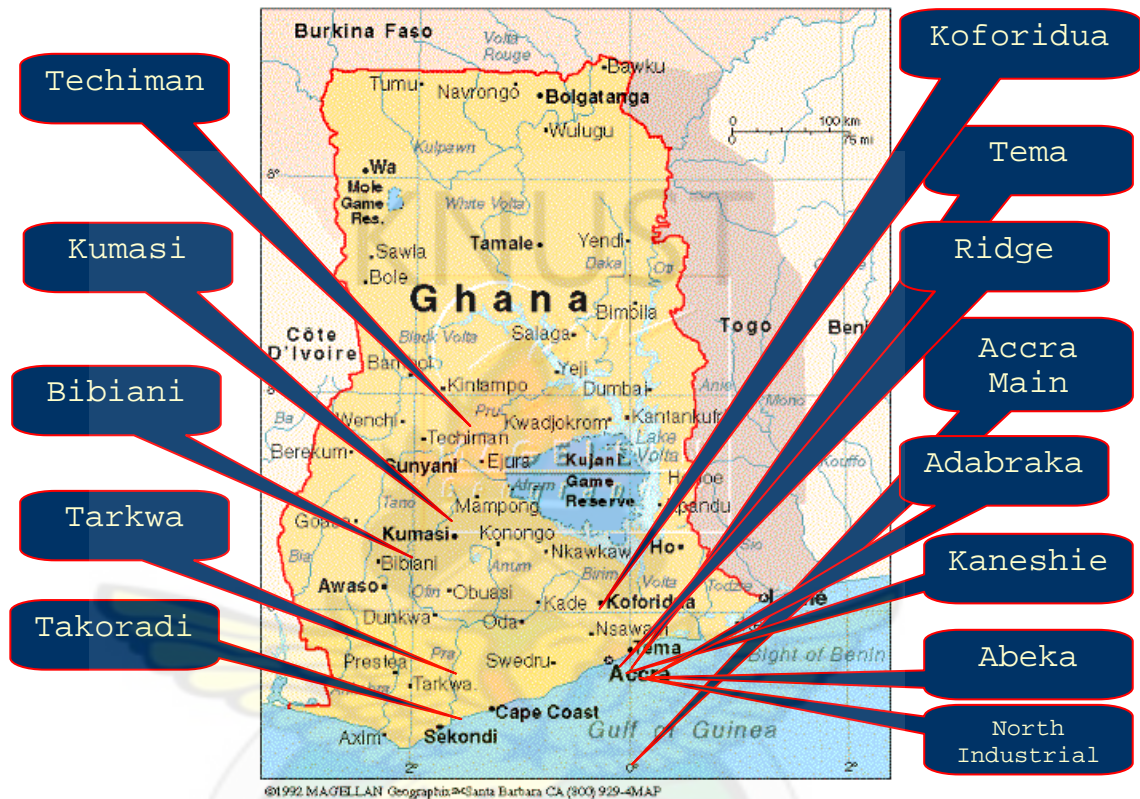
Merban Investment Holdings Limited deals in Funds/Portfolio Management, Money Market Operations, Investment Advisory Services, Trustee Services and Custodial and Nominee Services whilst Merban Stockbrokers Limited deals in Brokerage Services, Underwriting of new Issues, and Investor Search & Joint Venture Arrangement.

The branch network of Merchant Bank currently stands at twenty-three (23) in different regions and these are networked making it possible for customers to transact business in whatever branch they may find themselves.

The branches are Accra Main, North Ridge, Adabraka, Kaneshie, Abeka Lapaz, North Industrial Area, South Industrial Area, Abossey Okai, Achimota and Osu branches all in Accra. Tema Main and Tema East are in the Tema Metropolis and the others are in Kumasi, Bibiani, Techiman, Konongo, Koforidua, Asafo Market, Bantama, Adum, Tarkwa and Takoradi.



Below is a map of Ghana indicating where some of the branches are located in the various regions.



*Source: Field Report June 2009*

In order to achieve the purpose, exploratory and explanatory research methods were used by employing a qualitative approach. This type of approach enabled the researcher to obtain detailed information how employees felt their involvement in organizational decision-making will impact on the upholding and implementation of decisions arrived at.

## **CHAPTER FOUR**

### **4.0 DATA PRESENTATION, DISCUSSION AND ANALYSIS**

#### **4.1 Introduction**

This chapter covers the analysis and the interpretation of the various data collected through the use of questionnaires and interviews. In order to be able to assess and appreciate the effect of employee involvement, interviews were conducted with key informants of the organization being the Head of Human Resource and the Chairman of the Workers' Union.

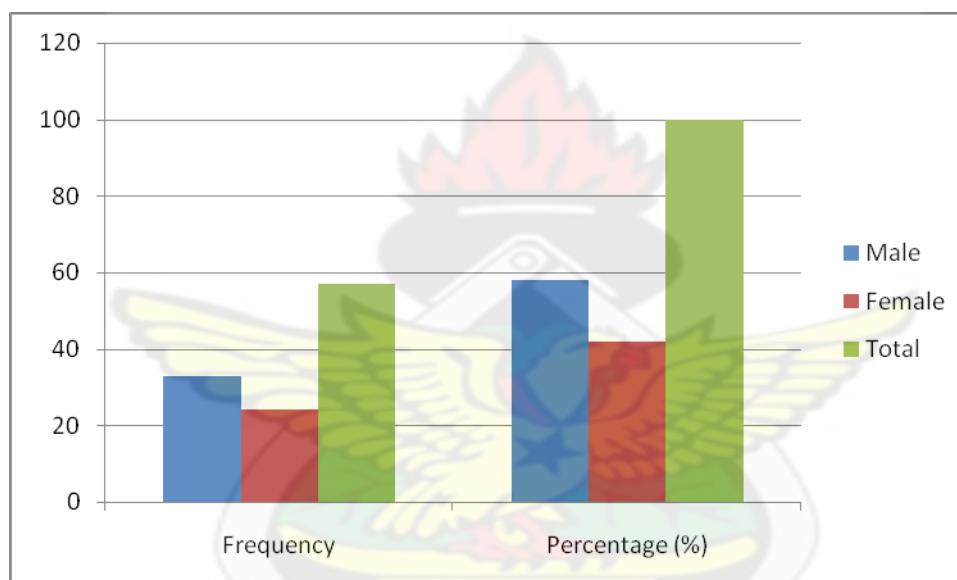
The interview was designed to assist in understanding the forms of employee involvement and participation in decision-making and to find out if it was beneficial to involve employees in the decision making process and not to audit the management practice at the organization. Another set of questionnaire was administered to randomly selected members of the general staff.

One hundred questionnaires were distributed to respondents who were randomly selected across branches of the organization and 57% were retrieved. The questionnaire consisted of seventeen (17) questions. Below is an analysis of the collected data.

## 4.2 Socio Demographic Characteristics of Respondents

**Table 4.1 Gender of Respondents**

Gender	Frequency	Percentage (%)
Male	33	58
Female	24	42
Total	57	100



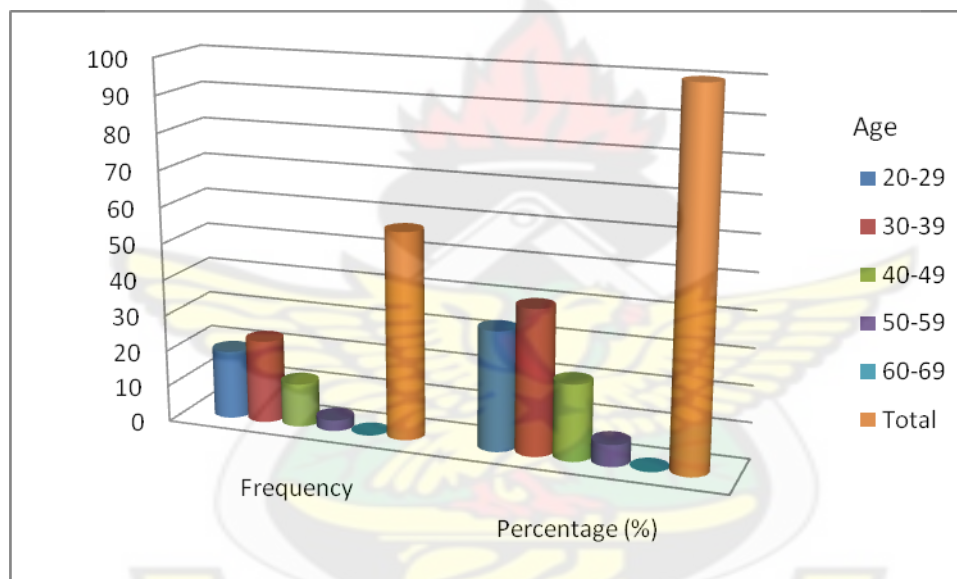
*Source: Field Report June 2009*

### 4.2.1 Gender of Respondents

Table 4.1 above depicts that 58% and 42% of respondents of male and female respectively answered the questionnaires distributed.

**Table 4.2      Age Distribution of Respondents**

Age	Frequency	Percentage (%)
20-29	19	33
30-39	23	40
40-49	12	21
50-59	3	6
60-69	0	0
Total	57	100



*Source: Field Report June 2009*

#### **4.2.2 Age of Respondents**

The 30-39 year group constituted 40% of respondents and was the highest number of respondents followed by 20-29 years with 33% and then the 40-49 year group which made up 21% of the respondents. The lowest number of respondents was within the 50-

59 year group which constituted 6%. From the pattern that emerged, it can be said that majority of employees are young adults.

**Table 4.3 Educational Level**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Post Graduate	22	52
University	30	38
Advance Level	2	4
Ordinary Level	2	4
Senior High School	1	2
Total	57	100

*Source: Field Report June 2009*

#### **4.2.3 Educational Level of Respondents**

From Table 4.3, 52% of respondents hold post graduate degrees whilst 38% hold first degrees. The Advance and Ordinary Level category make up 4% each and 2% is made up of the Senior High School Certificate level. It shows from the Table above that majority of the employees are highly educated making a total of 90% of the total number of respondents.

**Table 4.4      Years of Service**

<b>No. of Years</b>	<b>Frequency</b>	<b>Percentage (%)</b>
1 – 5	36	63
6 – 10	11	19
11 – 15	3	5
16 – 20	4	7
21 – 25	2	4
26 – 30	1	2
Total	57	100

*Source: Field Report June 2009*

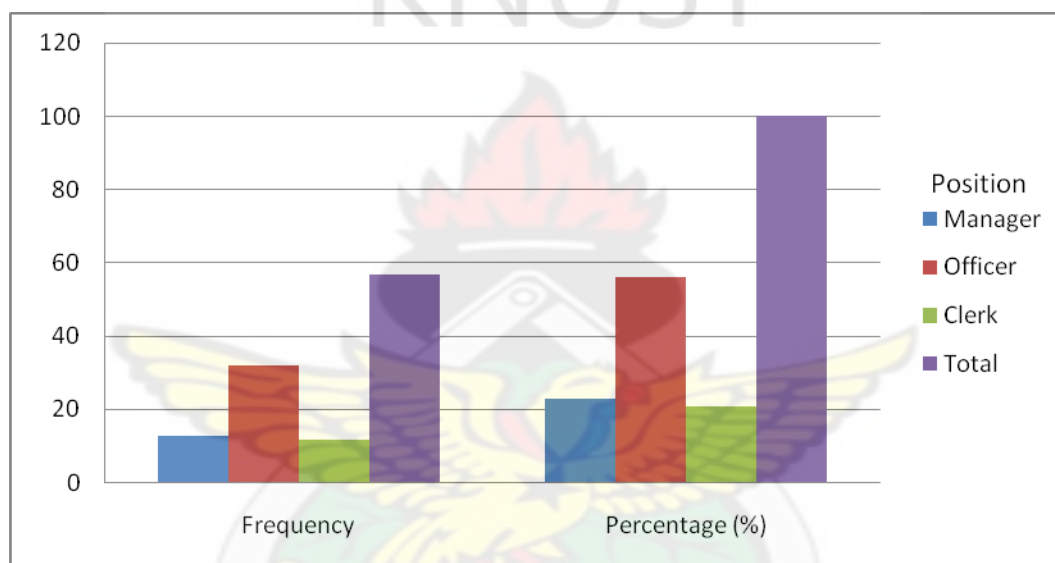
#### **4.2.4    Years of Service in the Organization**

According to respondents, their length of stay in the organization ranged from a minimum of 1 year to a maximum of 30 years. Thirty-six respondents making up 63% of the total has been in the service of the organization between 1-5 years. From Table 4.4 above, majority of respondents fell between the 1-10 years range forming a total of 82%. The rest of respondents fall in the category of 11-30 years. The longest serving respondent fell in the 26-30 years category.



**Table 4.5 Position of Respondents**

Position	Frequency	Percentage (%)
Manager	13	23
Officer	32	56
Clerk	12	21
Total	57	100



*Source: Field Report June 2009*

#### **4.2.5 Position of Respondents**

As has been indicated in Table 4.5 above, 23% of respondents were managers. However, majority of respondents fell in the officer grade making up 56% with clerks making up the 21% to make a total of 100%.

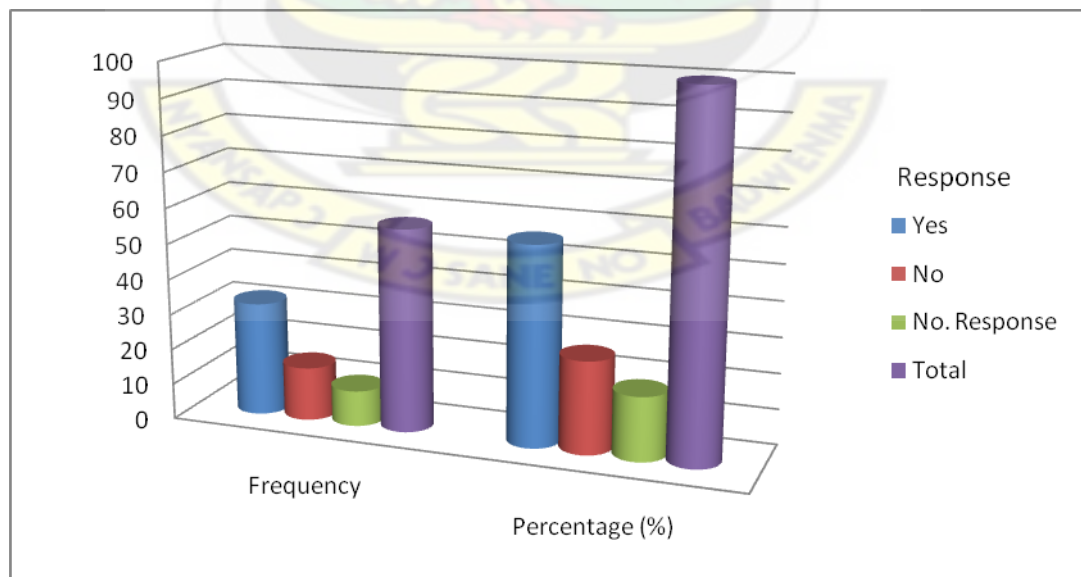


### 4.3 Employee Involvement or Participation in Decision-Making

To determine the above study objective the following questions were asked. *‘Do you think involving employees in decision-making would contribute effectively to the implementation of decisions arrived at by Management?; If employees are involved in the decision-making process, would it lead to acceptance of these decisions by all; and Do you believe that employee participation will make employees ‘own’ the organization and have a sense of belonging’?*

**Table 4.6 Involvement of Employees in Decision-Making**

Response	Frequency	Percentage (%)
Yes	32	56
No	15	26
No. Response	10	18
Total	57	100



Source: Field Report June 2009

From Table 4.6 above, 56% of respondents answered they were involved in decision making, 26% said they are not and 18% did not answer. 96% of respondents are of the view that employee involvement would contribute effectively to the implementation of management decisions while 4% said it would not. This reflects that majority of the people in the organization under study are involved in decision-making in one way or the other

Reasons given by respondents who answered 'yes' to the question were that it makes employees feel a part of the organization and gives them a sense of belongingness which leads to ownership of the decisions taken. When this happens, there is the preparedness and willingness to put in all effort needed to make the implementation of the decisions work. Morale is boosted and it aids in acceptance and the successful implementation of decisions. There is shared responsibility and commitment to ensuring that implementation is thorough and there is better understanding of the impact of the decisions taken.

Other reasons given are that since the decisions would be implemented mostly by the shop floor, involving them helps to identify operational risks and loopholes early and solutions are found to counteract anything that would have been disastrous.

The Union Chairman intimated in his interview that employee involvement builds consensus as different views are heard and the best solution is selected. Consensus

building leads to ownership and commitment in the achievement of organizational goals.

He said when workers are left out of this process, they feel that policies are being imposed on them without any recourse to them and they feel slighted and become hostile as they feel they are being “used” and would therefore resist even though the policies may be for the benefit of all.

When employees are allowed to participate in decision-making, it would lead to a feeling of acceptance, belongingness and a sense of ownership will come about which would ultimately lead to an increase in productivity.

All the above reasons buttress what Apostolou (2000) wrote that “when employees ‘own’ the organization, they feel personally responsible for its performance and by involving people in the initial processes of decision-making, genuine commitment is obtained even if the original ideas are not theirs”.

He stated further that organizations that involve their employees in decision making have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision-making process.”

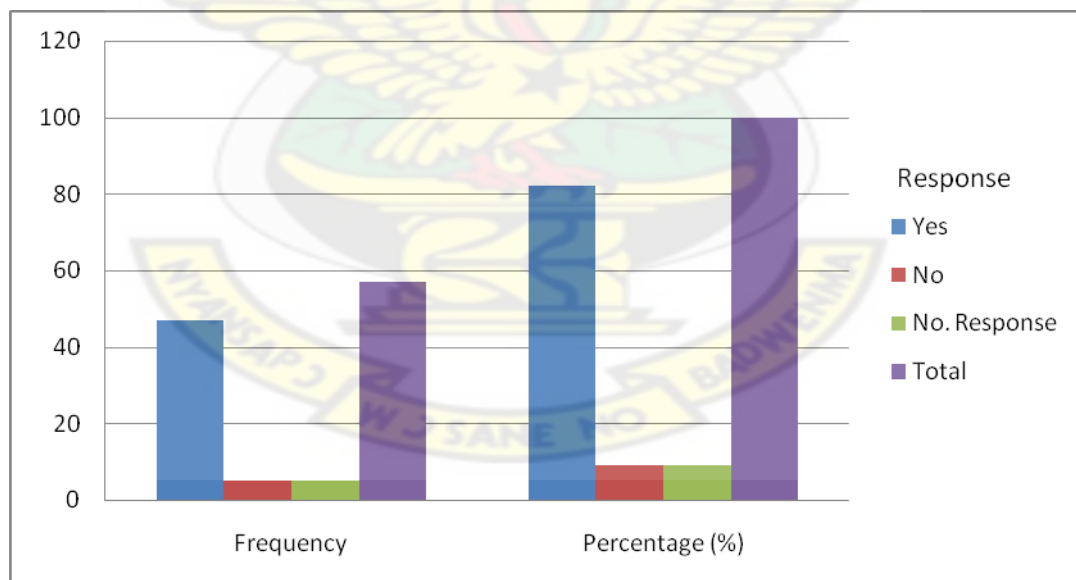
Those who answered in the negative gave reasons that involving employees in the process will delay the decision-making process unduly as there may not be a general

understanding and appreciation of the consequences and effect of the decisions leading to a situation where time and resources would have to be spent to explain issues.

They went further to say that when employees are involved, management would not own up to lapses that may arise in implementation and would attribute it to the workers. Management should therefore be allowed to make the decisions and held responsible when goals are not realized.

**Table 4.7 Employee acceptance of decisions**

Response	Frequency	Percentage (%)
Yes	47	82
No	5	9
No. Response	5	9
Total	57	100



*Source: Field Report June 2009*

82% of respondents said that decisions would be accepted by all if employees are involved in the process, 9% do not believe it would and another 9% did not respond. It

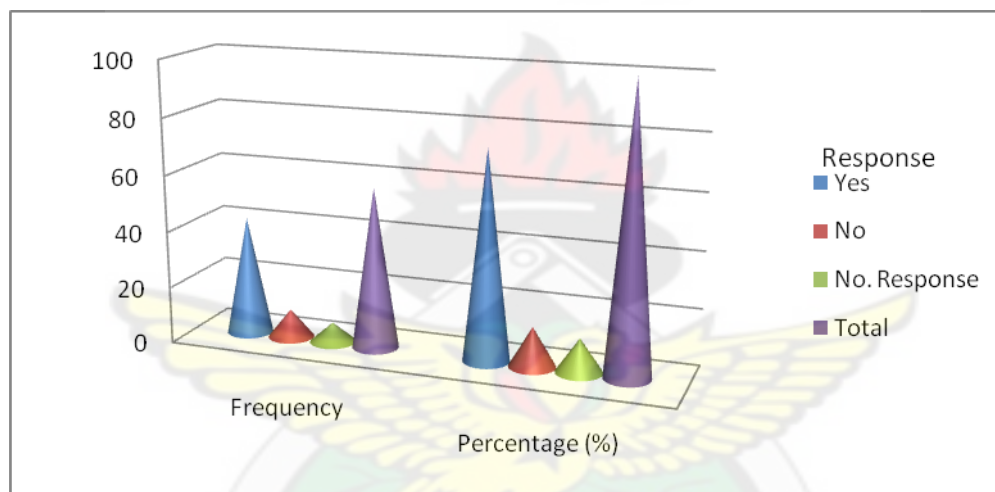
can be observed from Table 4 .7 that employees will accept decisions made when they know they have participated in the process and therefore have a responsibility to see to its success.

Lawler (1986) wrote that employee involvement is a stronger driver of financial performance than Total Quality Management or Re-engineering. This he said if well implemented, builds employees in as business partners so they know more and do more to make the organization successful, particularly in industries where the human component is important.

From Table 4.8 below, 74% of respondents agree that participation in the decision-making process will lead to ownership and belongingness which will translate to acceptance and create the atmosphere for a well oiled implementation process. Even though 14% of respondents responded in the negative and 12% did not respond, it has been indicated from the data that majority are of the opinion that involvement in the decision-making process would yield positive results.

**Table 4.8 Participation will lead to ownership & belongingness**

Response	Frequency	Percentage (%)
Yes	42	74
No	10	14
No. Response	7	12
Total	57	100



Source: Field Report June 2009

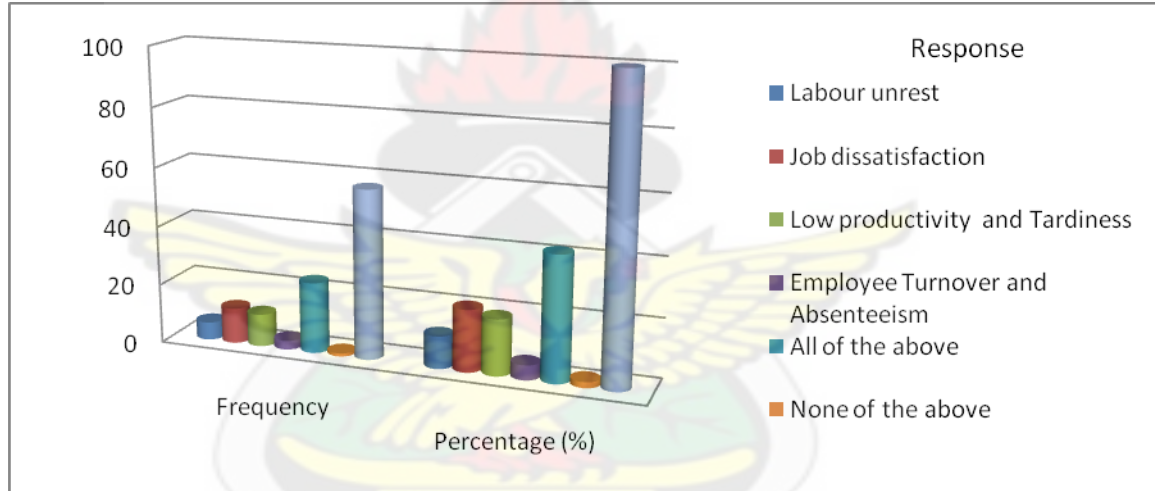
#### 4.4 Consequences of Low Employee Involvement

To achieve the above objective, the following questions were asked:

*“What would non-participation of employees in decision-making lead to in organizations; In your opinion would involvement and empowerment of employees lead to a change in work attitudes; Would they be positive or negative? Briefly explain were questions asked to ascertain the consequences of low employee involvement.*

**Table 4.9 Consequences of low employee involvement**

Response	Frequency	Percentage (%)
Labour unrest	6	11
Job dissatisfaction	12	21
Low productivity and Tardiness	11	19
Employee Turnover and Absenteeism	3	5
All of the above	24	42
None of the above	1	2
Total	57	100



*Source: Field Report June 2009*

As indicated in Table 4.9, 11% of respondents said the impact of low employee involvement in decision-making would lead to industrial unrest, 21% said it would lead to job dissatisfaction, 19% said it would lead to low productivity and tardiness while 5% said it would lead to employee turnover and absenteeism. 42% said it would lead to all of the above mentioned and 1% said it would lead to none of the above mentioned as shown in Table 4.9 above.



Vandenberg et al (1999) also highlights this when they wrote that an organization may have most written policies concerning involvement, and top management may even believe it is being practiced, but these policies and beliefs are meaningless until the individual perceives them as something important to his or her presence in the organization.

Bloom (2000) wrote that there is a widespread philosophical belief in the United States that people have a right to be involved in making decisions that affect their lives and this is matched by a belief that people who are involved in making decisions have a greater stake in carrying out those decisions than those who are not involved.

Ninety-eight per cent (98%) said employee involvement would lead to a change in work attitudes whilst two per cent (2%) answered it would not lead to any change. From the data collected, it came to light that involvement of employees would bring about a sense of ownership and commitment which will in turn raise the level of responsibility and morale making it incumbent on employees to play active roles to ensure successful implementation of decisions.

When employees are not involved, there is no complete sense of appreciation of issues and accountability which will in the end make the organization suffer when goals and set objectives are not met. Respondents also said non involvement restricts and restrains them from taking decisions that would lead to effective and efficient service

delivery. Frustrations set in making it difficult for progress in innovation and value added activities.

Lawler (1996) also wrote that “employee involvement is expected to lead to increased product or service quality, greater innovation, stronger employee motivation, lower costs but a higher speed of production, and lower employee absenteeism and turnover” which also highlights the positive impact of employee involvement.

#### **4.5 Ways to involve employees in decision-making**

Respondents were asked if empowerment would be achieved by the organization providing the requisite training, tools and management support that enables effective functioning as a worker and whether the impact would be positive or negative. They were also asked if they were delegated with the necessary authority to play their roles and its impact on performance and whether the provision of the requisite training and tools as well as management support will enable effective functioning of roles and the performance of duties.

Respondents gave various reasons for the impact of delegation of authority. They said it leads to responsiveness, accountability, reduces bureaucracy, aids in the effective and efficient discharge of duties leading to an improvement in turnaround time. It enables employees to have a fair understanding of issues and have the needed backing and support to carry out assigned roles.

This confirms what Apostolou (2000) wrote that employees who have been trained, empowered and recognized for their achievements see their jobs and their companies from a different perspective.

Delegation of authority they said would make employees more diligent since they know they will be held accountable and would equip them to be more innovative and build a strong sense of self-confidence which would ginger them to tackle challenging situations.

For those respondents who said they were not delegated with the needed authority, the impact was negative as it restricts and restrains them from taking decisions that in their opinion would have aided them to offer prompt services.

This they said most often leads to frustrations and makes it difficult to progress in terms of innovation and value added activities. Another reason given is that it makes employees to be mechanical because no initiative would be taken on their part and abilities and potentials are not realized.

#### 4.6 How employees can be involved and its result

4.6.1 Respondents were asked to indicate the importance they attached to decision-making tools such as communication of information about the organization, involvement through self-managed teams, participation and input into assessment tools, involvement in product development and having feedback on actions taken and the benefits that would accrue to the organization.

**Table 4.10 How employees can be involved**

Response	Not so important %	Somehow important %	Might be important %	Very important %	Extremely important %	No response %
Communication of information about the organization			2	35	61	
Involvement through self-managed teams			21	28	47	4
Participation and input into assessment tools				51	30	19
Involvement in product development		4	5	46	42	4
Having feedback on actions taken				18	79	3

*Source: Field Report June 2009*

The employees were of the view that involvement through the communication of information about the organization is extremely important as indicated by 61% of respondents. 35% responded that it is a very important decision making tool and 2% of the respondents brought up the suggestion that communication of information about the organization might be important.

The study also revealed that self-managed teams, another decision making tool would be welcomed by employees as a way of involvement. 47% of respondents said it is very important as a decision-making tool whilst 28% said it is extremely important. 21% of respondents suggested that involvement through self-managed teams might be important whilst 4% were indifferent.

More than half of respondents, that is 51% were of the view that participation and input assessment tools is very important in decision-making. This they said would bring about improvement because employees would be aware of the modalities for evaluation and since everyone wants to score high ratings, they would always be on guard to do what is right and expected of them. 30% of respondents indicated that participation and input into assessment tools is extremely important in decision making whilst 19% were indifferent.

Respondents exhibited different views when they were asked to indicate their opinion whether involvement in product development is important in decision-making. 46% said it is very important whilst 42% said it is extremely important. They attributed it to

the fact that employees will be able to use that avenue to air their opinions and that of customers to meet their expectation and delight.

This would be go a long way to reduce situations where products would have to be withdrawn and redesigned because it does not cater fully for consumers of the product and would save a lot of costs associated with withdrawal and redesign. 5% of respondents indicated that it might be important, 4% said it is somehow important and another 4% did not respond.

79% of respondents were of the view that having feedback on actions taken is extremely important. However, 18% were of the view that having feedback on actions taken is very important and 3% were indifferent.

**Table 4.11 Organizational Benefits**

Response	Frequency	No response	Percentage (%)	Total
Commitment to organizational goals		28	72	100
Increased productivity		33	67	100
Improved performance		46	54	100
Job satisfaction		21	79	100
Better communication		49	51	100
Low turnover		76	24	100

*Source: Field Report June 2009*

Responding to what kind of benefits would organizations enjoy from employee involvement, 41% of respondents indicated that commitment to organizational goals is one of the benefits an organization achieves. 28 percent of respondents were indifferent. Increased productivity is attainable was the response of 67% of respondents whilst 33% were indifferent.

Improved performance and job satisfaction were also mentioned as benefits. 54% of respondents indicated that improved performance and 49% were for job satisfaction. 46% and 21% respectively did not respond.

According to the data collected, when employees are satisfied on the job it automatically translates into improved performance because the feeling of satisfaction creates room for the employee to work very well even under extreme conditions to achieve a target without grumbling.

In response to better communication as a benefit of employee involvement in decision making, 51% indicated that it was beneficial whilst 49% where not in favour. Even though the margin between the two opinions is not large, better communication leads to efficiency because employees can make informed decisions in their daily operations.

However, when employee were asked whether low turnover is one of the benefits an organization will gain when employees are involved in decision making, 24% said yes whilst 76% did not select it.



These highlights what Lawler and others wrote when they identified four key strategies whose nature and location in the organization are central issues for governance in all organizations and largely determine the nature and degree of participation available to employees. They mentioned these as:

1. Information sharing about business performance, plans, goals, and strategies about new technologies and competitor's performance
2. Knowledge development and training
3. Rewards and recognition systems
4. Power sharing, particularly in decision-making

#### **4.7 Interview with Head of Human Resource**

The Human Resource Department of every organization is the hub of all employee issues and it is in this light that the researcher thought it prudent to interview the Head of Human Resource to seek Management's view on employee involvement in decision-making how it pertains to the organization.

##### **4.7.1 Forms and extent of Employee Involvement**

The Human Resource manager in reply to the question whether Merchant Bank (Ghana) Limited believes in the concept of Employee Involvement answered that Management of Merchant Bank believes in the concept. He said it is not mere rhetoric but it is

actually practiced at various levels and management has a listening ear to suggestions that it receives through such activities.

In some cases where the intentions of management is not clearly understood by staff, the services of Consultants are engaged and staff members are given the opportunity to attend workshops organized by these consultants so that they have first hand interaction with them and get a full and clear understanding of management's intent on some decisions that it takes.

He said some forms of employee involvement in decision making are Joint Negotiations, Collective Bargaining, Disciplinary Committees, Durbars, Workshops, among others. Through these activities, management gets to know of how staff are reacting to decisions it has taken or intends to take and these helps them in making informed decisions.

He went on to explain that employees are involved at various levels all the way to the top when the need arises. At management level, however, there is no formal representation on the Board but the opportunity is available for the Head of any department or the Union chairman to sit in on management meetings to discuss issues that affect the workers and the work.

Other avenues that management explores include meeting staff at their branches and departments to talk through thorny issues that arise in the implementation of decisions taken.

Employees are not directly involved in corporate and management decision making when the question to what extent are employees involved was posed. He said, however, that when such decisions are made and they do not go down well with staff, both formal and informal methods are used to find out employees' views and opinions. This is factored into readjustments to reach a compromise to enable a smooth implementation of the decisions with all parties deriving satisfaction from the process so that there is a win-win situation.

#### **4.7.2 Channels of Communication in Employee Involvement**

The Head of Human Resource said channels of communication instituted by the organization to reach employees and receive feedback are various among which are In-house journals that comes out quarterly and to which employees contribute, an intranet site where events, photographs and other activities, formal and recreational are posted for the information of staff.

The email is also another channel through which information is passed on to staff. For feedback, the channels used are durbars when the need arises, monthly departmental staff meetings where issues are discussed and problems are brought to the fore and the

departmental heads bring these to the attention of management through their zonal managers.

In answer to the question of how often does management meet with employees as a general body and also representatives of the workers, the Human Resource manager pointed out that this is not often and regular. However, when issues arise due to some decisions that have been taken by management and there is the need to clarify certain aspects of it, these are mainly done through the email for fast transmission because of the nature of the business with branches spread out over the country.

In other instances, management and the union executives travel to the various branches to meet the staff face-to-face to hold discussions and hear their views. Sometimes feedback is sent to staff through their departmental and unit heads.

He responded that employees view durbars as a channel of involvement because at such gatherings, the opportunity is available to all present to air out their opinions, views, grievances, frustrations and make suggestions to overcome these in answer to the question if employees view durbars as a channel of involvement

He went further to say that it is also an opportunity for management to have face-to-face interactions with staff, get to know them better and this acts as a catalyst for a better future relationship.

#### **4.7.3 Benefits of Employee Involvement**

When asked whether benefits can be derived or have been derived from employee involvement in decision making he said yes. According to him, it is at the shop floor that there is face-to-face interaction with the customer and their complaints and appreciation of the service being rendered is made known.

By involving employees, ideas and efficient ways of satisfying and delighting the customer through service delivery can be brought to the notice of management and problems can be nipped in the bud and others curbed.

Some other benefits derived are ownership of the organization by employees. When there is ownership, every thought and action is geared towards the success of the organization to the point where when situations demand that employees sacrifice and go the extra mile to achieve an object and get something accomplished, this is accepted willingly and wholeheartedly without and grudges. With such understanding and attitude, the spirit of accountability, innovativeness and a sense of belongingness are kindled with its attendant benefits.

#### **4.7.4 Policy and Strategic Decisions**

The question, should workers be consulted on only matters that affect their welfare and policy and strategic decisions the preserve of management was posed and the Human Resource Manager answered in the affirmative.

Policy and strategic plans are technical issues and there is the need for those with the requisite knowledge, skills and attitudes and have an understanding and appreciation of the magnitude of implications and repercussions should something go wrong that should be allowed to handle such.

Policy crafters and strategic planners must understand the intricacies and nitty-gritty of running an organization and be fully aware of the depth of the competition that one is up against to be able to make informed decisions in that regard.

Majority of workers generally do not possess the skills and expertise required in policy formulation and strategic planning but he was quick to add that ‘everybody has something to say and offer if given the opportunity’ and that through informal discussions with staff their thoughts can be picked on certain issues that may be insightful and aid in the taking of some decisions.

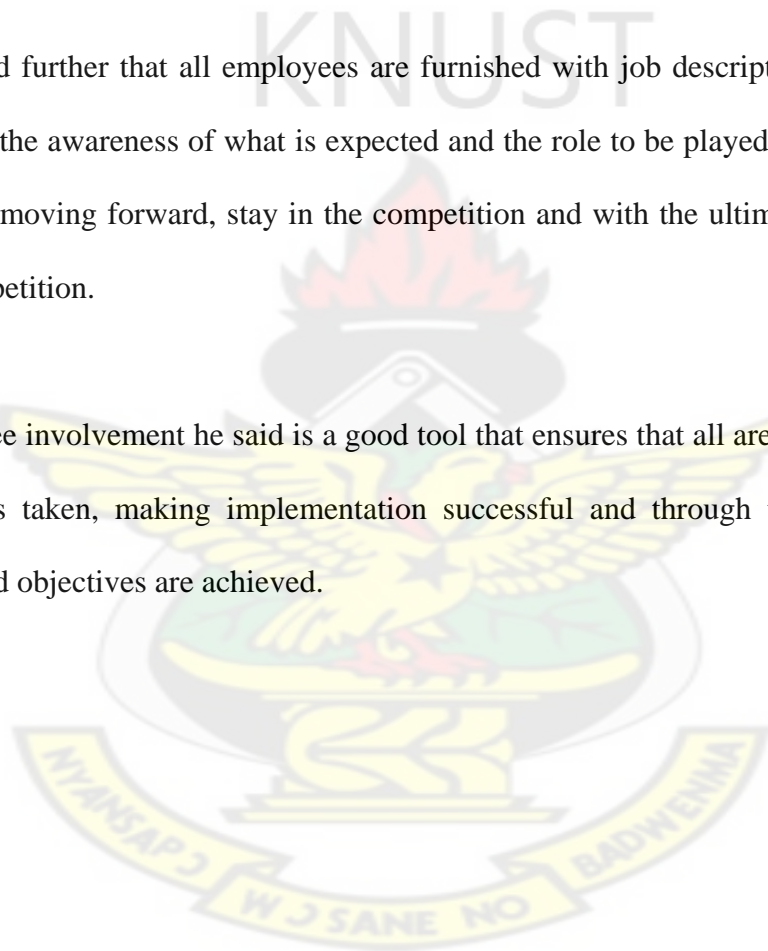
#### **4.7.5 Worker Participation**

In answer to the question whether Merchant Bank’s operations easily lend itself to worker participation, he answered yes. He explained this to be that daily meetings are held at departmental and unit levels each morning and at month end too. These are platforms made available so that grievances and ideas can be aired out and solutions found as early as possible.

He said Sectional Heads meetings are also held to discuss the challenges employees face in the day-to-day performance of their duties and also to ensure that the best practices are applied and to ensure that there is uniformity in the operations of the organization no matter where an employee may find him or herself to be able to easily fit and flow without and problems.

He stated further that all employees are furnished with job descriptions and schedules creating the awareness of what is expected and the role to be played in the organization to get it moving forward, stay in the competition and with the ultimate goal of beating the competition.

Employee involvement he said is a good tool that ensures that all are fully committed to decisions taken, making implementation successful and through this, organizational goals and objectives are achieved.





## **CHAPTER FIVE**

### **5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter focuses on the findings, conclusion and recommendation relevant to the problems identified in the research.

#### **5.2 Summary of Findings**

The research sought to assess the impact of employee involvement as an effective management tool in decision-making in organizations by seeking the views of Management, Union and the general staff body. Elicited responses from all the three groups point to the fact that it is a good thing to practice and also that there are benefits to be gained from employee involvement in that the impact of such practice on implementation of policies would be highly positive.

Though it was revealed from the research that non-involvement of employees could lead to some sort of employee dissatisfaction, it would not lead to a high rate of employee turnover or industrial strikes for that matter.

### **5.2.1 Employee Involvement or Participation in Decision-Making**

It emerged from the research conducted at Merchant Bank that majority of employees are involved in decision-making in one way or the other. They intimated that employee involvement contributes effectively to decision implementation and creates an atmosphere for belongingness and ownership of the organization.

It is a tool that promotes a win-win situation bringing about the realization that everyone is a stakeholder and therefore has to ensure that organizational goals are achieved for the benefit of all.

It came to light that the employees felt that their involvement in the decision-making process has also brought about a change in work attitudes and this experience motivates and boosts their morale which has awakened a sense of responsibility for assigned tasks and room for innovation and creativity.

### **5.2.2 Consequences of low employee involvement**

The employees felt that the consequences of low employee involvement are grave for any organization as it could lead to low productivity as a result of job dissatisfaction and even employee turnover though this may not be on the high side but some very

good employees can be lost as a result of this. When this happens, an organization tends to spend a lot of money on recruitment and training.

Some organizations become training grounds and recruitment centers for other organizations in the same industry in that they employ people, train them but because the staff do not have any sense of belongingness as a result of non participation in decision-making, they may leave or be poached by others. It does not help an organization to move forward in such circumstances.

### **5.2.3 Ways to involve employees to improve organizational performance**

From the survey employees must be involved in the decision making process and also given the needed authority to be able to carry out their responsibilities to be effective and efficient.

Majority of the employees were of the opinion that one critical and essential contributor to a positive workplace environment is marked by a sense of mutual respect and that is when employees are satisfied with their involvement in matters that affect their welfare in the office; especially when it is the place where they spend the best part of the day as well as their lives. To put it simply, people who are affected by a decision should have a voice in that decision-making process.

Communication, from the research is one of the vital methods of any relationship and has been observed to lead to a cohesive and effective means of accomplishing

organizational goals. The initiative of ‘owning’ on the part of the employees would lead to a positive working environment as well as create and provide for nurturing and maintenance of such environment. It would encourage employees to identify and own the solutions to their problems.

Leadership is another method of enhancing employee empowerment as it emerged from the survey. It provides avenues to encourage and mentor employees who show leadership skills and abilities to sharpen and hone those skills for the benefit of all.

The objective then is to create an environment where employees would not only have the fulfillment and benefit of their own strengths, but as members of a team, ensure that they become effective and contributing members of the organization.

By deliberating with employees on pertinent staff issues which are very touchy and emotional hinging on raw nerves bordering on the possibilities of strike actions and its attendant repercussions on the fortunes of the organization in an “we understand your plight but we need to discuss matters in a win-win scenario” will go a long way to avert such unhealthy and destructive actions.

### **5.3 Conclusion**

It can be concluded from the study undertaken that employee involvement as a management tool in decision-making in organizations would positively impact the

fortunes of any organization that practices it. It makes employees feel more responsible for their actions and see themselves as stakeholders who must do all in their power to ensure that decisions are implemented well for the benefit of all. This would ensure that the organization prospers and lives on for generations to come so that the forerunners can look back and feel satisfied that they contributed to the nurturing and growth of the organization.

Involvement of employees in decision making may be low when knowledge, skills and abilities on specific matters are needed to arrive at a decision. When employees lack these needed skills, involving them would make the decision-making process rather long and cumbersome leading to delays.

## **5.4 RECOMMENDATIONS**

### **5.4.1 Employee Involvement or Participation in Decision-Making**

It was found from the research that involving employees in decision-making would contribute effectively to the implementations of decisions. A recommendation is being made based on the above that the views of employees should be sought on matters that affect their lives and work in the organization as this would lead to an increase in productivity and would create an atmosphere of harmony and belongingness. When this happens, employees would be willing to give off their best in all situations to see to the progress of the organization.

Employees should be continuously briefed on all issues which affect the organization and its workers. Information must be communicated in such a way that all employees no matter the level is aware of what is going on in the organization at any particular point in time.

This can be achieved by holding regular meetings at the departmental level to discuss issues and at that level every employee should given an opportunity to air their views and make suggestions on how to make their work procedures efficient and effective.

There should be feedback on discussions held and where reports have to be sent so that everyone is abreast with what is going on in the organization. Occasional durbars should be organized where the whole staff body can meet to share ideas and talk generally about the organization.

#### **5.4.2 Consequences of Employee Involvement or Participation in Decision-Making**

It was found from the research that low employee involvement in decision-making would not lead to a high employee turnover but rather to low employee commitment. Therefore, it is being recommended that employees should be involved by asking them to input ideas to appreciate the respective roles they play in decision implementation.

It is important that they should have the requisite knowledge, skills and ability to play their roles effectively and so training should form an integral part of their working life in the organization. They should be made to understand that their contributions to decision-making process comes in various and different ways and not necessarily through sitting in on meetings.

The consequences of high employee involvement are numerous. It is a morale booster and makes room for better understanding of decisions and their impact therefore leading to acceptance of decisions with a responsibility to see to their successful implementation.

It makes employees play active roles and leads to positive work attitudes with commitment to organizational goals and increased productivity

#### **5.4.3 Ways to involve employees to improve organizational performance**

Another way to involve employees and increase organizational performance with regard to the finding that having authority is also important is to increase flexibility. When flexibility is high through cross-training and teamwork, employees know about other schedules and can be innovative and do their personal best without being tied up in red tape. Why specific rules and procedures are in place should be explained and employees should be encouraged to explore alternative ways of doing things to get better and faster results.



Employees should also be given responsibility to own their outcomes both positive and negative and they should be allowed to make decisions appropriate at their level of authority without checking everything out with their bosses. They should be coached to plan and manage their time well and encouraged to see their fellow workers as team members and resources for help.

There should be clarity where employees are made to understand the big picture about the company's goals and strategies and understand how their own function and job fit into the scheme of things and the spirit of should be team commitment should be built.

Commitment and ownership come about when people have a stake in whatever is going on and so would want to carry it through. People are committed when they care and want to achieve something. It is therefore recommended that brainstorming workshops which would help people to think through the practicality of ideas and negotiating with others a result which is acceptable to as many people as possible is encouraged.

When these attributes are practiced in an organization, it will lead to commitment and ownership of organizational goals and improved performance which will culminate into increased productivity and eventually the bottom line which every organization aspires to achieve.

There are real impediments to achieving what every organization would like to achieve but if care is taken and quality time is dedicated to establishing, implementing and

evaluating potential strategies and as much energy is put into staff issues, there will be a change in organizational culture that will be beneficial to all parties.

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## Appendix A

### **PROJECT TOPIC: EMPLOYEE INVOLVEMENT AS AN EFFECTIVE MANAGEMENT TOOL IN DECISION-MAKING: A CASE STUDY OF MERCHANT BANK (GHANA) LIMITED**

Dear Respondent

This study is being conducted on the above topic for academic purposes and the researcher would be grateful if you could provide answers to the questions below. Please note that the strictest confidentiality is assured with respect to answers given as facts are needed for academic purposes.

Please tick where appropriate

- 1) Sex:        Male (   )   Female (   )
- 2) Age: a) 20-29 (   ) b) 30-39(   ) c)40-49(   ) d)50-59 (   ) e)60-69 (   )
- 3) What is your level of education?
  - a) Post Graduate (   ) b) University (   ) c) Advance Level (   ) d) Ordinary Level (   )
  - e) Senior High School (   )
- 4) How many years have you worked with your organization?
  - a) 1-5 (   ) b) 6-10 (   ) c) 11-15(   ) d) 16-20 (   ) e) 21-25 (   ) f) 26-30 (   )
- 5) Position in your organization: a) Manager (   ) b) Officer   c) Clerk (   )
- 6) Are you involved in decision making in your organization? Yes (   ) No (   )

- 7) Do you think involving employees in decision-making would contribute effectively to the implementation of decisions arrived at by Management? Yes ( ) No ( )

Briefly explain

.....  
.....  
.....

- 8) If employees are involved in the decision-making process, would it lead to acceptance of these decisions by all? Yes ( ) No ( )

- 9) What would non-participation of employees in decision-making lead to in organizations? a) labour unrest ( ) b) job dissatisfaction ( ) c) low productivity ( ) d) tardiness ( ) e) employee turnover ( ) f) absenteeism g) none of the above ( ) h) all of the above ( )

- 10) Do you believe that employee participation will make employees 'own' the organization and have a sense of belonging? Yes ( ) No ( )

- 11) In your opinion would involvement and empowerment of employees lead to a change in work attitudes? Yes ( ) No ( )

- 12) Would they be positive or negative? Explain briefly

.....  
.....  
.....

- 13) Are you delegated with the authority required to fulfill your role within the organization? Yes ( ) No ( )

- 14) Does it impact positively or negatively on your work? Briefly explain



.....

.....

- 15) What benefits would organizations that involve its employees in the decision-making process enjoy a) Low turnover ( ) b) Increased productivity ( )  
c) Commitment to organizational goals ( ) d) Improved performance ( )  
e) Job satisfaction ( ) f) Better communication ( )

- 16) Does your organization empower you as an employee by providing the requisite training, tools and management support that enables effective functioning as a worker? Yes ( ) No ( )

- 17) Please indicate the level of importance that you attach to these decision-making tools.

	1	2	3	4	5
	Not so important	Somehow important	Might be important	Very important	Extremely important
Communication of information about the organization					
Involvement through self-managed teams					
Participation and input into assessment tools					
Involvement in product development					
Having feedback on actions taken					

**THANK YOU VERY MUCH FOR YOUR ASSISTANCE**

## Appendix B

### **EMPLOYEE INVOLVEMENT AS AN EFFECTIVE MANAGEMENT TOOL IN DECISION-MAKING: A CASE STUDY OF MERCHANT BANK (GHANA) LIMITED**

#### **INTERVIEW WITH HUMAN RESOURCE MANAGER**

1. Does MBG believe in the concept of Employee Involvement in decision-making?
2. Is it practiced?
3. What forms of Employee involvement are practiced in MBG
4. At what level do you think workers should participate in the decision-making and to what extent should they be involved?
5. What channels of communication are instituted by the organization to reach employees and get a feedback?
6. How often does management meet with employees as
  - a. A general body
  - b. A representative of the workers
7. Have any benefits been derived from or expected to be derived from involving employees in decision-making?
8. What are these benefits if any?
9. Should workers be consulted on only matters that affect their welfare and policy issues and strategic plans the preserve of management?
10. What is your understanding of worker participation in decision-making process?
11. In your estimation, is collective bargaining the most effective form of employee involvement?

12. What is your view on durbars, for a, suggestion boxes etc as a channel of communication in the involvement of employees in decision-making?
13. Would you say the nature of the organizations operations easily lend itself to worker participation at the management level.

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## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background to the Study**

Over the years, worker unrest and agitations has rocked many organizations the world over and non-involvement of employees in the decision-making process has accounted for many of these.

Decision-making in organizations has been the preserve of top management without the involvement of those on the lower rungs of the ladder of management, yet they are the very ones expected to see to the implementation of these decisions.

The non-involvement of lower level management in decision-making also means that vital input from employees is often not factored into decisions made. This gives rise to the problems that are experienced in organizations when it comes to the acceptance of these decisions and its implementation because employees feel slighted and of no importance because their views were not sought.

They also do not feel as being part of the decision process but rather decisions are taken and 'pushed down their throats'. This leads to resistance to compliance or a lackadaisical attitude to implementation.

Employee involvement or participation in decision-making is a concept that has not been widely understood and accepted by many as forming a very important part of human relations in organizations.

The impression given by those who propose it is that it will eliminate conflicts and disagreements between the employees and management body when it comes to implementation and compliance since decisions are taken both in the interest of the employee and the organization as a whole. (McGregor, 1960)

Employee participation if practiced would ensure a favorable atmosphere for implementation would be created as staff would have a feeling of trust and a sense of belongingness and therefore take ownership of decisions and see to its successful implementation.

Those against the concept of employee involvement in decision-making view it as a waste of time, lowering of efficiency and weakening the effectiveness of management. (Apostolou, 2000)

To another group of managers, it could be a manipulative technique to get employees to do what has been decided by deluding them into thinking they have a say in the decision process when in actual fact they are only being told to do what has already been decided. (Albrook, 1967)

In view of the increasing realization of the adverse effects of non commitment and aloofness of employees to decisions taken both in the interest of employees, the organization and its effects on productivity and performance, management of organizations are now beginning to involve employees in decision-making.

It is the employees that make things happen. They put their shoulder to the wheel to get the organization's machinery moving. Without their contributions everything comes to a standstill and the goals of the organization cannot be efficiently and effectively achieved. They should, therefore be given the recognition as the most important resource (asset) in the organization. (Cotton, 1993)

When this is done employee involvement it is believed would lead to an increase in productivity and also the achievement of the objectives of the organization. In these days of keen competition, to achieve growth and stability, eliciting employee's commitment towards achievement of organizations goals is very crucial. The greatest challenge facing management of organizations is how to effectively motivate and involve employees towards achieving organizational goals.

The Industrial Relations Act of 1965 (Act 299) and amended by NLCDD 189 of 1967 enclosed in the statute books of the country, was a form of worker participation generally known as Collective Bargaining. This was to establish a legal relationship between the employer and the employee in the area of negotiation of Service

Conditions, Working Conditions, the setting of targets and the taking of critical decisions which affect the working environment of both.

Theorists and researchers such as McGregor (1957) and Herzberg (1966) have strengthened this evidence that a wide variety of benefits may accrue to an organization that systematically develops and consciously encourages the participative style of management that is involving employees in decision-making.

Through this, productivity and efficiency would be greatly improved and some amount of strain and stress associated with working in some organizations would be removed.

## **1.2 STATEMENT OF THE PROBLEM**

In recent times, a number of organizations both local and international have witnessed a number of industrial conflicts and worker agitations which has led to confrontations between management and staff with some very dire consequences.

For example, the strike actions of staff of Bank of Ghana, (The Statesman, 25/04/2007), Ghana Railways Company, Barclays Bank (Ghana News Agency, 03/10/06) among others. All these have arisen as a result of employees feeling dissatisfied about some decisions that have been taken by management and Board of the various organizations without any active involvement of the staff body and such decisions have been viewed



by employees as detrimental to their welfare and the growth, sustainability and survival of the organizations.

Non-involvement of employees in the decision-making process could lead job dissatisfaction which eventually would lead to lost man hours, low productivity among others that would adversely affect the fortunes of organizations and eventually the gross domestic product of the nation at large.

With the labeling of this era as the Golden Age of Business by then President of Ghana, John Agyekum Kufuor in his state of the nation address in parliament in February 2001, (Daily Graphic, Friday 16<sup>th</sup> February, 2001), the development of this nation has reached a very critical stage where it is the expectation of all and sundry, no matter where you find yourself to put the best of one's capabilities and abilities to the realization of this goal.

The improvement of the standard of living of the people demands contributions from all sectors of the economy if any significant and meaningful progress is to be made. The onus falls on every citizen of the nation and it becomes prudent that every thing possible is done to push this agenda to the fore for the good of all.

However, as organizations are grappling with the problem of involvement of employees in effective decision-making, against this background, the topic under consideration would seek to research and identify the main causes and effects of low or non-

participation of employees in effective decision-making and recommend appropriate measures to address them.

### **1.3 RESEARCH OBJECTIVES**

#### **1.3.1 General Objective**

The broad objective of this research was to study employee involvement as an effective management tool in decision-making in organizations using Merchant Bank as a case study.

#### **1.3.2 Specific Objectives**

Specifically, the research sought to:

- i. Determine the causes of low employee involvement or participation in decision-making.
- ii. Determine the consequences of low employee involvement in decision-making on the implementation of management decisions
- iii. Identify ways of involving employees in decision-making
- iv. Assess the benefits of employee involvement in decision-making
- v. Make recommendations on how to improve the involvement of employees in decision-making.

### **1.4. RESEARCH QUESTIONS**

- i. How would employee involvement in decision-making contribute effectively to implementation of decisions in Merchant Bank?

- ii. In what ways could employees be involved in the decision-making process and implementation of decisions in Merchant Bank?
- iii. To what extent can employees be involved in decision-making in Merchant Bank?
- iv. What are the effects of low employee involvement in management decision-making and implementation in Merchant Bank?

## **1.5 OVERVIEW OF METHODOLOGY**

Information and data required for this research was mainly from secondary and primary sources. Secondary sources were used for reviewing of literature on the subject. Primary sources in the form of questionnaires and interviews were used to gather data. The questionnaire had both closed and open-ended questions.

Personal interviews were had with key informants like the Human Resource Manager and the Union Chairman. Emphasis was placed on individuals occupying certain key positions who could provide the requisite information.

Simple Random Sampling Technique was used in selecting respondents to the questionnaires. This technique was chosen because it afforded each employee equal opportunity of being selected and it was also be more convenient as compared to the other methods.

Data collected from respondents were summarized and tabulated. To give a clearer view of the data gathered, statistical tools like graphs were employed.

## **1.6 RELEVANCE OF STUDY**

Employee involvement in achieving desired organizational goals is a crucial task that must be vigorously pursued as it seems that there has not been a complete acceptance of the importance of the role employees' play in decision-making and its effect on implementation.

Managers and staff half-heartedly practice worker participation with a prejudiced mind. It is, however, incumbent upon managers to educate and involve their workers in the decision-making process in the organization.

Effective human relations cannot be created nor developed through the provision of welfare facilities such as salaries, car loans, mortgage loans, bonuses among others when employees are not involved in the decision-making process.

It is developed by frequent interaction with employees, showing genuine respect and sympathy for them and demonstration of goodwill and cooperation.

Employees may not be happy even if they are given the best of Conditions of Service and yet perceive management as treating them with contempt as nonentities whose input are not needed in decision-making but can be handed down anything.

It is the researcher's hope and expectation that this study will in the end help identify the causes of non-involvement of employees in decision-taking, recommend ways to get employees involved in the decision-making process and supplement as well as complement similar researches undertaken and serve as a useful reference for academic purposes.

It is also aimed that the study will help managers understand and accept the concept of worker participation in decision-making and that there is much more to be gained in achieving good human relations between employees and also in the achievement of organizational goals and objectives.

## **1.7 SCOPE OF STUDY**

This research covered the involvement of employees in decision-making using Merchant Bank (Ghana) Limited as the case study. The Bank has 23 branches scattered in the country but its Accra Main, Adabraka and Achimota branches were the branches used.

## **1.8 LIMITATION OF WORK**

Limitations faced in the course of the research were accessibility to information, difficulty in accessing the target sample during working hours due to the busy nature of their operations, inability to use a large sample size due to time and resource constraints, unwillingness of employees to pour out their grievances for fear of victimization if found out.

## **1.9 PLAN OF WORK**

The study has been organized into five chapters. Chapter one gives a general background and introduction to the topic of study. Chapter Two deals with the review of literature pertaining to the research study. Different forms of worker participation and benefits would also be looked into. Chapter Three gives an explanation of the research process and the methods adopted for collecting, coding and analyzing data will be made. Chapter Four is a discussion of the results of the questionnaires distributed and the interviews had. Chapter Five focuses on the summary of Findings, conclusions drawn and recommendation made on the topic under research.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

“Something about management looks so easy that we all think we could succeed where others fail. But management is really not easy. They must be good at strategy, persuasion, and negotiation. Vision, fortitude, passion, intelligence, ethical standards, courage and tenacity are also de rigueur”. (Teal, 1996)

A variety of management practices centered on empowerment and trust are designed to increase employee commitment to organizational objectives and performance improvement.

The term employee involvement is often used interchangeably with employee participation, but employee involvement practices tend to take place at individual or workgroup level, rather than at higher decision making levels.

Changing conditions of the market space and place and the keen competitiveness of the environment over the last few years has convinced shareholders and management of organizations to adopt a new paradigm based on new values.

The speed with which new products are springing up in the banking sector has set many a Management Board to have hard and tough times in coming up with ways in order to compete in the global marketplace.



If the market place is changing then the organizational culture also have to change and this involves understanding the current culture, its role and dealing with the culture changes in depth.

There is the need for speed and greater flexibility and these it is believed can be gained through employee involvement. When flexibility is high, employees feel free to innovate and do their personal best without being tied to red tape and bureaucracy. Red tape whether real or perceived irritates employees and slows or shuts them completely down.

Employee involvement is an old idea constantly being revitalized by organizations and new generations of practitioners throughout the world. For instance, the oldest documented system of formal employee involvement is a document called “employee suggestion system”, established by Eastman Kodak in 1898.

However, employee involvement was revolutionalized when McGregor (1957) and Herzberg (1966) first started writing about the topic in their articles “The Human Side of Enterprise” and “Work and the Nature of Man”.

When an organization truly wants to create a positive work environment that is based on high trust, exceptional customer service, collaborative teamwork, operational excellence, and creative problem solving, then the leadership team must being to

understand, invest in, and be responsive to the needs of the group that represents the organization's most valuable assets, and is also one of its most important customers, the employees.

The return on such nominal investments will come in the form of higher levels of employee motivation, creativity, productivity, and commitment that will move the organization forward with greater profitability. A fundamental Total Quality Management precept is that employees must be involved and empowered.

## **2.2 What is Employee Involvement?**

Employee involvement is a process for empowering employees to participate in managerial decision-making and improvement activities appropriate to their levels in the organization.

According to the Chartered Institute of Personnel and Development (CIPD, 2001):

Employee involvement is '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'.

Employee participation is also defined as 'a process of employee involvement designed to provide employees with the opportunity to influence and where appropriate, take part in decision making on matters which affect them'.

Employee involvement is creating 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. It is rather a management and leadership philosophy about how people are most enabled to contribute to continuous improvement and the ongoing success of their work organization.

Employee involvement (EI) has been conceptualized as the process of developing ‘a feeling of psychological ownership among organizational members’ and has been implemented via the participation of employees in information processing, decision-making and/or problem solving. (Kearney, 1997)

Employee involvement has been identified as one of the seven elements of world-class manufacturing that can make both the smallest and largest companies competitive in the global market (Kearney, 1997)

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. 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.

One of the greatest underlying factors in the success or failure of any organization is the power of its people and how well that power is focused towards meeting organizational

objectives. Organizations that can tap the strengths of their people will be stronger and more competitive than those that cannot. (Apostolou, 2002)

Numerous studies, all point to the fact that employee involvement does influence organizational effectiveness; some of which includes lower absenteeism, (Marks et al, 1986), enhanced work attitudes (Steel and Lloyd, 1988), higher individual work performance (Bush and Spangler, 1990), lower employee turnover and increased returns on equity (Vandenberg et al, 1999), and improved organizational learning culture (Thompson, 2002).

Employee involvement is also expected to lead to increased product or service quality, greater innovation, stronger employee motivation, lower costs but a higher speed of production, and lower employee absenteeism and turnover (Lawler, 1996).

### **2.3 Decision-Making**

Decision-making makes it possible to adopt the best course of action in carrying out a given task. It becomes necessary to find out the best way when there are different ways of performing a task and the action finally selected should produce the best results and should be acceptable to both the workers and management.

Satisfied workers put in their best efforts and this results in higher output which satisfies management who may come forward to share the gain with the workers, thus, there is improvement in the overall efficiency of the organization.

Torgersen & Weinstock (1972) talk of decision-making as the essence of management. Even though other organizational participants might take decisions, the decision-making capability of the manager will play a major role in the success of the organization.

Decision-making is defined by Stone and Freeman (1984) as “the process of identifying and selecting a course of action to solve a particular problem’. Weihrich and Koontz (1993) define decision-making as “the selection of a course of action among alternatives”.

Decision making in organizations has been described as a process of behaviour with the economic model at one extreme and the social model at the other extreme (Kimberly and Rotman, 1987). This description implies that only irrational decision making accords human values precedence over economic values. Leaders must find some middle ground between these extremes for it is evident that neither set of values can be ignored.

In many organizations, managers have been confronted with the tasks of making severe, undesirable and unpleasant cuts of personnel and services in a hasty manner, because, in part, they failed to heed economic values in earlier decisions.

Similarly, organizations have often been forced to retract decision, and to act in confusing manners, in chaotic situations, because they failed in part, to heed to human values in reaching earlier decisions.

## **2.4 Some Decision-making Theories**

- 2.4.1 Rational Decision Making where “rational people make decisions in this theory based on the optimal choice of greatest benefit to them.
- 2.4.2 Tradeoff: These are often involved in decision-making in that to obtain one thing we want, we may have to sacrifice one or more things we want.
- 2.4.3 Biases – These are when managers are often overoptimistic about the outcome of projects and choose people and actions that please them.

## **2.5 Empowerment**

Various researches and studies have found that employee empowerment leads to a truly nurturing environment where the employees can learn, grow, improve and enhance their functioning or performance abilities.

Employee empowerment also provides for creating an environment of trust, importance in the eyes of the employees and since it enhances the capability of the respective employees; the same also leads to the creation of a positive work environment within the organizational set up.

Empowerment means that all employees feel that they have the responsibility and authority to participate in decision-making and problem solving in their appropriate operating levels.



It is obvious that a whole company of skilled and capable problem solvers will have a distinct competitive advantage over an organization that only a few key distributors and an array of drones. (Apostolou, 2002)

Empowerment involves decentralizing power within the organization to individual decision makers further down the line. Team working is a key part of the empowerment process and members are encouraged to make decisions for themselves in line with guidelines and frameworks established in self managing teams.

Empowerment requires that management takes risks by turning over some control of the organ to the employees and this control must be planned and authorized. It behoves management to appreciate that relinquishing control to the effected and skilled employees will result in a more productive organization with better teamwork and faster problem solution.

An empowered human resource that is employees will be able to respond more quickly to changes, improvements, new customer requirements as they begin to act independently in pursuit of their expectations and within the boundaries of their authority.

Apostolou (2000) wrote that employee involvement and empowerment is a long term commitment, a new way of doing business, a fundamental change in culture. He said employees who have been trained, empowered and recognized for their achievements see their jobs and their companies from a different perspective.



According to him the cultural effect being sought is a sense of ownership of the company among its employees. Such employees “own” the company in that they feel personally responsible for its performance.

By involving the people in the initial processes of decision-making, genuine commitment is obtained even if the original ideas are not theirs. Organizations that involve their employees in decision-making have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision-making process.

## **2.6 Methods of Employee Involvement**

There are several keys to involvement among which are financial and job security. Share ownership and profit distribution plans can help to foster an interest in a company’s affairs at the competitive level which is often hard to get across in the normal day-to-day routine of workplace activity. Apostolou (2000)

With regards to job security, having no doubts that one will still be with the company for a long time to come are likely to encourage a sense of belonging.

Methods of getting employees involved are many and varied and these include suggestion systems, teams, focus groups, surveys, self-directed work groups, incentive programmes among others.

The aim is to determine the most effective option that will be linked to specific organizational goals. Certain key actions need to take place to be able to implement employee involvement. These, according to Apostolou are: Giving the employee the responsibility, training the employee to accept responsibility, communicating and giving feedback and giving rewards and recognition.

Workers are being asked by management to join employee involvement programmes in order to improve the quality of their work lives by making the case that the days of destructive adversary, labour management relations are over and that a ruthless competitive economic world requires that workers and management cooperate so that both survive.

It is therefore in the best interest of both workers and supervisors to increase happiness and satisfaction on the job as happy and satisfied employees are productive employees who ensure the employer's profit and continued existence of the company and the worker's job.

Management, at such programs usually want access to workers' knowledge of the job, cooperation in the introduction of new technology without protest, flexibility regarding job classifications, work rules, job assignments, the contract for the purpose of greater efficiencies as well as contract changes and sometimes contract concessions.

## **2.7 Conditions for Employee Involvement in decision-making**

According to Apostolou, (2002) if the employee involvement process is sincere and valid, it should meet the following six conditions where Management involves the Union at the highest levels as an equal partner from planning through implementation, and evaluation of employee involvement; the Union equally selects with management any consultants who are hired to set up and coordinate employee involvement committee.

It is a voluntary process for both union and company. The Union selects, elects or appoints its representatives on the committees that deal with employee involvement. Collective bargaining and grievance matters are not a part of the program. These subjects remain outside of employee involvement.

Management must also agree to the proposition in writing that no workers can be laid off or downgraded as a result of ideas generated by the workers in employee involvement committees. Money savings of employee involvement are shared with workers through items such as more money in the paycheck, free training, upgrading, a shorter workweek, etc. The union and management jointly determine this.

Management actions on cooperation should be the same as management words. Management encourages a good relationship in its labour relations with the union as it simultaneously seeks to settle grievances at the lower levels. The right hand of

management employee involvement co-operations should not be chopped off by the left hand of management hostility and confrontation with the union. Words and actions must be consistent.

According to Apostolou (2000), if the above terms are not followed by management, then the workers and union can quite rightly suspect that the program or process is a fraud designed to weaken if not bust the union.

If the union believes that employee involvement is not legitimate, it should demand that management accept the six conditions outlined above or expose this program as phony and urge workers not to participate.

In the words on of one national union, the union should educate its people that illegitimate employee involvement is “is an attempt to create a shop floor structure controlled by management, and pushing management’s point of view, aimed at undermining the union steward system and bypassing the union. The ultimate goal is to get rid of the union altogether, or transform it into a totally company union.”

Lawler (1993) a professor of management at the University of Southern California did a study of Fortune 100 firms on which business strategy offers the highest returns: process re-engineering, total quality management or employee involvement and the winner was employee involvement. Each of these three strategies produces an effect

but their studies indicate that employee involvement is a stronger driver of financial performance than total quality management or re-engineering, he said.

Re-engineering, Lawler said, is basically a onetime change. You do it once and it has an impact, but it's not something you can do time after time. You can only downsize so much. You can't downsize your way to growth.

In contrast, he said, employee involvement, if well implemented, changes the fundamental relationship between individuals and the organization they work for. It really builds employees in as a business partner, so they know more and they do more to make the organizations successful, particularly in industries where the human component is important that is most knowledge work, high-tech and many kinds of service industries.

## **2.8 Forms of Employee Involvement**

Employee involvement programmes can take a variety of forms including job participation, consisting of permanent programmes in which employees take a formal, direct role in decisions relating to job issues; consultative participation, including long term interventions like quality circles and employee suggestion schemes, in which employees' opinions are sought as managers engage in decision-making

It could also use representative participation, in which employees elect councils or board members to represent their interests to management or downward

communication, through newsletters and team briefings and various forms of financial participation via gain-sharing, profit-sharing and employee-ownership schemes (Lawler, 1996)

According to Lawler (1986), it is however incorrect to assume that the mere existence of such organizational programmes as proxies for individual feelings toward involvement, and the individual acceptance of these practices.

A more accurate test would operationalise involvement through the individual employee's attitude and behaviour. These types of operationalisation recognizes that the individual employee must perceive that the opportunity for involvement exists and that the employee must endorse it by actually putting involvement into practice in his or her daily work routine.

An organization may have well-written policies concerning involvement, and top management may even believe it is being practiced, but these policies and beliefs are meaningless until the individual perceives them as something important to his or her presence in the organization (Vandenberg et al., 1999).

Kristi M. Branch writes in Chapter 10: Participative Management and Employee and Stakeholder Involvement that participative management addresses the relationship between the organization and its workers and stakeholders.



It addresses fundamental issues of governance within organizations and the role of employees and external stakeholders in all levels of organizational decision-making”.

According to the writer, the literature on participative management and employee involvement is of interest now because it addresses the interactive relationship between the broader socio-political system and the workplace, in both empirical and philosophical or normative terms, and then tiers that examination down to look at the relationship between organizational design, managerial approach, workplace conditions, job and manager motivation and satisfaction.

She continues to write that the traditional logic of organizing to give simple work to employees at the bottom of the pyramid who then report through a supervisor up a hierarchical chain of command to senior executives who provide direction, coordination and control.

This does not work well for organizations managing knowledge intensive tasks and as the number and visibility of high knowledge-based organizations increases, the need for a “new logic” of management has gained currency among both academics and managers (Lawler 1996; Beer et al. 1990; Case 1998) Lawler (1996:22) summarizes some of the principles of this new logic, as shown in the table below.



**Table 2.1      The New Logic of Management**

Old Logic Principle	New Logic Principle
• Organization is a secondary source of competitive advantage	• Organization can be the ultimate competitive advantage
• Bureaucracy is the most effective source of control	• Involvement is the most effective source of control
• Top management and technical experts should add most of the value	• All employees must add significant value
• Hierarchical processes are the key to organizational effectiveness	• Lateral processes are the key to organizational effectiveness
• Organizations should be designed around functions	• Organizations should be designed around products and customers
• Effective managers are the key to organizational effectiveness	• Effective leadership is the key to organizational effectiveness

Source: Lawler III., Edward E. 1996. *From the Ground up: Six principles for Building the New Logic Corporation*. San Francisco: Jossey-Bass Publishers. P.22

In the United States, there is a widespread philosophical belief that people have a right to be involved in making decisions that affect their lives. This is matched by a belief that people who are involved in making decisions have a greater stake in carrying out those decisions than those who are not involved (Bloom 2000:5).

Participatory management is widely perceived as an attribute of socially responsible companies (Collins 1996), with participation in decision making at the workplace seen as central to the democratic vision and basic to the good society (Greenberg 1986).

## **2.9      Dimensions of Employee Involvement**

The core values are reflected in five different perspectives on the purpose and rationale for worker participation in organizations (Bolle de Bal (1992s:603-610):

The Managerial Approach, which is inspired by productivity and efficiency goals (participation is organized at a lower level in order to relieve worker dissatisfaction and morale problems). A key issue in this approach is the extent to which management delegates or retains the power to initiate, frame, and terminative participative processes. It also reflects management's view that the direct participation of workers undermines union power.

The Humanist Psychology Approach, which is inspired by human growth and development goals, (participation as a way to enhance the well-being of the individual by promoting individual creativity, self-esteem, and ego strength).

This approach reflects the movement led by Elton Mayo. It reflects a much more positive view of human nature and emphasizes the need to retrain managers to develop their participative leadership skills and unlearn authoritarian behaviours. It acknowledges the societal function of the workplace and the benefit of participatory restructuring of the workplace, given the central role it plays in the lives of most ordinary people (Pateman 1970).

The Industrial Relations Approach, which is inspired by democratic goals (participation is not only a means to an end in itself but also a way to create a strongly democratic society, characterized by active participative citizens).

This approach reflects the importance of the external environment (not highly recognized in bureaucratic, hierarchical organization design but more widely recognized in organic, open-system designs). Participation in the workplace is seen as contributing to an effective and just society.

The workplace is seen as a point of leverage from which to achieve a more egalitarian redistribution of power, leading to a greater democratization of the entire political process (Emery and Thorsrud 1969; Bachrach and Botwinick 1992; Pateman 1970; Matejko 1986).

The Political Approach, which is inspired by revolutionary goals (participation as a means to change the overall structure of ownership to a collective base and to educate workers to class consciousness). Advancement toward greater worker participation is seen as very dependent upon a strong labour movement.

## **2.10 Benefits of Employee Involvement**

It is to be noted that not everyone subscribes to this positive view of participatory democracy or to the benefits of direct participation in the workplace. As literature on participative management and employee involvement accumulated, a wide range of benefits was elaborated, and organizations were encouraged to adopt a variety of participation strategies, and to cultivate a culture of participation (Denison 1990).

Kanter (1989;1983), for example, pointed out that a participatory work environment is theoretically more effective at enhancing innovations than traditional bureaucratic structures because it promotes the sharing of product knowledge between managers and workers, who are closest to the products being made and work being done and therefore more likely to develop strategies and suggestions for better quality items.

Markowitz (1996) also asserted that giving employees decision-making power boosts their morale and commitment to the organization, which aids productivity; every body benefits: businesses accrue higher profits and stability because they are more secure in their industry niche and workers are more fulfilled and attached to the companies because they have a voice in decision-making.

A summary of expected benefits as listed by Lawler (1990:38-40) are: Improved, more innovative and efficient work methods and procedures (less resistance to new methods may result, and the problem-solving process may produce innovations); better communication between management and workers and across work units

It could lead to attraction and retention of employees (improvement results from increased satisfaction and involvement); reduced tardiness, turnover, and absenteeism; greater staffing flexibility (increased flexibility results from cross-training and teamwork); increased service and product quality (higher motivation and better methods increase the rate of output).

Reduced staff support and supervision requirements (more “self-management” and broader skills reduce the needs for staff support and supervision); more effective resolution of conflict and reduced number of grievances (better communication and an improvement in union-management relationship reduces the number of grievances); better decisions (better input and decision-making processes improve the quality of decisions); expansion of staff skills (problem-solving as well as technical skills are developed); improved morale and job satisfaction

### **2.11 Adverse Effects of Employee Involvement**

Some potential negative consequences were identified as salary and training costs (developing new skills and responsibilities for lower-level participants results in increased salaries and additional training); support personnel (if the new program creates a new structure that needs support and management, support personnel must increase)

Expectations for organizational change and personal growth and development opportunities (any program that talks about participation increases expectations for organizational change and personal growth, which, if it is limited or fails, results in dissatisfaction and cynicism) Resistance by middle management and/or staff support groups (if they are not positively affected by the program, they may resist it) Lost time (participation takes time and can slow decision-making because a number of people have to understand and accept the decision). Lawler (1990)

## **2.12 Four Key Strategies of Employee Involvement**

Though there is no authoritative source or theory that defines participation, Lawler and others (Lawler 1998:197; Lawler et al. 1998; Ledford 1993) provide a good starting point by identifying four key strategies, whose nature and location in the organization are central issues for governance in all organizations and which largely determine the nature and degree of participation available to employees. These are information sharing, knowledge development, rewards and recognition systems and power sharing.

Information sharing about business performance, plans, goals, and strategies, about new technologies and competitors' performance is another. Without business information, individuals are restricted in their ability to make meaningful contributions, participate in planning and setting direction, understand the effectiveness of their performance and that of the organization. Information sharing includes both information disclosure and open communication processes.

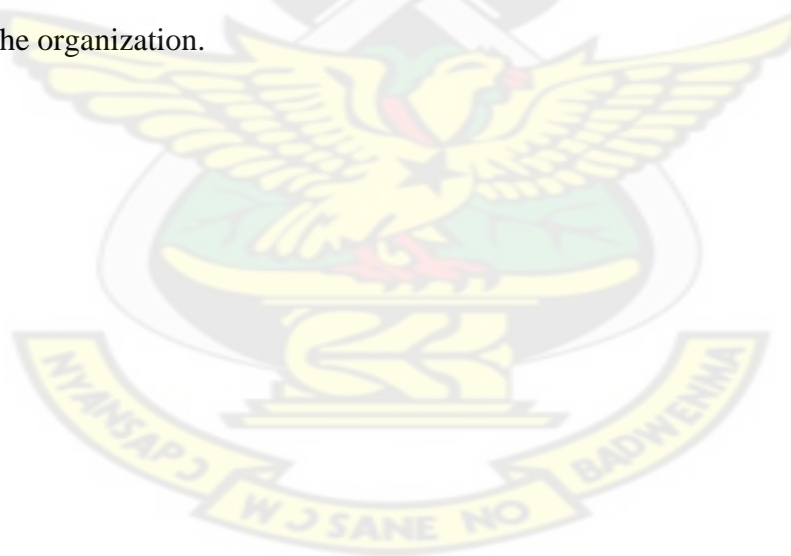
Knowledge development and training to provide skills in group decision-making and problem solving, leadership, quality and statistical analysis, an understanding of the business and job skills and cross-training. This knowledge and training enables employees to understand and contribute to organizational performance.

Rewards and recognition systems that are based on the performance of the organization and that are designed to encourage employees to obtain information, add skills, take



more decision-making responsibility, enhance teamwork, and perform in ways that help the business (for example, through the use of individual incentives, work group or team incentives, profit sharing, employee stock ownership plans, stock options plans and non-monetary recognition and awards for performance.

Power sharing, particularly in decision-making, either through parallel structure practices such as quality circles, committees, survey feedback, or suggestion systems, or work design power sharing practices such as job enrichment and redesign, self-managing work teams, mini-business units, and participation on decision-making boards and committees that enable employees to use and apply the information and knowledge effectively; key strategies include locating decisions at the lowest possible level in the organization.





## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY AND ORGANISATIONAL PROFILE**

#### **3.1 Introduction**

This chapter describes the various methods and techniques used by to collect and analyze the data gathered for the study to gain a deeper understanding of the topic under study.

The data collection stage is important since the result of the analysis is dependent on the quality of the data obtained. Therefore, the method selected for data collection must be the most appropriate to assist in achieving the objectives of the study:

In this case it is to be used to determine the causes of low employee involvement or participation in decision-making; determine the consequences of low employee involvement in decision-making on the implementation of management decisions.

It is also to be used to identify ways to arrest this problem in order to improve organizational performance and explore how employees can be involved and the result of involving employees in decision-making as well as make recommendations on how to improve the involvement of employees in decision-making.

### **3.2 Research Design**

This is an inductive study and it is concerned with the development of some criteria which can be used to derive information about the nature of the (members) organization from the nature of the small portion also called the sample of the given organization or group.

The type of research design for this study is exploratory and it is conducted because a problem has not been clearly defined. It helps to determine the best research design, data collection method and selection of subjects.

Exploratory research often relies on secondary research such as reviewing available literature and/or data, or qualitative approaches such as informal discussions with consumers, employees, management or competitors, and more formal approaches through in-depth interviews, focus groups, projective methods, case studies or pilot studies.

The results of exploratory research are not usually for decision-making by themselves but they can provide significant insight into a given situation. The objective is to gather preliminary information that will help define problems and suggest hypotheses. (Kotler et al, 2006)

This is the best approach if one aims at clarifying understanding of a problem by three primary ways which are Literature Research, talking to experts in the area of study and conducting focus group interviews as claimed by Saunders et al (2000)

### **3.3 Sources of Data**

Secondary information for this research was mainly through various publications culled from the internet, textbooks, journals, reports prepared by various universities. It has been scrutinized to assess its suitability, reliability, adequacy and accuracy.

Primary data being data was collected through personal interviews with the Human Resource Manager and Union Chairman. Questionnaires were also distributed to other categories of staff being managers, officers and clerks of the organization across branches to get a holistic view and understanding of the staff on involvement in decision making in the organization.

### **3.4 Study population and Sample Size**

Merchant Bank (Ghana) Limited is the study population of four hundred (400). A sample of one hundred (100) was undertaken with respondents being randomly selected across four branches to be able to capture the views of all categories of staff being managers, officers and clerks.

### **3.5 Sampling Technique**

An unbiased random selection of individuals is important in this study so that in the end the sample represents the population conceptually. Simple Random Sampling method was therefore used to get the sample size of 100 from the population of 400. This method was used because it assigns equal probability to each unit of the population to be included in the sample.

It is the simplest of the probability sampling techniques and its simplicity makes it relatively easy to interpret collected data. It is also free of classification error and it requires minimum knowledge of the population other than the frame.

For completeness and consistency of responses, data coding and entry as well as tabulation techniques were used for easy analysis.

### **3.6 Sample Size Determination**

The sample size of one hundred (100) was arrived at taking into consideration the extent of variability in the population, time constraints and framework within which the study was to be completed and submitted and also the confidence in the inference made.

### **3.7 Data Collection Tools**

As stated earlier, a sample of one hundred (100) respondents was used and data was collected by means of structured questions that were self administered and personal interviews. Structured questionnaires were used to reduce cost, save time and avoid prejudice.

The first five (5) questions detailed personal information of the respondent. The rest centered on issues related to employee involvement and its impact on the organization. The questions comprised closed and open-ended questions. The open-ended questions were used when it became necessary for respondents to provide additional information.

### **3.8 Data Analysis**

Miles and Huberman (1994) define data analysis as consisting of three concurrent flows of activity that is data reduction, data display and a conclusion drawing/verification part.

Data analysis can also be said to be a process of inspecting, cleaning, transferring and modeling data with the goal of highlighting useful information, suggesting conclusion and supporting decision-making.(internet)

### **3.9 Area and Scope of the Study**

Merchant Bank (Ghana) Limited was chosen as the organization to investigate because the bank over the last few years has been through some trying times but has still come up strong in spite of all the upheavals and also for the reason that it is a solely Ghanaian owned bank and has been in existence since 1971. It is thirty-eight (38) years old and is managed solely by Ghanaians with no foreign influence.

### **3.10 Profile of study Organization - Merchant Bank Ghana Limited**

Merchant Bank (Ghana) Limited was incorporated in June 1971 and certified to commence business in December 1971. It opened to the public in March 1972 and became the premiere merchant bank in providing advisory and financial services to a substantial and diverse client base including the government, corporations, financial institutions and high net worth individuals.

The bank has since taken advantage of the opportunities offered by the introduction of Universal Banking Business in Ghana and has fully developed all three areas of universal banking namely; Retail, Corporate and Investment.

The bank has over 30 years of existence achieved a lot, notably amongst which are: Corporate Initiative Ghana Awards for Best Bank Customer Service, Best Bank Short Term Financing, Best Bank Long Term Financing 2004. Corporate Initiative Ghana

Awards for Best Bank in Trade Finance, Best Bank Advisory Services and Best Bank in Product Innovation in the year 2005. The Bank has two wholly owned specialized subsidiaries namely Merban Investment Holdings Limited and Merban Stockbrokers Limited.

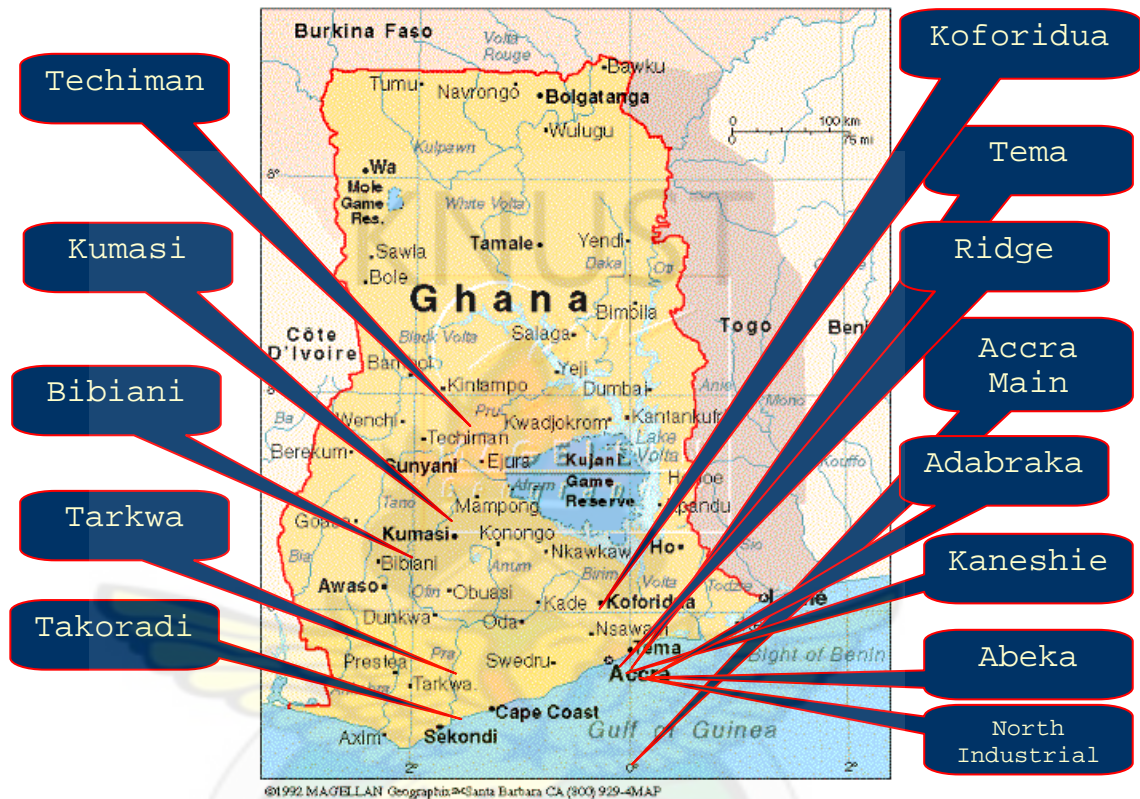
Merban Investment Holdings Limited deals in Funds/Portfolio Management, Money Market Operations, Investment Advisory Services, Trustee Services and Custodial and Nominee Services whilst Merban Stockbrokers Limited deals in Brokerage Services, Underwriting of new Issues, and Investor Search & Joint Venture Arrangement.

The branch network of Merchant Bank currently stands at twenty-three (23) in different regions and these are networked making it possible for customers to transact business in whatever branch they may find themselves.

The branches are Accra Main, North Ridge, Adabraka, Kaneshie, Abeka Lapaz, North Industrial Area, South Industrial Area, Abossey Okai, Achimota and Osu branches all in Accra. Tema Main and Tema East are in the Tema Metropolis and the others are in Kumasi, Bibiani, Techiman, Konongo, Koforidua, Asafo Market, Bantama, Adum, Tarkwa and Takoradi.



Below is a map of Ghana indicating where some of the branches are located in the various regions.



Source: Field Report June 2009

In order to achieve the purpose, exploratory and explanatory research methods were used by employing a qualitative approach. This type of approach enabled the researcher to obtain detailed information how employees felt their involvement in organizational decision-making will impact on the upholding and implementation of decisions arrived at.

## **CHAPTER FOUR**

### **4.0 DATA PRESENTATION, DISCUSSION AND ANALYSIS**

#### **4.1 Introduction**

This chapter covers the analysis and the interpretation of the various data collected through the use of questionnaires and interviews. In order to be able to assess and appreciate the effect of employee involvement, interviews were conducted with key informants of the organization being the Head of Human Resource and the Chairman of the Workers' Union.

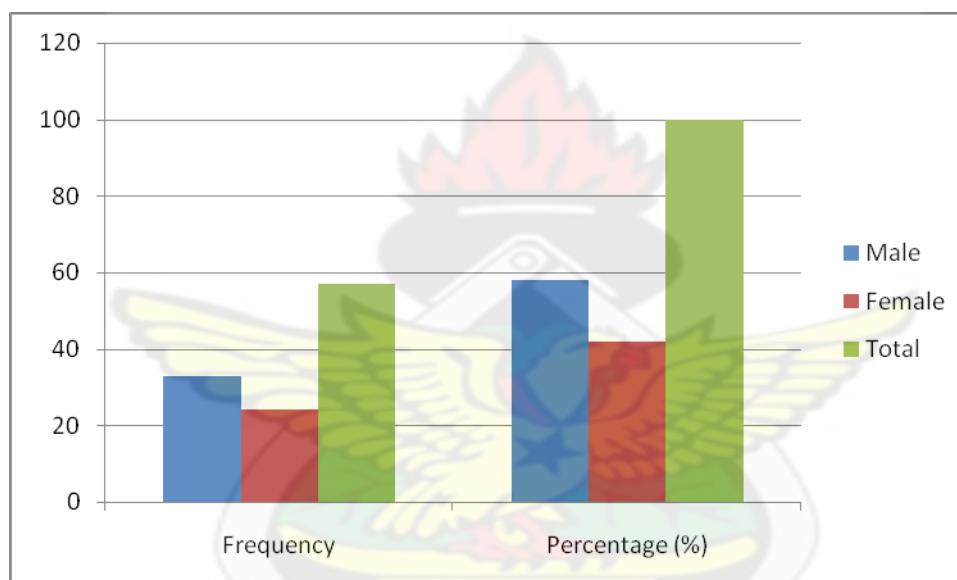
The interview was designed to assist in understanding the forms of employee involvement and participation in decision-making and to find out if it was beneficial to involve employees in the decision making process and not to audit the management practice at the organization. Another set of questionnaire was administered to randomly selected members of the general staff.

One hundred questionnaires were distributed to respondents who were randomly selected across branches of the organization and 57% were retrieved. The questionnaire consisted of seventeen (17) questions. Below is an analysis of the collected data.

## 4.2 Socio Demographic Characteristics of Respondents

**Table 4.1 Gender of Respondents**

Gender	Frequency	Percentage (%)
Male	33	58
Female	24	42
Total	57	100



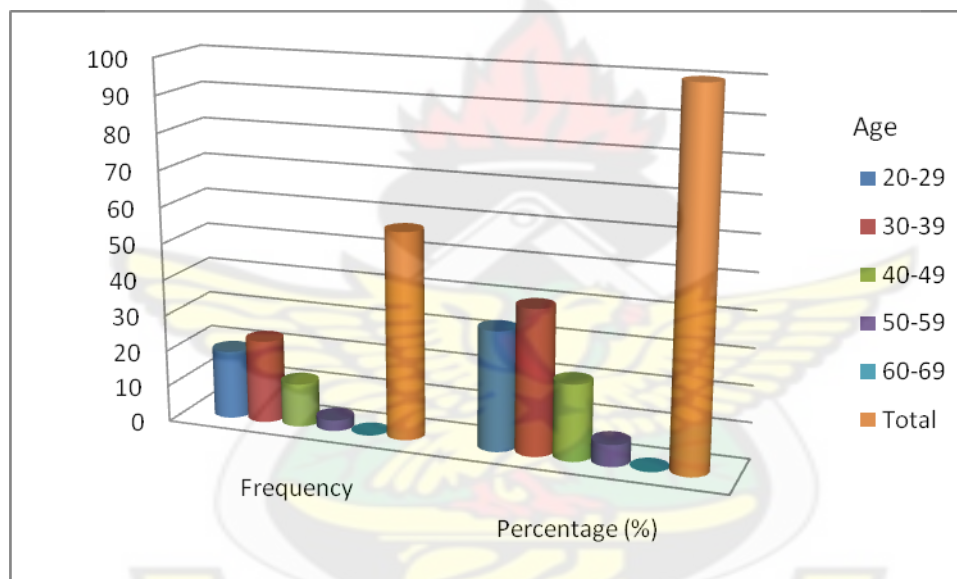
*Source: Field Report June 2009*

### 4.2.1 Gender of Respondents

Table 4.1 above depicts that 58% and 42% of respondents of male and female respectively answered the questionnaires distributed.

**Table 4.2 Age Distribution of Respondents**

Age	Frequency	Percentage (%)
20-29	19	33
30-39	23	40
40-49	12	21
50-59	3	6
60-69	0	0
Total	57	100



*Source: Field Report June 2009*

#### **4.2.2 Age of Respondents**

The 30-39 year group constituted 40% of respondents and was the highest number of respondents followed by 20-29 years with 33% and then the 40-49 year group which made up 21% of the respondents. The lowest number of respondents was within the 50-

59 year group which constituted 6%. From the pattern that emerged, it can be said that majority of employees are young adults.

**Table 4.3 Educational Level**

Level of Education	Frequency	Percentage (%)
Post Graduate	22	52
University	30	38
Advance Level	2	4
Ordinary Level	2	4
Senior High School	1	2
Total	57	100

*Source: Field Report June 2009*

#### **4.2.3 Educational Level of Respondents**

From Table 4.3, 52% of respondents hold post graduate degrees whilst 38% hold first degrees. The Advance and Ordinary Level category make up 4% each and 2% is made up of the Senior High School Certificate level. It shows from the Table above that majority of the employees are highly educated making a total of 90% of the total number of respondents.

**Table 4.4      Years of Service**

<b>No. of Years</b>	<b>Frequency</b>	<b>Percentage (%)</b>
1 – 5	36	63
6 – 10	11	19
11 – 15	3	5
16 – 20	4	7
21 – 25	2	4
26 – 30	1	2
Total	57	100

*Source: Field Report June 2009*

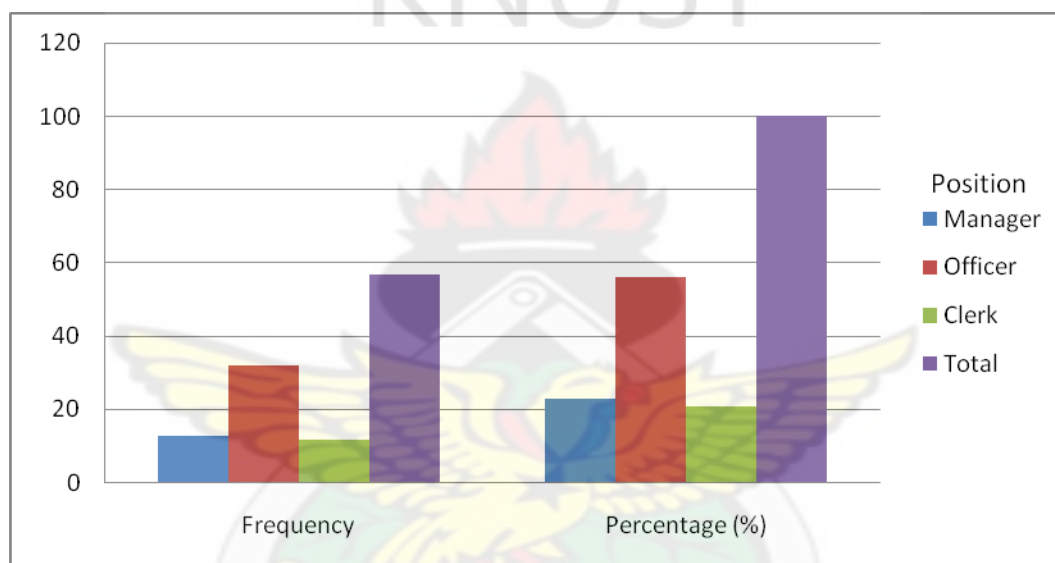
#### **4.2.4    Years of Service in the Organization**

According to respondents, their length of stay in the organization ranged from a minimum of 1 year to a maximum of 30 years. Thirty-six respondents making up 63% of the total has been in the service of the organization between 1-5 years. From Table 4.4 above, majority of respondents fell between the 1-10 years range forming a total of 82%. The rest of respondents fall in the category of 11-30 years. The longest serving respondent fell in the 26-30 years category.



**Table 4.5 Position of Respondents**

Position	Frequency	Percentage (%)
Manager	13	23
Officer	32	56
Clerk	12	21
Total	57	100



*Source: Field Report June 2009*

#### **4.2.5 Position of Respondents**

As has been indicated in Table 4.5 above, 23% of respondents were managers. However, majority of respondents fell in the officer grade making up 56% with clerks making up the 21% to make a total of 100%.

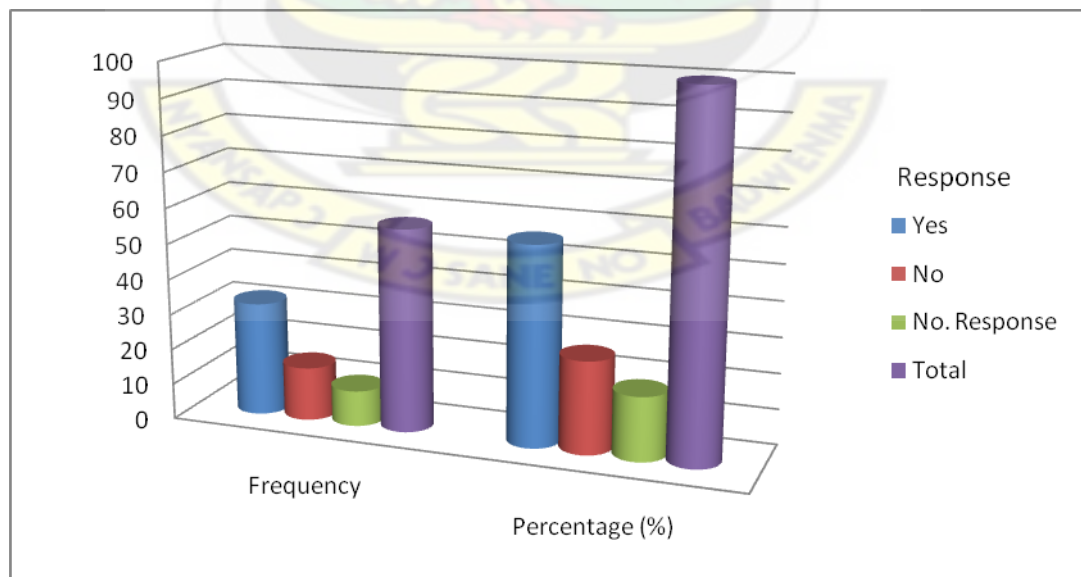


### 4.3 Employee Involvement or Participation in Decision-Making

To determine the above study objective the following questions were asked. *‘Do you think involving employees in decision-making would contribute effectively to the implementation of decisions arrived at by Management?; If employees are involved in the decision-making process, would it lead to acceptance of these decisions by all; and Do you believe that employee participation will make employees ‘own’ the organization and have a sense of belonging’?*

**Table 4.6 Involvement of Employees in Decision-Making**

Response	Frequency	Percentage (%)
Yes	32	56
No	15	26
No. Response	10	18
Total	57	100



Source: Field Report June 2009

From Table 4.6 above, 56% of respondents answered they were involved in decision making, 26% said they are not and 18% did not answer. 96% of respondents are of the view that employee involvement would contribute effectively to the implementation of management decisions while 4% said it would not. This reflects that majority of the people in the organization under study are involved in decision-making in one way or the other

Reasons given by respondents who answered 'yes' to the question were that it makes employees feel a part of the organization and gives them a sense of belongingness which leads to ownership of the decisions taken. When this happens, there is the preparedness and willingness to put in all effort needed to make the implementation of the decisions work. Morale is boosted and it aids in acceptance and the successful implementation of decisions. There is shared responsibility and commitment to ensuring that implementation is thorough and there is better understanding of the impact of the decisions taken.

Other reasons given are that since the decisions would be implemented mostly by the shop floor, involving them helps to identify operational risks and loopholes early and solutions are found to counteract anything that would have been disastrous.

The Union Chairman intimated in his interview that employee involvement builds consensus as different views are heard and the best solution is selected. Consensus

building leads to ownership and commitment in the achievement of organizational goals.

He said when workers are left out of this process, they feel that policies are being imposed on them without any recourse to them and they feel slighted and become hostile as they feel they are being “used” and would therefore resist even though the policies may be for the benefit of all.

When employees are allowed to participate in decision-making, it would lead to a feeling of acceptance, belongingness and a sense of ownership will come about which would ultimately lead to an increase in productivity.

All the above reasons buttress what Apostolou (2000) wrote that “when employees ‘own’ the organization, they feel personally responsible for its performance and by involving people in the initial processes of decision-making, genuine commitment is obtained even if the original ideas are not theirs”.

He stated further that organizations that involve their employees in decision making have evolved beyond merely telling people what is going on, to actively seeking their contribution to the decision-making process.”

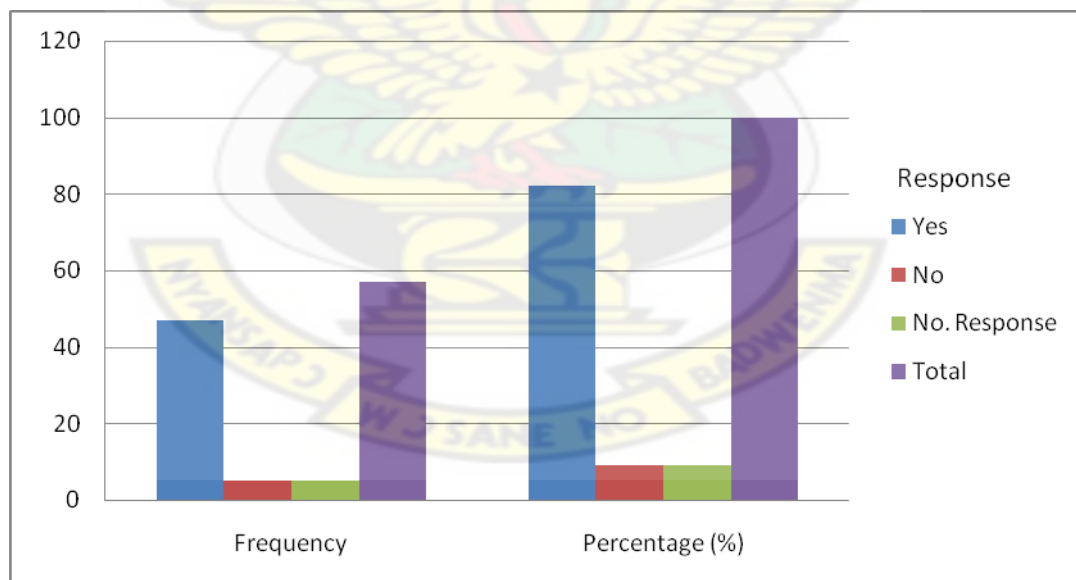
Those who answered in the negative gave reasons that involving employees in the process will delay the decision-making process unduly as there may not be a general

understanding and appreciation of the consequences and effect of the decisions leading to a situation where time and resources would have to be spent to explain issues.

They went further to say that when employees are involved, management would not own up to lapses that may arise in implementation and would attribute it to the workers. Management should therefore be allowed to make the decisions and held responsible when goals are not realized.

**Table 4.7 Employee acceptance of decisions**

Response	Frequency	Percentage (%)
Yes	47	82
No	5	9
No. Response	5	9
Total	57	100



*Source: Field Report June 2009*

82% of respondents said that decisions would be accepted by all if employees are involved in the process, 9% do not believe it would and another 9% did not respond. It

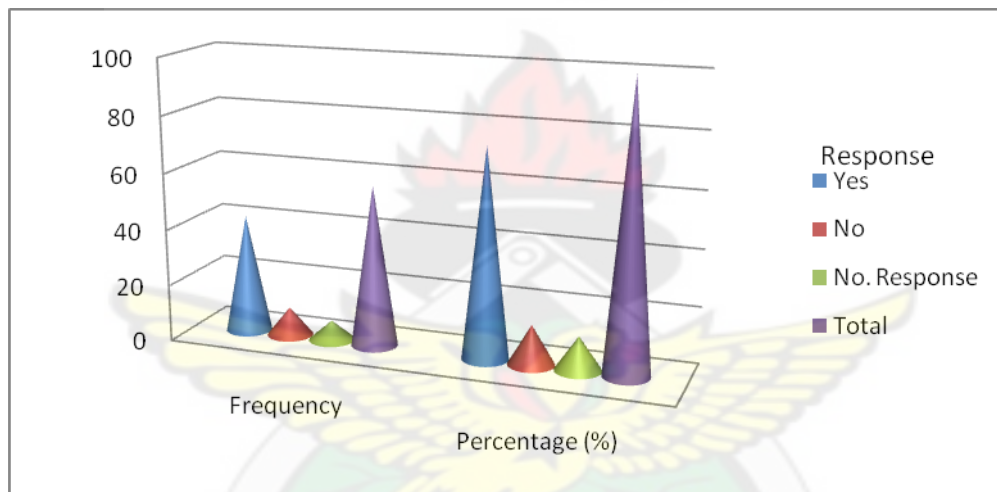
can be observed from Table 4 .7 that employees will accept decisions made when they know they have participated in the process and therefore have a responsibility to see to its success.

Lawler (1986) wrote that employee involvement is a stronger driver of financial performance than Total Quality Management or Re-engineering. This he said if well implemented, builds employees in as business partners so they know more and do more to make the organization successful, particularly in industries where the human component is important.

From Table 4.8 below, 74% of respondents agree that participation in the decision-making process will lead to ownership and belongingness which will translate to acceptance and create the atmosphere for a well oiled implementation process. Even though 14% of respondents responded in the negative and 12% did not respond, it has been indicated from the data that majority are of the opinion that involvement in the decision-making process would yield positive results.

**Table 4.8 Participation will lead to ownership & belongingness**

Response	Frequency	Percentage (%)
Yes	42	74
No	10	14
No. Response	7	12
Total	57	100



*Source: Field Report June 2009*

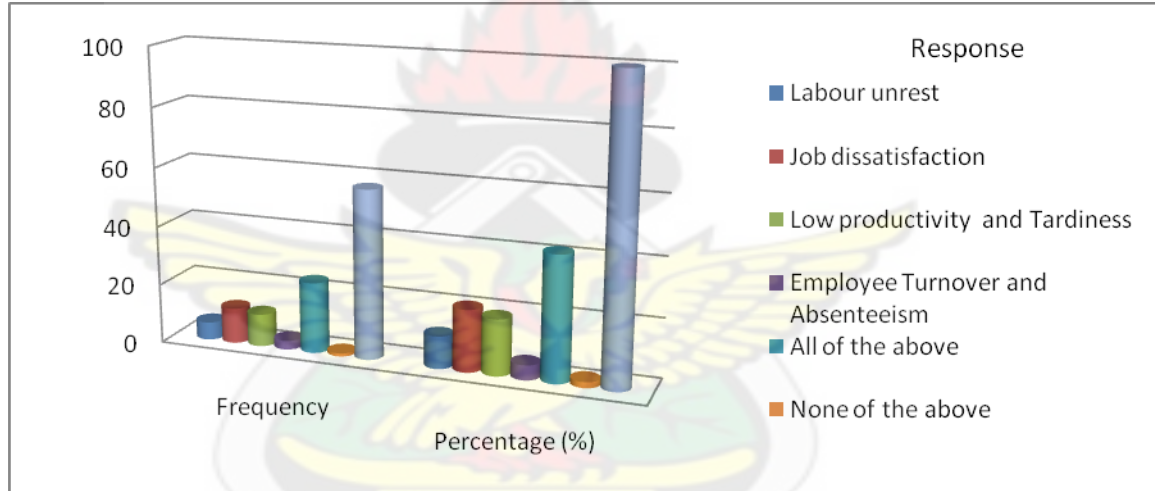
#### **4.4 Consequences of Low Employee Involvement**

To achieve the above objective, the following questions were asked:

*“What would non-participation of employees in decision-making lead to in organizations; In your opinion would involvement and empowerment of employees lead to a change in work attitudes; Would they be positive or negative? Briefly explain were questions asked to ascertain the consequences of low employee involvement.*

**Table 4.9 Consequences of low employee involvement**

Response	Frequency	Percentage (%)
Labour unrest	6	11
Job dissatisfaction	12	21
Low productivity and Tardiness	11	19
Employee Turnover and Absenteeism	3	5
All of the above	24	42
None of the above	1	2
Total	57	100



*Source: Field Report June 2009*

As indicated in Table 4.9, 11% of respondents said the impact of low employee involvement in decision-making would lead to industrial unrest, 21% said it would lead to job dissatisfaction, 19% said it would lead to low productivity and tardiness while 5% said it would lead to employee turnover and absenteeism. 42% said it would lead to all of the above mentioned and 1% said it would lead to none of the above mentioned as shown in Table 4.9 above.



Vandenberg et al (1999) also highlights this when they wrote that an organization may have most written policies concerning involvement, and top management may even believe it is being practiced, but these policies and beliefs are meaningless until the individual perceives them as something important to his or her presence in the organization.

Bloom (2000) wrote that there is a widespread philosophical belief in the United States that people have a right to be involved in making decisions that affect their lives and this is matched by a belief that people who are involved in making decisions have a greater stake in carrying out those decisions than those who are not involved.

Ninety-eight per cent (98%) said employee involvement would lead to a change in work attitudes whilst two per cent (2%) answered it would not lead to any change. From the data collected, it came to light that involvement of employees would bring about a sense of ownership and commitment which will in turn raise the level of responsibility and morale making it incumbent on employees to play active roles to ensure successful implementation of decisions.

When employees are not involved, there is no complete sense of appreciation of issues and accountability which will in the end make the organization suffer when goals and set objectives are not met. Respondents also said non involvement restricts and restrains them from taking decisions that would lead to effective and efficient service

delivery. Frustrations set in making it difficult for progress in innovation and value added activities.

Lawler (1996) also wrote that “employee involvement is expected to lead to increased product or service quality, greater innovation, stronger employee motivation, lower costs but a higher speed of production, and lower employee absenteeism and turnover” which also highlights the positive impact of employee involvement.

#### **4.5 Ways to involve employees in decision-making**

Respondents were asked if empowerment would be achieved by the organization providing the requisite training, tools and management support that enables effective functioning as a worker and whether the impact would be positive or negative. They were also asked if they were delegated with the necessary authority to play their roles and its impact on performance and whether the provision of the requisite training and tools as well as management support will enable effective functioning of roles and the performance of duties.

Respondents gave various reasons for the impact of delegation of authority. They said it leads to responsiveness, accountability, reduces bureaucracy, aids in the effective and efficient discharge of duties leading to an improvement in turnaround time. It enables employees to have a fair understanding of issues and have the needed backing and support to carry out assigned roles.

This confirms what Apostolou (2000) wrote that employees who have been trained, empowered and recognized for their achievements see their jobs and their companies from a different perspective.

Delegation of authority they said would make employees more diligent since they know they will be held accountable and would equip them to be more innovative and build a strong sense of self-confidence which would ginger them to tackle challenging situations.

For those respondents who said they were not delegated with the needed authority, the impact was negative as it restricts and restrains them from taking decisions that in their opinion would have aided them to offer prompt services.

This they said most often leads to frustrations and makes it difficult to progress in terms of innovation and value added activities. Another reason given is that it makes employees to be mechanical because no initiative would be taken on their part and abilities and potentials are not realized.

## 4.6 How employees can be involved and its result

4.6.1 Respondents were asked to indicate the importance they attached to decision-making tools such as communication of information about the organization, involvement through self-managed teams, participation and input into assessment tools, involvement in product development and having feedback on actions taken and the benefits that would accrue to the organization.

**Table 4.10 How employees can be involved**

Response	Not so important %	Somehow important %	Might be important %	Very important %	Extremely important %	No response %
Communication of information about the organization			2	35	61	
Involvement through self-managed teams			21	28	47	4
Participation and input into assessment tools				51	30	19
Involvement in product development		4	5	46	42	4
Having feedback on actions taken				18	79	3

*Source: Field Report June 2009*

The employees were of the view that involvement through the communication of information about the organization is extremely important as indicated by 61% of respondents. 35% responded that it is a very important decision making tool and 2% of the respondents brought up the suggestion that communication of information about the organization might be important.

The study also revealed that self-managed teams, another decision making tool would be welcomed by employees as a way of involvement. 47% of respondents said it is very important as a decision-making tool whilst 28% said it is extremely important. 21% of respondents suggested that involvement through self-managed teams might be important whilst 4% were indifferent.

More than half of respondents, that is 51% were of the view that participation and input assessment tools is very important in decision-making. This they said would bring about improvement because employees would be aware of the modalities for evaluation and since everyone wants to score high ratings, they would always be on guard to do what is right and expected of them. 30% of respondents indicated that participation and input into assessment tools is extremely important in decision making whilst 19% were indifferent.

Respondents exhibited different views when they were asked to indicate their opinion whether involvement in product development is important in decision-making. 46% said it is very important whilst 42% said it is extremely important. They attributed it to

the fact that employees will be able to use that avenue to air their opinions and that of customers to meet their expectation and delight.

This would be go a long way to reduce situations where products would have to be withdrawn and redesigned because it does not cater fully for consumers of the product and would save a lot of costs associated with withdrawal and redesign. 5% of respondents indicated that it might be important, 4% said it is somehow important and another 4% did not respond.

79% of respondents were of the view that having feedback on actions taken is extremely important. However, 18% were of the view that having feedback on actions taken is very important and 3% were indifferent.

**Table 4.11 Organizational Benefits**

Response	Frequency	No response	Percentage (%)	Total
Commitment to organizational goals		28	72	100
Increased productivity		33	67	100
Improved performance		46	54	100
Job satisfaction		21	79	100
Better communication		49	51	100
Low turnover		76	24	100

*Source: Field Report June 2009*

Responding to what kind of benefits would organizations enjoy from employee involvement, 41% of respondents indicated that commitment to organizational goals is one of the benefits an organization achieves. 28 percent of respondents were indifferent. Increased productivity is attainable was the response of 67% of respondents whilst 33% were indifferent.

Improved performance and job satisfaction were also mentioned as benefits. 54% of respondents indicated that improved performance and 49% were for job satisfaction. 46% and 21% respectively did not respond.

According to the data collected, when employees are satisfied on the job it automatically translates into improved performance because the feeling of satisfaction creates room for the employee to work very well even under extreme conditions to achieve a target without grumbling.

In response to better communication as a benefit of employee involvement in decision making, 51% indicated that it was beneficial whilst 49% were not in favour. Even though the margin between the two opinions is not large, better communication leads to efficiency because employees can make informed decisions in their daily operations.

However, when employee were asked whether low turnover is one of the benefits an organization will gain when employees are involved in decision making, 24% said yes whilst 76% did not select it.



These highlights what Lawler and others wrote when they identified four key strategies whose nature and location in the organization are central issues for governance in all organizations and largely determine the nature and degree of participation available to employees. They mentioned these as:

1. Information sharing about business performance, plans, goals, and strategies about new technologies and competitor's performance
2. Knowledge development and training
3. Rewards and recognition systems
4. Power sharing, particularly in decision-making

#### **4.7 Interview with Head of Human Resource**

The Human Resource Department of every organization is the hub of all employee issues and it is in this light that the researcher thought it prudent to interview the Head of Human Resource to seek Management's view on employee involvement in decision-making how it pertains to the organization.

##### **4.7.1 Forms and extent of Employee Involvement**

The Human Resource manager in reply to the question whether Merchant Bank (Ghana) Limited believes in the concept of Employee Involvement answered that Management of Merchant Bank believes in the concept. He said it is not mere rhetoric but it is

actually practiced at various levels and management has a listening ear to suggestions that it receives through such activities.

In some cases where the intentions of management is not clearly understood by staff, the services of Consultants are engaged and staff members are given the opportunity to attend workshops organized by these consultants so that they have first hand interaction with them and get a full and clear understanding of management's intent on some decisions that it takes.

He said some forms of employee involvement in decision making are Joint Negotiations, Collective Bargaining, Disciplinary Committees, Durbars, Workshops, among others. Through these activities, management gets to know of how staff are reacting to decisions it has taken or intends to take and these helps them in making informed decisions.

He went on to explain that employees are involved at various levels all the way to the top when the need arises. At management level, however, there is no formal representation on the Board but the opportunity is available for the Head of any department or the Union chairman to sit in on management meetings to discuss issues that affect the workers and the work.

Other avenues that management explores include meeting staff at their branches and departments to talk through thorny issues that arise in the implementation of decisions taken.

Employees are not directly involved in corporate and management decision making when the question to what extent are employees involved was posed. He said, however, that when such decisions are made and they do not go down well with staff, both formal and informal methods are used to find out employees' views and opinions. This is factored into readjustments to reach a compromise to enable a smooth implementation of the decisions with all parties deriving satisfaction from the process so that there is a win-win situation.

#### **4.7.2 Channels of Communication in Employee Involvement**

The Head of Human Resource said channels of communication instituted by the organization to reach employees and receive feedback are various among which are In-house journals that comes out quarterly and to which employees contribute, an intranet site where events, photographs and other activities, formal and recreational are posted for the information of staff.

The email is also another channel through which information is passed on to staff. For feedback, the channels used are durbars when the need arises, monthly departmental staff meetings where issues are discussed and problems are brought to the fore and the

departmental heads bring these to the attention of management through their zonal managers.

In answer to the question of how often does management meet with employees as a general body and also representatives of the workers, the Human Resource manager pointed out that this is not often and regular. However, when issues arise due to some decisions that have been taken by management and there is the need to clarify certain aspects of it, these are mainly done through the email for fast transmission because of the nature of the business with branches spread out over the country.

In other instances, management and the union executives travel to the various branches to meet the staff face-to-face to hold discussions and hear their views. Sometimes feedback is sent to staff through their departmental and unit heads.

He responded that employees view durbars as a channel of involvement because at such gatherings, the opportunity is available to all present to air out their opinions, views, grievances, frustrations and make suggestions to overcome these in answer to the question if employees view durbars as a channel of involvement

He went further to say that it is also an opportunity for management to have face-to-face interactions with staff, get to know them better and this acts as a catalyst for a better future relationship.

#### **4.7.3 Benefits of Employee Involvement**

When asked whether benefits can be derived or have been derived from employee involvement in decision making he said yes. According to him, it is at the shop floor that there is face-to-face interaction with the customer and their complaints and appreciation of the service being rendered is made known.

By involving employees, ideas and efficient ways of satisfying and delighting the customer through service delivery can be brought to the notice of management and problems can be nipped in the bud and others curbed.

Some other benefits derived are ownership of the organization by employees. When there is ownership, every thought and action is geared towards the success of the organization to the point where when situations demand that employees sacrifice and go the extra mile to achieve an object and get something accomplished, this is accepted willingly and wholeheartedly without and grudges. With such understanding and attitude, the spirit of accountability, innovativeness and a sense of belongingness are kindled with its attendant benefits.

#### **4.7.4 Policy and Strategic Decisions**

The question, should workers be consulted on only matters that affect their welfare and policy and strategic decisions the preserve of management was posed and the Human Resource Manager answered in the affirmative.

Policy and strategic plans are technical issues and there is the need for those with the requisite knowledge, skills and attitudes and have an understanding and appreciation of the magnitude of implications and repercussions should something go wrong that should be allowed to handle such.

Policy crafters and strategic planners must understand the intricacies and nitty-gritty of running an organization and be fully aware of the depth of the competition that one is up against to be able to make informed decisions in that regard.

Majority of workers generally do not possess the skills and expertise required in policy formulation and strategic planning but he was quick to add that ‘everybody has something to say and offer if given the opportunity’ and that through informal discussions with staff their thoughts can be picked on certain issues that may be insightful and aid in the taking of some decisions.

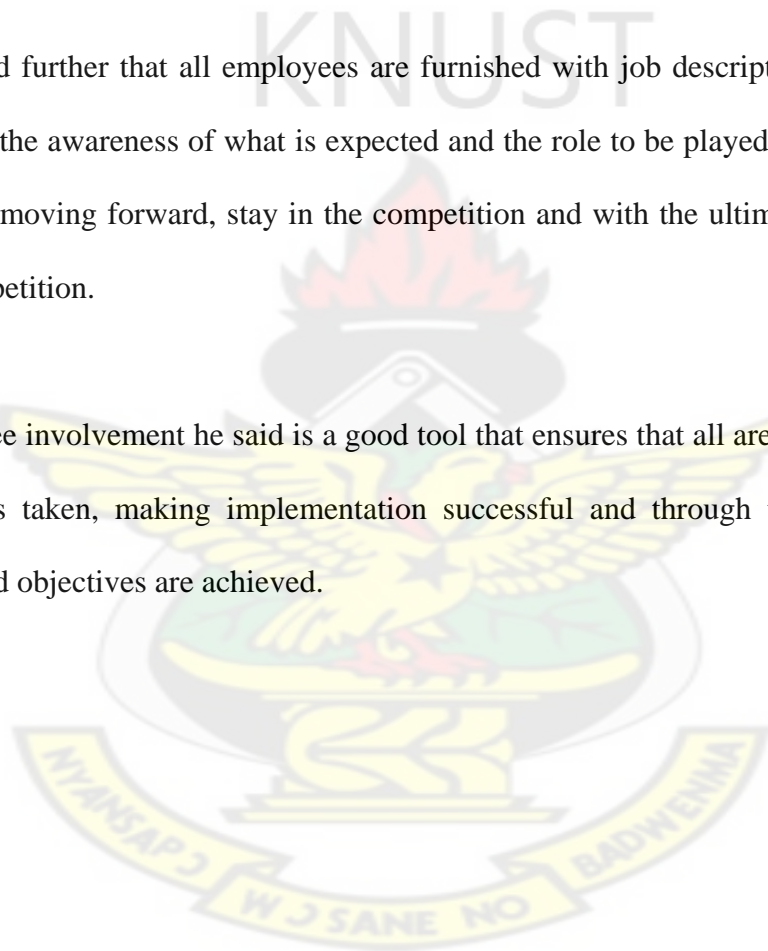
#### **4.7.5 Worker Participation**

In answer to the question whether Merchant Bank’s operations easily lend itself to worker participation, he answered yes. He explained this to be that daily meetings are held at departmental and unit levels each morning and at month end too. These are platforms made available so that grievances and ideas can be aired out and solutions found as early as possible.

He said Sectional Heads meetings are also held to discuss the challenges employees face in the day-to-day performance of their duties and also to ensure that the best practices are applied and to ensure that there is uniformity in the operations of the organization no matter where an employee may find him or herself to be able to easily fit and flow without and problems.

He stated further that all employees are furnished with job descriptions and schedules creating the awareness of what is expected and the role to be played in the organization to get it moving forward, stay in the competition and with the ultimate goal of beating the competition.

Employee involvement he said is a good tool that ensures that all are fully committed to decisions taken, making implementation successful and through this, organizational goals and objectives are achieved.





## **CHAPTER FIVE**

### **5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter focuses on the findings, conclusion and recommendation relevant to the problems identified in the research.

#### **5.2 Summary of Findings**

The research sought to assess the impact of employee involvement as an effective management tool in decision-making in organizations by seeking the views of Management, Union and the general staff body. Elicited responses from all the three groups point to the fact that it is a good thing to practice and also that there are benefits to be gained from employee involvement in that the impact of such practice on implementation of policies would be highly positive.

Though it was revealed from the research that non-involvement of employees could lead to some sort of employee dissatisfaction, it would not lead to a high rate of employee turnover or industrial strikes for that matter.

### **5.2.1 Employee Involvement or Participation in Decision-Making**

It emerged from the research conducted at Merchant Bank that majority of employees are involved in decision-making in one way or the other. They intimated that employee involvement contributes effectively to decision implementation and creates an atmosphere for belongingness and ownership of the organization.

It is a tool that promotes a win-win situation bringing about the realization that everyone is a stakeholder and therefore has to ensure that organizational goals are achieved for the benefit of all.

It came to light that the employees felt that their involvement in the decision-making process has also brought about a change in work attitudes and this experience motivates and boosts their morale which has awakened a sense of responsibility for assigned tasks and room for innovation and creativity.

### **5.2.2 Consequences of low employee involvement**

The employees felt that the consequences of low employee involvement are grave for any organization as it could lead to low productivity as a result of job dissatisfaction and even employee turnover though this may not be on the high side but some very

good employees can be lost as a result of this. When this happens, an organization tends to spend a lot of money on recruitment and training.

Some organizations become training grounds and recruitment centers for other organizations in the same industry in that they employ people, train them but because the staff do not have any sense of belongingness as a result of non participation in decision-making, they may leave or be poached by others. It does not help an organization to move forward in such circumstances.

### **5.2.3 Ways to involve employees to improve organizational performance**

From the survey employees must be involved in the decision making process and also given the needed authority to be able to carry out their responsibilities to be effective and efficient.

Majority of the employees were of the opinion that one critical and essential contributor to a positive workplace environment is marked by a sense of mutual respect and that is when employees are satisfied with their involvement in matters that affect their welfare in the office; especially when it is the place where they spend the best part of the day as well as their lives. To put it simply, people who are affected by a decision should have a voice in that decision-making process.

Communication, from the research is one of the vital methods of any relationship and has been observed to lead to a cohesive and effective means of accomplishing

organizational goals. The initiative of ‘owning’ on the part of the employees would lead to a positive working environment as well as create and provide for nurturing and maintenance of such environment. It would encourage employees to identify and own the solutions to their problems.

Leadership is another method of enhancing employee empowerment as it emerged from the survey. It provides avenues to encourage and mentor employees who show leadership skills and abilities to sharpen and hone those skills for the benefit of all.

The objective then is to create an environment where employees would not only have the fulfillment and benefit of their own strengths, but as members of a team, ensure that they become effective and contributing members of the organization.

By deliberating with employees on pertinent staff issues which are very touchy and emotional hinging on raw nerves bordering on the possibilities of strike actions and its attendant repercussions on the fortunes of the organization in an “we understand your plight but we need to discuss matters in a win-win scenario” will go a long way to avert such unhealthy and destructive actions.

### **5.3 Conclusion**

It can be concluded from the study undertaken that employee involvement as a management tool in decision-making in organizations would positively impact the

fortunes of any organization that practices it. It makes employees feel more responsible for their actions and see themselves as stakeholders who must do all in their power to ensure that decisions are implemented well for the benefit of all. This would ensure that the organization prospers and lives on for generations to come so that the forerunners can look back and feel satisfied that they contributed to the nurturing and growth of the organization.

Involvement of employees in decision making may be low when knowledge, skills and abilities on specific matters are needed to arrive at a decision. When employees lack these needed skills, involving them would make the decision-making process rather long and cumbersome leading to delays.

## **5.4 RECOMMENDATIONS**

### **5.4.1 Employee Involvement or Participation in Decision-Making**

It was found from the research that involving employees in decision-making would contribute effectively to the implementations of decisions. A recommendation is being made based on the above that the views of employees should be sought on matters that affect their lives and work in the organization as this would lead to an increase in productivity and would create an atmosphere of harmony and belongingness. When this happens, employees would be willing to give off their best in all situations to see to the progress of the organization.

Employees should be continuously briefed on all issues which affect the organization and its workers. Information must be communicated in such a way that all employees no matter the level is aware of what is going on in the organization at any particular point in time.

This can be achieved by holding regular meetings at the departmental level to discuss issues and at that level every employee should given an opportunity to air their views and make suggestions on how to make their work procedures efficient and effective.

There should be feedback on discussions held and where reports have to be sent so that everyone is abreast with what is going on in the organization. Occasional durbars should be organized where the whole staff body can meet to share ideas and talk generally about the organization.

#### **5.4.2 Consequences of Employee Involvement or Participation in Decision-Making**

It was found from the research that low employee involvement in decision-making would not lead to a high employee turnover but rather to low employee commitment. Therefore, it is being recommended that employees should be involved by asking them to input ideas to appreciate the respective roles they play in decision implementation.

It is important that they should have the requisite knowledge, skills and ability to play their roles effectively and so training should form an integral part of their working life in the organization. They should be made to understand that their contributions to decision-making process comes in various and different ways and not necessarily through sitting in on meetings.

The consequences of high employee involvement are numerous. It is a morale booster and makes room for better understanding of decisions and their impact therefore leading to acceptance of decisions with a responsibility to see to their successful implementation.

It makes employees play active roles and leads to positive work attitudes with commitment to organizational goals and increased productivity

#### **5.4.3 Ways to involve employees to improve organizational performance**

Another way to involve employees and increase organizational performance with regard to the finding that having authority is also important is to increase flexibility. When flexibility is high through cross-training and teamwork, employees know about other schedules and can be innovative and do their personal best without being tied up in red tape. Why specific rules and procedures are in place should be explained and employees should be encouraged to explore alternative ways of doing things to get better and faster results.



Employees should also be given responsibility to own their outcomes both positive and negative and they should be allowed to make decisions appropriate at their level of authority without checking everything out with their bosses. They should be coached to plan and manage their time well and encouraged to see their fellow workers as team members and resources for help.

There should be clarity where employees are made to understand the big picture about the company's goals and strategies and understand how their own function and job fit into the scheme of things and the spirit of should be team commitment should be built.

Commitment and ownership come about when people have a stake in whatever is going on and so would want to carry it through. People are committed when they care and want to achieve something. It is therefore recommended that brainstorming workshops which would help people to think through the practicality of ideas and negotiating with others a result which is acceptable to as many people as possible is encouraged.

When these attributes are practiced in an organization, it will lead to commitment and ownership of organizational goals and improved performance which will culminate into increased productivity and eventually the bottom line which every organization aspires to achieve.

There are real impediments to achieving what every organization would like to achieve but if care is taken and quality time is dedicated to establishing, implementing and

evaluating potential strategies and as much energy is put into staff issues, there will be a change in organizational culture that will be beneficial to all parties.

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## Appendix A

### **PROJECT TOPIC: EMPLOYEE INVOLVEMENT AS AN EFFECTIVE MANAGEMENT TOOL IN DECISION-MAKING: A CASE STUDY OF MERCHANT BANK (GHANA) LIMITED**

Dear Respondent

This study is being conducted on the above topic for academic purposes and the researcher would be grateful if you could provide answers to the questions below.

Please note that the strictest confidentiality is assured with respect to answers given as facts are needed for academic purposes.

Please tick where appropriate

- 1) Sex:        Male (   )   Female (   )
- 2) Age: a) 20-29 (   ) b) 30-39 (   ) c) 40-49 (   ) d) 50-59 (   ) e) 60-69 (   )
- 3) What is your level of education?
  - a) Post Graduate (   ) b) University (   ) c) Advance Level (   ) d) Ordinary Level (   )
  - e) Senior High School (   )
- 4) How many years have you worked with your organization?
  - a) 1-5 (   ) b) 6-10 (   ) c) 11-15 (   ) d) 16-20 (   ) e) 21-25 (   ) f) 26-30 (   )
- 5) Position in your organization: a) Manager (   ) b) Officer   c) Clerk (   )
- 6) Are you involved in decision making in your organization? Yes (   ) No (   )

- 7) Do you think involving employees in decision-making would contribute effectively to the implementation of decisions arrived at by Management? Yes ( ) No ( )

Briefly explain

.....  
.....  
.....

- 8) If employees are involved in the decision-making process, would it lead to acceptance of these decisions by all? Yes ( ) No ( )

- 9) What would non-participation of employees in decision-making lead to in organizations? a) labour unrest ( ) b) job dissatisfaction ( ) c) low productivity ( ) d) tardiness ( ) e) employee turnover ( ) f) absenteeism g) none of the above ( ) h) all of the above ( )

- 10) Do you believe that employee participation will make employees 'own' the organization and have a sense of belonging? Yes ( ) No ( )

- 11) In your opinion would involvement and empowerment of employees lead to a change in work attitudes? Yes ( ) No ( )

- 12) Would they be positive or negative? Explain briefly

.....  
.....  
.....

- 13) Are you delegated with the authority required to fulfill your role within the organization? Yes ( ) No ( )

- 14) Does it impact positively or negatively on your work? Briefly explain



.....

.....

- 15) What benefits would organizations that involve its employees in the decision-making process enjoy a) Low turnover ( ) b) Increased productivity ( )  
c) Commitment to organizational goals ( ) d) Improved performance ( )  
e) Job satisfaction ( ) f) Better communication ( )

- 16) Does your organization empower you as an employee by providing the requisite training, tools and management support that enables effective functioning as a worker? Yes ( ) No ( )

- 17) Please indicate the level of importance that you attach to these decision-making tools.

	1	2	3	4	5
	Not so important	Somehow important	Might be important	Very important	Extremely important
Communication of information about the organization					
Involvement through self-managed teams					
Participation and input into assessment tools					
Involvement in product development					
Having feedback on actions taken					

**THANK YOU VERY MUCH FOR YOUR ASSISTANCE**

## Appendix B

### **EMPLOYEE INVOLVEMENT AS AN EFFECTIVE MANAGEMENT TOOL IN DECISION-MAKING: A CASE STUDY OF MERCHANT BANK (GHANA) LIMITED**

#### **INTERVIEW WITH HUMAN RESOURCE MANAGER**

1. Does MBG believe in the concept of Employee Involvement in decision-making?
2. Is it practiced?
3. What forms of Employee involvement are practiced in MBG
4. At what level do you think workers should participate in the decision-making and to what extent should they be involved?
5. What channels of communication are instituted by the organization to reach employees and get a feedback?
6. How often does management meet with employees as
  - a. A general body
  - b. A representative of the workers
7. Have any benefits been derived from or expected to be derived from involving employees in decision-making?
8. What are these benefits if any?
9. Should workers be consulted on only matters that affect their welfare and policy issues and strategic plans the preserve of management?
10. What is your understanding of worker participation in decision-making process?
11. In your estimation, is collective bargaining the most effective form of employee involvement?

12. What is your view on durbars, for a, suggestion boxes etc as a channel of communication in the involvement of employees in decision-making?
13. Would you say the nature of the organizations operations easily lend itself to worker participation at the management level.

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